

Endowment Funds Policy

Northminster Presbyterian Church

A. Objectives

The endowment of Northminster Presbyterian Church (NPC) of Ames, Iowa, is a resource which will be used to support the life and mission of the church. The Endowment Committee wishes to wisely and prudently direct the investment of God's gifts so that future generations may benefit. Income will be used to augment the church's worship and music programs, mission projects, and improve and maintain the physical property of NPC.

B. Investment Manager

Initially the funds in the endowment account will be invested in one of the Presbyterian New Covenant Mutual Funds. This investment should focus on preservation of capital following a low risk strategy of fund growth. As experience allows and funds become available, the committee can consider diversifying into other investment opportunities.

C. Structure of Funds

All endowment fund contributions will be deposited in the General Endowment Fund. No disbursements shall be made from the General Endowment Fund until the principal balance exceeds \$50,000.00. Requests for the use of the endowment fund income will originate from the committees of the church.

D. Use of Funds

All funding requests will be reviewed by the Endowment Committee. The Endowment Committee's recommendation will then be forwarded to Session for final consideration. If a request is denied, the committee making the request may appeal to the Session. No disbursement may be made which exceeds 50% of the fund income for the previous year as defined under the Uniform Principal and Income Act, [Iowa Code Chapter 637](#). All distributions of previous calendar year's income shall be made by March 31st of the current calendar year. Notwithstanding and policy provision to the contrary, income not distributed by March 31st shall thereafter be allocated to fund principal.

Donors are encouraged to contribute to the endowment fund without restrictions as to usage. However, the donors may specify that the principal of the gift be used for one of three purposes:

- 1) Capital Improvement – for special projects and improvements that enhance and/or repair the physical structure and safety of NPC.
- 2) Worship and Music – for the enhancement of the worship service and music programs of NPC.
- 3) Mission – for Christian Education, outreach programs, and local, national, and global mission projects. It is recognized that NPC's primary goal is to spread the word of Jesus Christ, and these contributions help achieve this goal.

E. Receipt of Gifts

Gifts can consist of cash, real estate, personal property, life insurance policies, testamentary bequests, trust distributions, and stocks/bonds.

F. Review of Gifts by Session

All gifts designated to the NPC Endowment Fund must be approved by the Session to ensure that they are within the commitment of NPC to further the work of Jesus Christ. Any such gifts that do not meet this criterion may be respectfully declined by the Session. Any gifts that are received whose purpose evolves away from the intended mission of NPC may be returned to the donor or given to another charitable organization of the donor's selection.

It is assumed that most gifts will be of cash or liquid value, but the Endowment Committee realizes that some gifts may be real estate or personal property. The Endowment Committee will review all real estate and property donations to prevent any liability issues to NPC, with final approval being given by the Session.

G. Church Dissolution, Consolidation or Merger

If at any time Northminster Presbyterian Church of Ames, Iowa, a non-profit corporation, shall be lawfully merged or consolidated with any other church, all of the provisions hereof in respect to the Endowment Fund shall be deemed to have been made for and in behalf of such merged or consolidated church which shall be entitled to receive all of the benefits of said funds and shall be obligated to administer the same in all respects in accordance with the terms hereof. In the event of the dissolution of the Northminster Presbyterian Church of Ames, Iowa, a non-profit corporation, the Session shall have the responsibility for the final disposition of all assets of the Endowment Fund in keeping with all rules, policies and guidelines of the Presbyterian Church (U.S.A).

H. Policy Review

This policy document will be reviewed on an annual basis, beginning one year from the date of acceptance by the Endowment Committee, the Stewardship and Finance Committee, and the Session. This review should occur in the last quarter of the calendar year. Any changes to the policy of the Endowment Committee must be approved by the Stewardship and Finance Committee and the Session.