

# Policy 97 - 002 Synod Outreach Fund

*Adopted by the Synod Council, January 18, 1997 (SC97.1.12)*

*Amended by the Synod Council, January 29, 1999 (SC99.1.22)*

I. NAME: The Sierra Pacific Synod Outreach Fund

II. SOURCE: This Fund shall consist of the principal and accumulated interest from the sale of the real property and furnishings of congregations of the Synod that have been deeded to the Sierra Pacific Synod and gifts from individuals, congregations, or other entities directed to the Fund by the donor.

III. MISSION: The Fund shall support the outreach ministry of the Sierra Pacific Synod, including, but not limited to: the establishment of new congregations, fresh starts, redeveloping of and/or strengthening of existing ministries within the Synod, and the leadership development of lay and clergy members of the Synod. Primary emphasis shall be given to starting new congregations and fresh starts.

IV. ADMINISTRATION: The stewardship of the Fund shall be exercised by a committee of five (5) persons, of whom one (1) is appointed by the Synod Council; two (2) appointed by the Bishop, one of which may be the Bishop or and Assistant to the Bishop; and two (2) members, who shall be nominated by the Witness and Service Discipling Team, or its successor, for appointment by the Synod Council, and shall serve for a term of three (3) years, except that the initial terms shall be staggered by the Synod Council. All members are limited to two (2) consecutive terms.

A. The committee shall meet as frequently as deemed in the best interest of the Fund but not less than semiannually.

B. A quorum shall consist of four members.

C. The Committee shall elect from among its members a chairperson and secretary. The chairperson, or member designated by the chairperson, shall preside at all committee meetings.

D. The secretary of the Committee shall maintain complete and accurate minutes of all meetings and supply a copy thereof to each member of the Committee and to the Synod Council. Each member of the Committee shall keep a complete copy of minutes to be delivered to his or her successor.

V. ACCEPTANCE OF GIFTS:

A. The Committee will encourage donations, bequests, and charitable gifts of monetary and non-monetary assets, but the Committee reserves the right to decline to accept any gift if, in the considered judgment of the Committee, acceptance of such gift would be detrimental to the mission and proper administration of the Fund.

B. The general policy of the Fund regarding non-monetary gifts will be to retain those which require an acceptable administrative effort and which produce net income resulting in a reasonable rate of return to the Fund in relation to the rates of return available from other investments.

C. The general policy of the Fund will be to sell or otherwise convert to cash any non-monetary gift which does not produce a reasonable rate of income. The disposition of any non-monetary gift shall be done in a commercially reasonable manner under circumstances which, in the opinion of the Committee, will likely realize the largest cash return to the Fund. The Committee may rely upon advice from professional advisors in determining the manner, timing, and procedures to be followed in disposing of any non-monetary gift.

D. The Committee shall promptly notify any donor of non-monetary property of the Committee's intended action with respect to any non-monetary gift, i.e., rejection, sale, or other disposition, or retention.

VI. DISTRIBUTION OF INVESTMENT INCOME:

A. Until the Fund accumulates cash in the amount of \$50,000 in principal, no distribution shall be made by the Committee. Investment income during this period shall be reinvested.

B. Upon the accumulation of cash in the amount of \$50,000 in principal, the Committee shall prepare a plan of distribution of the available investment income. The plan shall target individuals, organizations, entities, and programs within the areas specified in the mission of the Fund. The distribution plan must be consistent with the terms of any designated gifts received and held by the Fund.

C. The distribution plan prepared by the Committee shall be presented to the Synod Council for approval.

D. Upon approval by the Synod Council, the Committee shall administer and distribute funds pursuant to the approved distribution plan.

E. The initial distribution of funds, for the 1998-1999 biennium shall be:

Direct Grants to Ministries

60%

Leadership development	30%
Contingencies	7%
Administration	3%

VII. USE OF THE CORPUS OF THE FUND:

A. If, in the opinion of the Committee, the mission needs of the synod exceed the resources of the investment income, the Committee may, upon a 4/5ths majority vote with 2/3rds of the Synod Council concurring, recommend the use of up to 5% of the corpus of the Fund for expenditure in any one calendar year.

B. The Committee may recommend to the Synod Council that up to 25% of the corpus be used for loans to congregations of this synod for programs consistent with the Mission of the Fund, at rates comparable to the prevailing interest rates for real estate mortgages, and with maturities not to exceed 15 years.

C. If, in the opinion of the Committee, the financial circumstances of the synod are so dire and of such an emergency nature that the future of the synod is at stake and that the only recourse seems to be the use of the Fund principal, the Committee may, upon a 4/5ths majority vote with 2/3rds of the Synod Council concurring, utilize such portion of the principal as is necessary to meet the potential emergency situation.

VIII. ACCOUNTING: The Synod treasurer shall oversee the investing of the Fund. The Treasurer shall provide quarterly reports to the Bishop and Synod Council, and an annual report to the Synod Assembly. The funds are to be invested with the ELCA Mission Investment Fund, the ELCA Endowment Fund, or investment instruments managed by Lutheran Brotherhood or Aid Association for Lutherans.

IX. FUND DISSOLUTION PROCEDURE: The Sierra Pacific Synod intends that the Fund shall be perpetual. However, it is recognized that the passage of time and changing circumstances may not make it possible to use the Fund for the purposes for which it was intended. Should that situation develop, the Synod Council may authorize other uses of the income and principal consistent with the charitable and religious purposes of the Sierra Pacific Synod and consistent with federal and state law.

X. OTHER MATTERS:

A. In furtherance of its duties and responsibilities as custodian and administrator of the Fund, the Committee shall have the power:

1. To take, have, hold, sell, exchange, rent, lease, transfer, invest and reinvest, and in all other respects to handle, manage, and control the Fund, or any part thereof, as the Committee, in their judgment and discretion, shall deem to be in its best interests;
2. To receive income, profits, rents, and proceeds of the Fund, and to pay all administrative and necessary expenses in connection with it. Such expenses are to be repaid from Fund income;
3. To make, execute, and deliver all instruments necessary or proper for the accomplishment of the purposes of the Fund, including but not limited to deeds, bills of sale, transfers, leases, mortgages, assignments, conveyances, contracts, purchase agreements, waivers, releases in settlements, except nothing in this subparagraph shall authorize conduct inconsistent with the Constitution and Bylaws of the Sierra Pacific Synod; and
4. To employ and reasonably compensate from Fund income professional advisors, including investment counselors, accountants, attorneys, insurance writers, and other persons for the purpose of providing advice to the Fund.

B. No member of the Committee shall engage in any self-dealing and shall at all times refrain from any conduct in which the interests of the member or his or her immediate family would conflict with the interests of the fund.

C. Members of the Committee shall not be liable for any losses which may be incurred upon the investments of the assets of the Fund, except to the extent such losses are the result of the members' bad faith or gross negligence. No member shall be personally liable as long as he or she acts in good faith and without gross negligence in discharging his or her duties.

D. Members of the Committee shall not receive any compensation, but may be reimbursed either from Fund income or synod budget for expenses reasonably incurred.

XI. AMENDMENT: These Policies and Procedures shall be reviewed by the Committee every 6 years at the beginning of the bishop's term. Any recommendations for amendment shall be reported to the Synod Council for ratification. These Policies and Procedures may be amended by vote of two-thirds of the members present at a duly constituted meeting of the Synod Council.