1. **Introduction**

On January 30, 2011 at the annual Congregational Meeting, the St. Mark’s congregation duly passed a resolution establishing the St. Mark’s Evangelical Lutheran Church Endowment Fund (hereinafter the “Endowment Fund” or “Fund”) and calling for necessary amendments to the church by-laws.

At the time of the adoption of this policy, the Endowment Fund is one unrestricted fund and does not have any sub-funds designated for special purposes.

1. **Purpose**

The purpose of the Endowment Fund is to sustain the further growth of the mission and ministries of St. Mark’s into perpetuity.

The goals of this Distribution and Allocation Policy are:

1. To facilitate and sustain distributions from the Fund in perpetuity;
2. To inform current and potential donors to the Fund of how St. Mark’s intends to distribute funds, so that trust is built among the donor and Congregational community, and that the reputation, growth and long-term viability of the Fund is enhanced;
3. To inform those seeking to apply for financial support from the Fund, of the decision process that the Endowment Committee intends to use in recommending the recipients;
4. To balance two goals: (i) to provide distributions to endowment recipients and projects while seeking prudent growth; and (ii) to maintain a level of distribution that is deemed prudent for the purposes for which the Fund was established;
5. To help the Endowment Committee safeguard the fiscal and legal integrity of the Fund; and
6. To support consistent and fair grant distribution
7. **Annual Amount Eligible for Distribution**

In determining the recommended annual amount for distribution, the Endowment Committee will target a distribution equal to five percent of the rolling twelve-quarter (three-year) Fund net asset value, but may adjust the distribution if the Committee judges this is necessary to meet the goals of the Distribution Policy. Consistent with provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), an appropriation greater than seven percent of the rolling twelve-quarter Fund net asset value is considered presumptively imprudent and will not be done. Using this total return approach presents the possibility of occasionally dipping below the historical dollar value of accumulated gifts to the Fund (i.e., corpus). It is the Endowment Committee’s intention to avoid this whenever possible.

The Committee, in its discretion, may recommend that no distribution be made for a given year. However, the Committee shall not make a recommendation of no distribution for more than three consecutive years.

The Committee shall present its recommendation of the annual distributable amount to the Church Council along with, for informational purposes, the balance of the fund corpus and any interest, dividends,

gains, and accumulations thereon. All recommendations for distribution from the Fund shall be authorized by the Church Council by motion and vote.

After Church Council approval, the Committee shall communicate the annual distributable amount to the Congregation at the earliest practicable date.

1. **Grant Application**

The Endowment Committee will determine how often it will receive grant requests for a given calendar year consistent with the amounts to be distributed and capacity of the Endowment Committee to consider such requests but, in no event, less than once per year.

After the Church Council has approved the annual distributable amount, the Committee shall communicate the timetable for grant allocation to the Congregation and make grant applications and instructions readily available. Those seeking financial support for a purpose or project that aligns with the purposes of the Fund shall submit a written application to the Committee in accordance with the timetable and instructions provided by the Committee.

If a sufficient number of eligible requests are not received, the Endowment Committee may make its own recommendations for grant allocations consistent with the purposes of the Fund.

1. **Consideration of Grant Requests**

The Committee shall consider grant requests during its regular meetings

Grant requests that further the growth of the mission and ministries of St. Mark’s are eligible for consideration. This includes grant requests for the following purposes:

1. For ministry in service and outreach to the community
2. For global ministry and advocacy
3. For other causes and programs which, at the discretion of the Committee, are consistent with enhancing the mission and ministries of St. Mark’s.

In evaluating projects for funding, the Endowment Committee shall consider projects administered by St. Mark’s and by other organizations and agencies eligible to receive a charitable gift of funds. In selecting among grant requests submitted, the Committee will prioritize those projects that:

1. Have the greatest impact consistent with the mission and ministries of St. Mark’s
2. Expand or enhance the ministry of St. Mark’s (as opposed to those that support an ongoing ministry which has customarily been included in the St. Mark’s operating budget)
3. Establish or further develop new relationships between St. Mark’s and other organizations and agencies with missions consistent with that of St. Mark’s
4. Lead to an appropriate balance of Fund support across local, national and international needs
5. Have not previously received allocations from the Fund

The Endowment Committee will make its final recommendation of grant allocations valid by way of motion and vote.

.

1. **Recommendation to Church Council**

The Endowment Committee may make recommendations for grant allocation as often as quarterly and must make a recommendation at least once a year.

Pursuant to the St. Mark’s by-laws, all Committee recommended grant allocations shall be presented to the Church Council for its approval.

1. **Restrictions**

Reasonable effort will be taken to ensure that funds shall not be granted to any of the following:

1. Propaganda or other attempts to influence legislation;
2. Political campaigns on behalf of any candidate for public office;
3. Anything inconsistent with the mission and purpose of the Endowment Fund or St. Mark’s;

4. Individuals.

1. **Amendments**

Any proposal to modify this policy shall be made in writing. The Endowment Committee retains authority to develop specific wording for any such proposal prior to submission to the Church Council. Final authority to approve modifications to this policy must be granted or denied by the Church Council, which shall make its decision by motion and vote.

Amended by action of the Church Council of St. Mark’s Evangelical Lutheran Church in San Francisco, California this 21st day of May, 2015.