Palm Valley Lutheran Church
Fund Descriptions

Church Budget | "Missions and Ministries Fund"

Sources of Funds:

- Member planned and general giving
- Seasonal special offerings
- Building Use fees
- Other income

Purpose: Funds the Mission and Ministries of the Church

Special Funds | Special, Designated, Restricted, Endowed

Special Funds:

General "communication-friendly" term for funds set aside for a specific purpose.

- Memorial Gifts – Contributions can be designated by the family, by church wish list, and by the Council.
- Youth Funds – Set aside for youth ministry fundraising, scholarships, summer camp, and to attend the National Youth Gathering.
- Community Care – Set aside for projects lead by our Community Care team, and for other needs that arise for local support.
- Women of the ELCA (WELCA) – Funds set aside for bereavement (funeral meals), Quilters, Lutheran World Relief, WELCA Convention, and general needs.

Designated Funds:

Funds labeled in policies, council minutes, financial statements, etc.

- Capital Improvement Funds – Set aside for future building needs.
- Employee Retention Credit (ERC) – Source is IRS credit for businesses who continued to pay employees during COVID-19 pandemic. Funds designated for employee raises in 2025 and 2026; remainer is undesignated.
- Telander Fund – Managed fund established in 1999 from the Arnold Telander estate. Used to "meet human needs in the church and beyond," including benevolence requests.
- Unrestricted Fund – Managed fund established by the ROW sale in 2023, and estate gifts from Lange and Mayfield in 2025/2026.

Restricted Funds:
Fund with gift(s) that come with donor restrictions that are accepted by the Church. Both must be true to restrict the funds.

- Office Equipment Fund – Donor restricted gifts for church office equipment.
- Computer Equipment Fund – Donor restricted gifts for church Computer/IT needs.
- Young Adult Ministry Fund – Donor restricted gift for needs of the Young Adult Ministry.
- Capital Reserve Fund – Managed fund for major maintenance needs of the church, source is the Mayfield Estate in 2002, and 15% of the annual allocations from the Endowment Fund.
- Capital Expansion Fund – Managed fund for new building/expansion projects, source is the Mayfield Estate in 2002.

Endowed Funds:
Typically principal preserved; controlled by the rules that established the fund. Restricted by purpose and/or what can be spent.

- Endowment Fund – Managed fund established in 1984; governed by the Endowment Fund Policy and is principal preserved.
- Cemetery Endowment Fund – Managed fund established in 1894, and formally named an Endowment fund in 1972. Used for the care and maintenance of the Cemetery, and is principal preserved.
- Iver Wallin Fund – Managed fund for Capital expansion, principal preserved.
- Isedor and Pauline Wallin Fund – Managed fund for major maintenance, principal preserved.
- Trinity Place Fund – Managed fund established in 2019 from the sale of Trinity Place. Usage is for the care of seniors, and is principal preserved.

CATEGORY	SOURCE OF CONTROL	LEGALLY BINDING?	CAN COUNCIL CHANGE IT?	TYPICAL ACCOUNTING	WHAT IT REALLY MEANS
Special Fund	Informal / historical label	No (by itself)	Yes	Varies (set aside, unrestricted)	"We track this separately."
Designated Fund	Council action or policy	No	Yes	Unrestricted (board-designated)	"We decided to set this aside."
Restricted Fund	Donor / external	Yes	No	Net assets with donor restrictions	"We are required to use this a certain way."
Endowed Fund	Donor (often via trust or agreement)	Yes (often permanently)	No (principal)	Restricted (often permanent)	"This is invested; use is limited (usually earnings only)."