

## **Summary of the 2018 Trinity Lutheran Church Endowment Bylaws Amendments**

- The committee will meet at least once a calendar quarter, a reduction from the prior bylaw requirement of monthly meetings
- Reduce the number of committee members to five (5) from seven (7)
- Minutes of committee meetings shall be maintained and submitted to the Council; this is an addition to the bylaws
- Under section IV, an addition to the bylaws is a paragraph stating the committee shall follow the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as approved by Washington State on May 11, 2009, and any future Endowment governance requirements approved by the State of Washington
- Per UPMIFA, the Endowment distributions are a percent of total asset value plus directed donations rather than investment income plus directed donations
- Under UPMIFA, the committee may approve total annual distributions of up to four percent (4%) of the Endowment's capital after adjusting for donor restrictions. No donor restrictions exist today. The Endowment's capital value is determined by taking an average of the most recent five year Endowment fund values, as of December 31, prior to the year of distribution. A five year average reduces the impact of volatility from investment markets.
- As there is no longer a need to track investment income and designated donations for immediate distribution in a separate account, the Foundation part of the Endowment is discontinued. At this time there are no Foundation assets. Merging the Foundation into the Endowment simplifies the oversight, management and communication of the Endowment to the congregation and to those parties requesting financial support.

A separate action taken by the Endowment Committee during the first half of 2018 was to move the Endowment's investments to the ELCA Foundation Fund Pooled Trust – Fund A from the Thrivent brokerage account. The ELCA Fund A actively manages investments for funds belonging to the ELCA, its congregations, synods, seminaries and other eligible affiliated entities, to the extent practicable, by pursuing investment objectives in line with the Economic Social Criteria Investment Screens approved by the ELCA Church Council. The benefits to Trinity is professional management of our Endowment's assets in a socially appropriate manner for our faith, thus freeing up the Endowment Committee to focus on endowment education, annual distributions to support the ministries of the church, and communication to the congregation.

Respectfully submitted by Endowment Committee members:

Marilyn Hall, Vice-President

Kim Palmer, Secretary

Claudia LaFollette

Mike Schultz, Treasurer