

**Calvary Lutheran Church
Board of Finance
Proposed Motion to the Church Council on 5/13/2025**

Motion to Transfer and Establish the Carol Carlson Endowment Fund

Motion:

The Finance Committee recommends the following actions regarding the establishment of the Carol Carlson Endowment Fund, in honor of Carol Carlson's legacy and to provide perpetual support for youth ministry:

1. Transfer of Funds

That the fund, currently held in Calvary Lutheran Church's Special Funds, be transferred to the Endowment Funds category.

2. Oversight & Management

That the fund be managed by the Calvary Lutheran Church Endowment Committee, with investment authority and disbursement recommendations subject to the following provisions:

- All annual disbursements must be recommended by the Endowment Committee and approved by the Church Council.
- The intent of the fund—to support Youth Camp Scholarships as first priority, and other youth-related activities secondarily—shall not be altered or reprioritized without the written consent of the Church Council.

3. Initial Policy Adoption

That the attached Investment Policy Statement (IPS) governing the Carol Carlson Endowment Fund be adopted as the formal framework for management and disbursement of the fund.

- The Finance Committee retains an advisory role in reviewing the fund's performance and policy adherence at least annually in collaboration with the Endowment Committee.

4. Protection of Intent

That it be explicitly recorded that the intent of the gift and the disbursement priorities stated herein are foundational to the creation and use of this endowment. Any future changes to this structure or disbursement hierarchy must require:

- Consultation with the Finance Committee, and
- Two-thirds approval by the Church Council

Submitted by:

Shawn Swenson, Finance Committee Chair

05/13/2025

Motion by Shawn Swenson

Second by _____

Approved by the Calvary Lutheran Church Finance Committee by vote _____

Investment Policy Statement

Carol Carlson Endowment Fund

Calvary Lutheran Church – Investment Policy Statement (IPS)

Effective Date:

Purpose

The Carol Carlson Endowment Fund was established to honor Carol Carlson's legacy by supporting the faith formation and growth of youth at Calvary Lutheran Church. The fund is intended to provide **annual disbursements in support of Youth Camp Scholarships** and, secondarily, other youth-related activities if earnings allow.

Governance

1. Endowment Committee Authority

- The Calvary Lutheran Church **Endowment Committee** is responsible for managing the investment of the Carol Carlson Endowment Fund and making **annual disbursement recommendations** to the Church Council.
- The Endowment Committee will review the fund's investment performance, compliance with policy, and available earnings at least annually.

2. Church Council Oversight

- The **Church Council** retains final approval of all disbursement decisions and any changes to this Investment Policy.

Investment Objectives

- **Primary Objective:** Generate consistent earnings to support youth camp scholarships annually.
- **Secondary Objective:** Preserve the real (inflation-adjusted) value of the fund over time.
- **Tertiary Objective:** Support additional youth-related activities only when earnings exceed the annual camp scholarship needs.

Disbursement Policy

1. Spending Rule:

Disbursements from the fund **will not exceed the fund's annual net earnings** (defined as interest, dividends, and realized gains minus investment fees).

2. Disbursement Prioritization:

- **First Priority:** Youth camp scholarships

- **Second Priority:** Other qualified **youth-related activities**, including retreats, mission trips, service projects, or youth ministry programs.
3. **Unused Earnings:**
If not disbursed in a given year, earnings may be **retained and reinvested** for future use, especially to support years with greater need.

Investment Guidelines

1. **Asset Allocation**

- **Equities:** 40%–60%
- **Fixed Income:** 40%–60%
- **Cash/Equivalents:** 0%–10%

2. **Risk Tolerance**

The fund will be managed with a **moderate risk profile**, seeking income and stability over aggressive growth.

3. **Restrictions**

- No speculative or leveraged investments.
- Investments must align with Christian values.

4. **Rebalancing**

The portfolio will be rebalanced **at least annually**, or as necessary to stay within the target allocation range.

Review and Amendments

- The Endowment Committee will review this policy **annually** and may recommend revisions to the Church Council.
- Amendments require **approval by a majority vote** of the Church Council.