

CONTINUING RESOLUTION

CR12.05.E18. REALIZATION OF INVESTMENT INCOME

WHEREAS, An endowment is any asset donated to and for the perpetual benefit of a non-profit institution. Such a donation, gift or bequeath is made with the requirement that the principal remain intact and money earned from investing the principal be used for a specific or designated purpose; and

WHEREAS, responsible stewardship includes managing the growth of this congregation's endowment funds and other investments; and

WHEREAS, it is the desire of this congregation to increase the principal of our endowments and other growth investments for this congregation's continued total mission and ministry;

THEREFORE, BE IT RESOLVED that Trinity Evangelical Lutheran Church, Latrobe, PA (hereafter church) as part of its annual budget process shall not budget to realize, recognize, nor otherwise utilize amounts (i.e., percentage sweep from investments for usage) greater than the expected annual income (as defined by B13.05.03.b., i.e., investment or interest earnings) from its endowments and growth investments during any fiscal year.

Procedural guidelines to be followed include:

1. The principal shall be maintained as the earning source for future and continuing usage of this congregation's endowment funds and other established growth investments or funds. Principal and income shall be determined according to Generally Accepted Accounting Principles.
2. The church shall endeavor not to realize, recognize, nor otherwise utilize all of the annual investment income so that the principal will grow for all endowments and other established growth investments or funds.
3. The Finance Committee (B12.15.02.d.) of the Congregation Council shall, by review of this congregation's combined income earnings of all accounts, funds and investments, recommend to the Congregation Council the percentage of investment income which should be annually realized or recognized (i.e., percentage sweep) and available for this congregation's use during any fiscal year.
4. The Congregation Council shall annually approve, or amend and approve, the Finance Committee recommendation for realization or recognition of investment income for use during each fiscal year.
5. Subsequent to the above Congregation Council action, the Finance Committee shall determine the proportionate income available from each investment or fund for the established or directed fund usage for each fiscal year.