

Operation and Management of the St. Olaf Vision Fund

Revision August 8, 2023.

C5.05.01 Name and Purpose of the Fund

1. This document is to be considered part of the bylaws and treated as outlined in Chapter 17 of the Constitution of St. Olaf Lutheran Church.
2. The fund shall be called the St. Olaf Vision Fund. The St. Olaf Vision Fund (the Fund) holds undesignated special gifts and those gifts designated to this fund from which distributions are made for vision projects to enhance the mission and ministry of St. Olaf Church.
3. These projects, that are intended to enhance and support the long-term mission and ministry of St. Olaf Church are beyond those funded through the operational budget of the congregation or funds such as the General Fund and Capital Fund.
4. The Fund has two components; the Vision Endowment Fund (Endowment Fund) and the Vision Holding Account (Holding Account).
5. The Endowment Fund seeks to generate stable and consistent distributions over the long term while preserving the principal; the purchasing power of contributions. It is the intent of this congregation that distributions shall be made primarily from the calculated growth earned by the Fund.
6. The Holding Account facilitates the transfer of funds to and from the Endowment Fund.

C5.05.02 Governance

1. This fund and supporting bylaws are provided for by St. Olaf constitution.
2. These sections shall be reviewed every five (5) years.
3. A Vision Fund Committee (the Committee) shall be formed by Council in accordance with the constitution.
4. Until the Committee is formed, or if it becomes inactive, Council will take on the responsibilities of the Committee.
5. No loans shall be made from or against Fund assets.
6. At least two signatures are required for all transactions of the Fund. Authorized signers may include the Treasurer, Finance Committee chair, President, or Vice-President as indicated on the account.

C5.05.03 Investment Administration and Management

1. No member of the Committee or Finance Committee shall personally manage the investments of the Fund but rather shall use a financial fiduciary to manage fund assets.
2. The Endowment Fund holds most of the gifts and contributions and is invested in longer term yet liquid investments to meet the purpose of the Vision Fund. It is intended to yield most of the gains.
3. The Holding Account holds new yearly contributions to the Vision Fund before they are deposited and funds dispersed from the Endowment Fund making them available for project use.
 - a.) The Holding Account may have a minimum balance requirement. In such a case, this amount will remain in this account and be considered as part of the principal for the Vision Fund.
 - b.) Any gain accumulated in the Holding Account from the minimum balance, new contributions, or funds pending distribution will be considered gain for the Vision Fund.
 - c.) Unused or undesignated gain remaining in the Holding Account (not principal, minimum balance, and contributions) may be dispersed per distribution guidelines as gain.
4. The Finance Committee shall make initial, yearly, or as needed investment recommendations to the Committee for the Endowment Fund and Holding Account. These will be presented to Council for approval. When approved by Council, any changes will be implemented as soon as practical by the Finance Committee.
5. Upon request by the Committee, the Finance Committee will advise a projection of or actual amount of funds available for distribution to the Committee. (See Governance section 7. This may be reported to Council.)
6. The Finance Committee will move undesignated gifts and those designated to the Vision Fund that are held in the Holding Account during the calendar year to the Endowment Fund as soon as practical. These funds will become part of the principal. All gifts and donations

- held in the Holding Account shall be transferred to the Endowment Fund as close as practical to the end of the calendar year.
7. The Finance Committee will, upon approval from Council, move funds from the Endowment Fund to the Holding Account as soon as practical for projects that have been approved.

C5.05.04 Distribution Guidelines

1. It is the responsibility of the Committee and Council, with input from the congregation, to establish projects requiring funds from the Vision Fund. A project may be completed in a calendar year or may be multi-year based on, for example, the funds that are available each year and the complexity of the project.
2. As described in **Purpose of the Fund**, the intent is that projects be funded by yearly distributions of the gains from the Vision Fund (Endowment Fund and Holding Account). However, larger projects may be funded, see **Granting Guidelines**.
3. When a project or projects have been approved by majority vote of Council for a given year, the necessary funds will be moved to the Holding Account to facilitate use and ease of access.
 - a.) Any designated funds remaining in the Holding Account, not needed for the intended project(s), can remain in the Holding Account or be transferred back to the Endowment Fund.
 - b.) Gain on any amounts defined as principal, to be principal, or held for use in the Holding Account are considered Vision Fund gain and may be held there or transferred back to the Endowment Fund.
4. If no projects have been defined and approved and no special need has been defined (see **Granting Guidelines**) during the calendar year, funds will remain in the Vision Fund.
 - a.) These funds will be available for future projects.
 - b.) Council can, if it deems necessary, approve that these funds or a portion of them be added permanently to principal. This requires unanimous approval by Council.
5. Critical need distribution: If a critical need is determined (see **Definitions**) by unanimous vote of Council, gains may be used for that purpose as if it were a project. The congregation must be informed of this need and effort must first be made to secure funding from other sources, such as from the congregation, before proceeding. If this need

requires funds beyond the gain, item 4 in **Granting Guidelines** will be followed.

C5.05.05 Granting Guidelines

1. Project funding is intended to be yearly although projects may be defined and approved any time during the year. The amount of funds that can be withdrawn will be the gain up to the date of need.
2. Projects should come from vision planning efforts but may come from other sources. When necessary, the Committee and Council will prioritize projects and determine which should be addressed for the year.
3. Projects shall be approved by Council before funds can be allocated.
4. Projects that require funds beyond the yearly gains of the Fund, therefore reducing principal, may be approved. Such projects must be unanimously approved by Council. The project must be communicated to the congregation, presented in a congregational meeting, and receive a 2/3 majority approval vote by the congregation. If approved, a portion, up to 10%, of the Vision Fund principal, may be used for the project.

C5.05.06 Dissolution of the fund

1. While St. Olaf intends that the Vision Fund shall be ongoing, it is also recognized that the passage of time and changing circumstances may make it impossible to use the Fund assets for the original intended purposes. Should a critical need occur, Council may authorize that the fund be dissolved. Such action must be consistent with State and Federal law while at the same time taking all reasonable steps to act according to the original intentions of the donors.
2. The decision to dissolve the Fund shall be first made by unanimous approval of the Council. Following this decision, every effort shall be made to contact those who have donated specifically to the Fund with an explanation of the reason for dissolution. The congregation will be contacted at least 1 month prior to a congregational meeting to address this decision. The decision to dissolve the Fund requires a 3/4 approval vote of the of the voting members of the congregation at a congregational meeting.
3. Upon approval, all congregation members will be notified, and where possible, any references to the Fund in online presence will indicate that the Fund has been dissolved. All future designated contributions to the

Fund should be either redesignated by the donor or refused and returned to donor. If neither is possible, those donations will go to the Mission Fund.

C5.05.07 Definitions

1. Principal – the investment or cost basis, including the initial amount used to create the fund and all gift contributions to the fund.
2. Growth / Gain – the amount an investment or asset grows in value over time above the principal amount.
 - a.) Investment gain is not counted as or recalculated as principal and is therefore available to be distributed per this resolution unless approved per Distribution Guidelines 4 b).
3. Undesignated special gifts – gifts which are received by the congregation as unrestricted per Continuing Resolution for Disposition of Undesignated Special Gifts. Such gifts, per that resolution, will be placed into the Holding Account, added to principal, and managed per this resolution.
4. Designated gifts – gifts received by the congregation designated for the Vision Fund by the donor. These gifts will be deposited in the Holding Account, become part of the principal, and managed per this resolution. Gifts designated to the Vision fund with a restricted purpose must be approved by the Council.
5. Critical need distribution – When, in the opinion of Council, circumstances are dire and are of an emergency nature, such as if the future of the congregation is at stake, and all reasonable steps have been taken to act according to the original intentions of the donors, and the only recourse is the use of the Fund.