

**SALEM LUTHERAN CHURCH TRUST FUND
ADOPTED POLICIES**

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I. ORGANIZATIONAL

A. Meetings

1. The Committee will meet quarterly in the months of:
February, May, August and November. (10-14-04, 10-30-07)
2. The Committee will meet on or about the Third Tuesday of the appropriate month. (02-13-90, 11-19-91, 11-11-97, 10-14-04, 11-29-16)
3. Committee members unable to attend a scheduled meeting must notify the Chairperson 24 hours in advance. Meeting attendance is required as a part of your committee responsibility. (11-11-97)
4. Special meetings may be called as deemed necessary. (10-30-07)

II. OFFICERS

A. Chairperson

1. The Chairperson shall call for and preside over all committee meetings. (10-30-07)
2. The Chairperson shall prepare the meeting agenda. (10-30-07)
3. The Chairperson shall represent the Trust Fund at other meetings as necessary. (10-30-07)
4. The Chairperson shall contact families as needed. (10-30-07)
5. The Chairperson shall prepare the annual report. (10-30-07)
6. The Chairperson may be the second signature on checks and other documents transferring or expending any funds or assets. (10-30-07)

B. Vice-Chairperson

1. See also various sections under “Financial” (Procedures for Receiving and Disbursing Trust Funds) in this manual. (10-30-07)
2. The Vice-Chairperson shall make timely bank deposits. In the absence of the Vice-Chairperson, any member of the Trust Fund, except the Treasurer, may be called to make the deposits. (2-12-91, 10-30-07)
3. The Vice-Chairman shall preside at meetings in the absence of the Chairman. (10-30-07)

This manual reviewed annually. Last update was November of 2017.

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C. Secretary

1. The Secretary shall take and prepare minutes of the Trust Fund Committee meetings showing all actions taken by the Committee. (10-14-03, 10-30-07)
2. The Secretary shall provide a copy of the minutes to each Trust Fund member within ten days of the meeting by either email or the Trust Fund mailbox at the church. (10-30-07)
3. The Secretary shall provide a copy of the minutes to the church secretary to be included in the packets of the Congregational Council. (10-30-07)
4. The Secretary shall provide a copy of the minutes to the Web-Master to be posted to church website. (11-29-16)
5. The Secretary may be the second signature on checks and other documents transferring or expending any funds or assets. (10-30-07)
6. The Secretary shall review/update the Adopted Policies during October of each year indicating any and all changes to the Adopted Policies. (10-14-03, 10-30-07, 11-29-16)
7. The Secretary shall provide the final copy of adopted policies to the church secretary and Web-Master. (11-29-16)

D. Treasurer

1. See also various sections under “Financial” in this manual.
2. The Treasurer is authorized to open appropriate bank accounts according to the rules of the Constitution and By-laws. (2-13-90)
3. The Treasurer will be the first signature on checks and other documents transferring or expending any funds or assets. In the absence of the Treasurer, the Chairperson or the Secretary may act in that position as necessary to accomplish the business of the Trust Fund. (10-30-07)
4. The Treasurer will disburse monies held in the line item “Endowment Pledge Disbursement Fund” at the beginning of July and the beginning of December, after the distribution of income, or as needed by the Church, the monies will be sent to the Church for deposit. (10-30-07, 11-29-16)

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E. Publicity Director

1. The Publicity Director will promote the Trust Fund as a giving opportunity for members of Salem and others who wish to make Unrestricted contributions to the ministry of Salem. (10-30-07)
2. The Publicity Director will seek ideas for projects to be financed by the Trust Fund, maintain a list of those projects once formal approval is obtained, and promote those projects through various mediums. (10-30-07)
3. The Publicity Director may be the second signature on checks and other documents transferring or expending any funds or assets. (2-19-08)

F. Selection of Officers

1. It is highly recommended members hold various offices as they serve on the committee. (11-29-16):
2. Members will assume their designated office at the February meeting. (11-29-16)

III. CRITERIA FOR SELECTING PROJECTS

PREFACE: The By-laws of Salem Lutheran Church provides the Congregational Council with the final authority for approving Trust Fund projects. To facilitate that process, to be fair and consistent, to assist in communications, and to focus diversified incomes to common goals, these criteria should be used. It would not be correct to assume that exceptions will never be made. (2-12-91, 10-14-03)

A. General Considerations

1. The committee encourages that ideas are presented before they are purchased. Otherwise, it is presumed that monies are available elsewhere. (2-12-91)
2. Wishes of Donors. (2-12-91)
3. Consistent with Mission of Salem. (2-12-91)
4. Projects should not cause Salem to expend funds in the operating budget, unless approved by the Congregational Council. (2-12-91)
5. Furnishings or equipment should complement the décor of Salem and be of good quality. (1-12-91)
6. Need. (2-12-91)

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B. Endowment Funds

1. Must be a project that is likely to be provided for many years. (2-12-91)
2. A Minimum of \$5,000.00 must be on hand to establish a fund. After the fund is established, additional monies in any amount may be added. If monies are designated as a Endowment Fund and are less than \$5,000, but at least \$2,000.00, the monies may be held as a Unrestricted Gift until the fund reaches \$5,000.00 and then be transferred to a Endowment fund. These monies would fall under the guidelines for Unrestricted Gifts after five years. (10-30-07)

C. Memorials and Unrestricted Gifts

1. Items not fully funded when approved as a project will be open to contributions from other memorials and Unrestricted gifts. (2-12-91)
2. Unrestricted Gift Funds may be limited to five year disbursement at which time unused monies will be placed either into Endowment Funds Disbursement Funds or Where Need is Greatest Fund, with considerations given to the Donors original wishes. (8-16-94, 11-29-16)

D. Administration

1. If a fund is created for a project, but there are not enough monies to purchase the desired item, or for projects that are completed in stages, monies may be held for three years. At that time, the donor(s) may designate other items or the Trust Fund Committee may designate the monies. (2-12-91)
2. If monies are left in a project after it is completed, the monies will be placed in the "Where Need is Greatest Disbursement Fund" category. (2-12-91, 11-29-16)
3. When the Congregational Council accepts a project, a coordinator will also be identified by the Council, who will see the project to completion, including purchasing, setup and implementation. The Trust Fund Committee may choose to be this Coordinator. (2-12-91, 10-14-03)
4. The Treasurer is authorized to automatically release monies for payment of previously approved projects where specifics are known. The Treasurer may choose to delay payments pending confirmation of the Committee when projects are open-ended. (2-12-91)

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5. The Trust Fund Committee recognizes its over-sight authority to assure that the monies are spent in accordance with the donor(s) wishes. (2-12-91)

IV. ENDOWMENT FUNDS

Endowment Funds are funds in which the principal will be retained and the revenues generated from said fund shall be used for the purpose determined at the time the fund is established. (10-30-07)

A. Seminary Scholarship Fund (5-8-90)

1. A fund, to be called the “Seminary Scholarship Fund” is hereby established for the purpose of assisting students with expenses associated with receiving and education from an ELCA Seminary. (5-8-90, 10-30-07)

B. Property Improvement Fund (2-12-91)

1. A Endowment Fund to be called “Property Improvements” is established for the purpose of purchasing or repairing major, long-lasting items that are considered part of the facility or site complex of Salem Lutheran Church. (2-12-91)

C. Where Need is Greatest Fund (2-12-91)

1. A Endowment Fund to be called “Where Need is Greatest” is established for the purpose of providing for future unidentified needs of Salem. (2-12-91)

D. Christian Education and Ministries Fund (11-11-97)

1. A Endowment Fund to be called “Christian Education & Ministries is established for the purpose of providing funds for continued use by the Christian Education Committee for Salem Lutheran Church. (11-11-97)

E. Benevolence Fund (10-14-03)

1. A Endowment Fund to be called “Benevolence Fund” is established to provide Salem Lutheran Church with the opportunity to express God’s love beyond the membership of Salem. (10-30-07)

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- F. Endowment Pledge Fund (7-01-99)
 - 1. A Endowment Fund to be called “Endowment Pledge” is established to supplement the operating budget of Salem Lutheran Church and will be paid to the church without any Unrestricted request. (10-30-07)

- G. WELCA Scholarship (12-15-06)
 - 1. A Endowment Fund to be called “WELCA Scholarship” is established with monies made available by an endowment fund that was established and previously administered by Salem’s Women of the ELCA. (10-30-07)

 - 2. Application may be made by Salem students who will be attending a Lutheran-affiliated college. Income monies will be divided among those applying for the scholarships, with a maximum per student of \$500.00, and will be awarded prior to September 1st for that school year. (10-30-07, 8-19-08, 11-29-16)

V. MEMORIALS AND OTHER ASSETS

- A. Designated Accounts (Permanent)
 - 1. Senior Pastor Projects (2-12-91)
 - a. The Committee established an account called “Senior Pastor’s Projects” for the purchase of items. Each item may not exceed monies available, may not be more than \$500.00 per item and all items may not total more than \$2,000.00 in a calendar year. This money is spent entirely at the discretion of the Senior Pastor. (2-12-91, 2-11-03)

 - b. In addition to any gifts given directly to this account, funding will be provided by the distribution of 50% of the income based on the fund balances of all non-Endowment Funds. (10-30-07)

 - 2. World Hunger (2-12-91)

 - 3. Lutheran Social Services of Illinois (2-18-92)

 - 4. Ringing and Singing Memorials are designated to enhance the Music Ministry of Salem Lutheran Church. (10-30-07)

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VI. FINANCIAL

- A. Distribution of Income Money (8-14-90)
1. All income received during a month is distributed proportionately, according to the varying fund balances, to the appropriate funds at the end of that month, based on the balances in the funds at the beginning of that month. (8-14-90)
 2. Income is distributed proportionately in two broad areas:
 - (a) to each “Memorials and Other Assets” account that corresponds Directly to a Endowment Fund, based respectively, on each balance in the Endowment Fund; and (b) of the remaining income, 50% to a “Miscellaneous” account in the Undesignated category of Memorials and Other Assets and 50% to “Senior Pastor’s Projects,” both based on the fund balances of all non-Endowment Funds. (8-14-90, 2-12-91) (c) at the end of the fiscal year “Miscellaneous” account will be transferred to the “Where Needed is Greatest Account.” (11-21-17)
- B. Procedures for Receiving and Disbursing Trust funds (8-14-90)
1. A contribution card and envelope will be made available to assist individuals in choosing and making a gift or memorial to Salem Lutheran Church. (8-14-90)
 2. All monies received should be immediately directed to the Vice-Chairperson of the Trust Fund for immediate deposit. The Vice-Chairperson shall notify the Treasurer of the deposit. (8-14-90, 2-12-91, 11-11-97, 10-30-07)
 3. The Vice-Chairperson shall acknowledge the donor’s contribution with a Thank-You note. This is the only receipt the donor will receive for their gift. (8-14-90, 2-18-92)
 4. The Vice-Chairperson shall acknowledge a contribution to the family on whose behalf the contribution was made. This will not include the amount of the contribution. (8-14-90, 2-18-92)
 5. The Vice-Chairperson will notify the appropriate parties in charge of the project that contributions were received, so that plans can be made to use the contribution for its intended purpose. (8-14-90, 2-18-92, 10-30-07)
 6. The Treasurer will maintain records which will show the various categories of gifts and memorials, indicating the date, and amount of the contribution. These records should also indicate the disbursement by date, amount and to whom payment was made. (8-14-90, 10-14-03)

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7. The Treasurer will issue annually a statement showing the various categories of gifts and memorials, indicating on behalf of whom the contributions were made. (8-14-90)
 8. The Treasurer will keep the detailed records (those printed on paper since the records were computerized) for a period of five years. (8-14-90, 10-30-07)
 9. The Vice-Chairman will maintain a permanent record showing the various gifts and memorials, indicating on behalf of whom the contributions were made. No amounts will be shown. This will be available for the general congregation to view throughout the year. (8-14-90, 10-14-03, 10-30-07)
 10. Checking and Investment accounts require TWO signatures. (11-11-97)
- C. Procedure for Distribution of Seminary Scholarship Money (8-14-90)
1. Scholarship money for students attending a Lutheran Seminary shall be given as a gift to: (8-14-90, 6-8-99)
 - a. Students who are Voting Members of Salem Lutheran Church. (6-8-99)
 - b. Students whose spouse is a Voting Member of Salem Lutheran Church. (6-8-99)
 - c. Non-Members employed by Salem Lutheran Church in a paid staff position. (6-8-99)
 - d. Non-Member paid staff in their first year after terminating a paid staff position at Salem Lutheran Church. (6-8-99)
 - e. Other qualified applicants as defined in article 9 below. (6-8-99)
 2. If the balance available for distribution on September 1st exceeds \$8,000.00, the Trust Fund may “adopt” a non-Salem student and make a gift to an otherwise qualifying student. (8-14-90)
 3. If the balance available for distribution on September 1st exceeds \$16,000.00 the Trust Fund MUST make a gift to a seminary’s scholarship fund. (8-14-90)
 4. Available funds will be divided equally among qualifying students at the discretion of the Trust Fund Committee. Scholarships may be awarded based on amounts that are projected to be earned during the year. (8-14-90, 10-14-03, 10-30-07)

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5. The school year is defined as September 1st through August 31st. The Treasurer will attempt to distribute money evenly based on the school's semesters or quarters and as cash funds are available. (8-14-90)
 6. Money available for multiple students will be distributed in proportionate share based on tuition costs only. (8-13-91)
 7. Priority for Seminary Scholarship Endowment funds will be given to students that are Voting Members of Salem. (5-8-90)
 8. Upon announcement that a Salem Voting Member(s) has been accepted into seminary, the committee will notify the accepted student(s) of the availability of financial support. (5-8-90)
 9. If there are no Voting Members of Salem currently enrolled in or accepted into seminary, students from other ELCA affiliated Churches may request support from Salem through their home Church's Pastor indicating a need for financial support. The decisions of whether to allocate funds or not to non-Salem members will be decided upon an individual basis. (5-8-90)
 10. Available funds will be divided among the non-Salem Member students with an upper limit of \$1,000.00 per semester. (5-8-90)
Defined to be \$2,000.00 per school year. Resolution (8-14-90)
Defined as non-Salem Members. (10-30-07)
- D. Donor names on gifts will be limited to published (printed) material only giving the donor name. (8-13-91)
- E. Undesignated gifts or memorials equal to or less than \$250.00 will be reviewed at each quarterly meeting. Those gifts or memorials that remain on file for over 180 days may be designated at the discretion of the committee. (5-5-92, 10-30-07, 11-29-16)
- F. Undesignated gifts or memorials over \$250.00 that remain on file for over one year, and every effort has been made to contact family to designate the funds for use with no success, then those funds may be reviewed after one year and designated at the discretion of the committee. (10-30-07)
- G. Each member of the Trust Fund is authorized access to the Trust Fund safe located in the office at the Church. (5-5-92, 10-14-03, 10-30-07)

VII. RECORDS RETENTION POLICY (Adopted 5-16-06)

- A. Records Kept by Individual Members to be passed on to a new Member

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1. Minutes
 2. Policies & Procedures
- B. Records Kept by Officers
1. Chairperson
 - a. Nothing Additional to Item A above. (11-29-16)
 2. Vice-Chairperson
 - a. Donor Designation Notebook. (11-29-16)
 3. Secretary
 - a. Nothing Additional to Item A above. (11-29-16)
 4. Treasurer
 - a. Bank and Investment Statements
 - (1)Year end-Seven Years
 - (2)Monthly-Rotating Two Years
 - b. Month end Reports
 - c. Annual Financial Report
 - d. Inventory of all persons memorialized and amount transferred to line item or fund
 - e. Annually copy to electronic media and place in safe
 5. Publicity Director (11-29-16)
 - a. Item "A" above
 - b. Wish List Inventory
 - c. Wish List Brochure
- C. Items to be included in Church's Published Annual Report each January
1. Message from President
 - a. Include Member Names and Term Expiration
 - b. Approved Wish List
 - c. List the dates of meetings held during the last year
 2. Treasurer
 - a. List of funds on hand by Financial Institution
 - b. Recap of all funds held, showing balance at beginning of year, receipts, disbursements, transfers, and ending balance.

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