



July 7, 2025

Greetings Members of Grace,

After many discussions, the Council is excited to invite you to a congregational meeting on July 27, at 9:30am. This will be the final step towards updating our Endowment so that we may increase its impact within our community.

Between services we will vote on the proposed amendments to the constitution that will enable these changes. Included in this letter you will find information about how Grace's Endowment currently functions and the changes that will result from the amended constitution. The amendments to the constitution can be found by scanning the QR Code, going to our website, or you may pick up a physical copy at Grace.

Please join members of the Council and the Endowment Committee between services on July 13 and 20 to learn more about the proposed changes and to ask any questions you may have.

God's Peace,  
*Pastor Stephanie*  
*Paul Lewellan, Council President*

Endowment Committee  
*Joel Lorentzen, Sue Janssen, Dennis Boehme,*  
*Kathi Parrish, Pastor Stephanie, Claudia Wood*

Pastor Stephanie Wood | [office@gracewelcomesyou.org](mailto:office@gracewelcomesyou.org) | 563-322-0769 | Pastor Kirsten Lee

---

**Following Jesus' teachings, Grace seeks to educate, lead, and partner with all people through discipleship to worship, service, and faith celebration.**

# Grace's Endowment

## Overview

---

The balance of Grace's Endowment Fund is \$413,237 as of 5/31/25 and overseen by the Endowment Committee. Since 1987, several parishioners have endowed Grace's ministry from their estates or as special gifts. However, there hasn't been a new contribution to the fund since 1999.

## Current Investments

Grace's constitution directs that new endowment contributions are invested as:

- 50% to ELCA Mission Fund. This is like a money market fund currently returning about 2.5%.
- 25% to Domini Ethical Investment Fund.
- 25% to Vanguard S&P Index Fund.

## Current Distribution of Earnings

Total earnings distributed from the fund in 2024 was about \$6,000. Grace's constitution requires us to distribute the earnings equally among :

- Property, Property Committee
- Mission, Pastor
- Christian Education, Children Youth and Family Committee
- Social Ministry, Social Ministry and Parish Life Committee

## The Challenge

The Endowment Committee identified the following challenges in the administration and use of the endowment.

- Endowment distributions to Grace's ministry recipients are relatively small.
- The specificity of the distributions limit our ability to reflect the congregation as it changes.
- The overall return on the fund is uninspiring compared to conventional public investments.
- Few parishioners are even aware that Grace has an endowment fund.

# The Proposal

---

## The Goal

- Use endowed funds to establish an operating reserve for emergencies and new ministry opportunities.
- Continue to supplement Grace's ministry with endowed investment returns.
- Make Grace's endowment a more appealing opportunity for interested givers.

## The Benefits of the QC Community Foundation

For a 1% fee, the Quad City Community Foundation provides

- Experienced investment management for charities benefitting the Quad Cities
- 4% distribution on prior 60-month balance with "guardrails" to preserve principle
- Unique tax benefits not otherwise available to givers
- Perpetual oversight

## The Recommendation

The establishment of two funds at Quad City Community Foundation.

**An Operating Reserve Fund** that will be accessible by council for emergencies or new ministry opportunities and subject to repayment when used. This will be invested like the endowment which will allow it to grow over time when not used.

**A new Endowment Fund** that will provide Grace and the donors the benefits of the Quad City Community Foundation. Once invested, we will not have access to the Endowment aside from the distributions.

## Oversight

When we amend the constitution, the Finance Committee will oversee the Endowment's financial progress and report to the Council. When we receive distributions from our Endowment, the Council will discern where best to apply it. The Council will also need to approve any use of the Operating Reserve Fund.

## Chapter 5.

### POWERS OF THE CONGREGATION

- \*C5.01.** The powers of this congregation are those necessary to fulfill its purpose.
- \*C5.02.** The powers of this congregation are vested in the Congregation Meeting called and conducted as provided in this constitution and bylaws.
- \*C5.03.** Only such authority as is delegated to the Congregation Council or other organizational units in this congregation's governing documents is recognized. All remaining authority is retained by this congregation. This congregation is authorized to:
- call a senior pastor as provided in Chapter 9;
  - terminate the call of a senior pastor as provided in Chapter 9;
  - call a minister of Word and Service;
  - terminate the call of a minister of Word and Service in conformity with the constitution of the Evangelical Lutheran Church in America;
  - adopt amendments to the constitution, as provided in Chapter 16, amendments to the bylaws, as specified in Chapter 17, and continuing resolutions, as provided in Chapter 18;
  - approve the annual budget;
  - acquire real and personal property by gift, devise, purchase, or other lawful means;
  - hold title to and use its property for any and all activities consistent with its purpose;
  - sell, mortgage, lease, transfer, or otherwise dispose of its property by any lawful means;
  - elect its Congregation Council, and committees, and require them the members of the council to carry out their duties in accordance with the constitution, and bylaws; and
  - terminate its relationship with the Evangelical Lutheran Church in America as provided in Chapter 6.
- \*C5.04.** This congregation shall elect from among its voting members laypersons to serve as voting members of the Synod Assembly as well as persons to represent it at meetings of any conference, cluster, coalition, or other area subdivision of which it is a member. The number of persons to be elected by this congregation and other qualifications shall be as prescribed in guidelines established by the Southeastern Iowa Synod of the Evangelical Lutheran Church in America.
- C5.05.** This congregation shall have an Endowment Fund that will operate as specified in this congregation's bylaws. The purpose of the Endowment Fund is to provide for mission work beyond the operational budget of this congregation.
- ~~**G5.06.15** — Recommendations to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the Fund, including stocks, bonds, debentures, mortgages, or other securities, as in their judgment and discretion they deem wise and prudent, are to be made by the Committee for approval by the Church Council with subsequent execution by the delegated members of the Committee.~~
- ~~**G5.06.15.A14** — Endowment Fund assets shall be split between three investment funds: A Fixed Income Fund (The Mission Investment Fund of the ELCA); an Index Equity Fund; and a Socially Screened Equity Fund. Donors may, at the time of their giving, direct investment of their gifts into one of these funds.~~

- ~~G5.06.15.B14~~ — ~~Endowment Fund gifts received but not directed to any investment fund will be split between the three funds in this manner: 50% to Fixed Income Fund; 25% to Indexed Equity Fund; and 25% to Socially Screened Equity Fund.~~
- C5.06.16.A25** The Endowment Committee **Finance Committee** shall, at convenient intervals, but at least annually, render a full and complete account of the administration of the Endowment Fund to the Congregational Council and make recommendations for the investment **use** of the funds' and how the **income** is to be used. This information shall be presented to the Congregational Council at any regular meeting or special meeting called for that purpose.
- C5.06.17.A25** The members of the ~~Endowment Fund Committee~~ **Finance Committee** shall not be liable for any losses which may be incurred upon investments of the Endowment Fund except such losses that have been caused by breach of fiduciary duty. No member shall be personally liable as long as action is in good faith and with ordinary prudence in discharging the duties of the office.
- C5.06.18.A25** The members of the ~~Endowment Fund Committee~~ **Finance Committee** shall not receive any compensation but may be reimbursed from the income of the Endowment Fund for any expenses reasonably incurred. The Committee may request other members of the congregation to serve as advisory members and, at the expense of Endowment Fund income, may provide for such professional counseling on investments or legal matters as it deems to be in the best interest of the Fund.
- ~~G5.06.19~~ — ~~Only the investment income of the Endowment Fund may be expended in any calendar year. Income not spent in the current year will be added to the income earned the following year and is available for distribution.~~
- ~~G5.06.19.A14~~ — ~~Interest from the Fixed Income Fund along with dividends and realized gains from the two equity funds will become income to be paid out annually for the Endowment Fund's purposes designated in this congregation's Bylaws. Appreciation of the investment value in the equity funds will not be considered annual income and will remain invested for long-term growth of the two funds' investment principal.~~
- ~~G5.06.19.B14~~ — ~~In September of each year, the Endowment Fund Committee will calculate the interest and dividend income earned from the previous September 1st through August 31st, to determine the total allocation for that fiscal year.~~
- G5.06.20** — Distribution shall be allocated to accomplish the following purposes:
- ~~a. One-fourth for capital improvements, debt reduction, or building program of this congregation.~~
  - ~~b. One-fourth for scholarships or grants to members of this congregation for the purpose of attending college, seminary, nursing, or medical school; for church-related camping or leadership conferences; or such other training which makes members of this congregation to grow in Christian faith and service to God's people.~~
  - ~~c. One-fourth for outreach into the community including, but not limited to, grants to ELCA college, seminaries, social service agencies, institutions, and agencies to which this congregation relates and to special programs designed for those persons in our parish area who are in spiritual and/or economic need.~~
  - ~~d. One-fourth for missions of the Evangelical Lutheran Church in America at home and overseas, including, but not limited to, grants to the Evangelical Lutheran~~

Church in America for new mission development in North America, professional leadership, educational ministries, world mission and ecumenism, TV evangelism and capital financing.

**G5.06.20.A14** — The Endowment Committee will inform the following committees or groups of the Endowment Fund income to be spent for the Endowment Fund's designated purposes: Property Committee, Christian Education Committee, Social Ministry Committee, and Pastor(s):

**G5.06.21** — When, in the opinion of the Congregational Council, unusual circumstances warrant the use of a portion of the Endowment Fund principal, the Congregational Council may, upon a two-thirds majority vote, recommend authorizing such action to the church at an Annual Meeting or at a meeting called specifically for that purpose. A two-thirds majority of vote of those present at the Annual Meeting of the church or the special meeting called for that purpose shall be required to authorize expenditures from the principal of the Endowment Fund.

**C5.06.22.A25** In the event of the dissolution or termination of this congregation, the assets of the Endowment Fund will be disbursed in the same manner as the property and assets of the church as outlined in Chapter 7 of this Constitution **the Quad City Community foundation in perpetuity.**

DRAFT

## Chapter 13.

### CONGREGATION COMMITTEES

- C13.01.** The officers of this congregation and the pastor shall constitute the ***Executive Committee***.
- C13.02.** A ***Nominating Committee*** of four voting members of this congregation, two of whom, if possible, shall be outgoing members of the Congregation Council, shall be elected at the annual meeting for a term of one year. Members of the Nominating Committee can serve up to three consecutive one-year terms.
- C13.03.** An ***Audit Committee*** of three voting members shall be elected by the Congregation Council. Audit Committee members shall not be members of the Congregation Council unless an outside accounting firm is assisting with the preparation of financial statements.
- C13.04.** ***Mutual Ministry Committee(s)*** (in the absence of a mutual ministry committee, the duties shall be fulfilled by the executive committee) shall be appointed as needed and jointly by the president and the rostered minister. Term of office shall be two years, with three members to be appointed each successive year.
- C13.05.** When a vacancy occurs in a position for which this congregation calls a rostered minister, a ***Call Committee*** of six voting members shall be elected by the Congregation Council. Term of office will terminate upon installation of the newly called rostered minister.
- C13.06.** Other committees of this congregation, such as, Children Youth and Family, Social Ministry, Spiritual Growth or Outreach and Welcome, may be formed and adjusted, as the need arises, by decision of the Congregation Council.
- C13.06.03** There shall be a committee on Worship and Music.
- C13.06.03.A23** This committee is responsible for overseeing the worship life of the congregation, through leadership in worship planning, preparing policy recommendations and taking action related to all aspects of worship and praise, music, and the use of arts and technology in our worship space. To do this, it shall:
- a. Oversee the provision of music at each worship service with adult choir, all youth choirs, and worship bands.
  - b. Make recommendations about worship materials, such as bulletins, hymnals, and power points, to meet the needs of all members of the congregation and to welcome visitors.
  - c. Assure that worship materials, including music, are in keeping with Lutheran teachings and traditions.
  - d. Plan worship themes and details well in advance, around the church calendar and church seasons.
  - e. Assist the Personnel Committee in recruiting and supporting music staff for our diverse worship services and times.
  - f. Plan, make, erect, and remove seasonal decorations and banners.
  - g. Order palms, lilies, and poinsettias that adorn this congregation on special days.
  - h. Coordinate special worship services such as Annual Bix Jazz Service and occasional single-worship Sundays.
  - i. Involve youth in leading and participating in worship on a regular basis.
-

- j. Oversee Altar Guild, for setting the table, ordering worship supplies and candles, and changing paraments.

**C13.06.07** There shall be a committee on Stewardship.

**C13.06.07.A23** This committee is responsible for challenging the congregation's members to become and remain faithful in the use of their abilities and resources. To do this, it shall:

- a. Prepare and periodically review the stewardship action plan and make adjustments as necessary.
- b. Delegate specific responsibilities to stewardship committee members or small groups.
- c. Engage in regular biblical and theological study on stewardship.
- d. Interpret the mission and ministry of the church in ways that challenge members to respond generously.
- e. Identify the most effective method for obtaining financial commitments for the coming year.
- f. Work with Christian education leaders to ensure a year-round and age-appropriate stewardship education program.
- g. Obtain appropriate approval from the committee and church council for activities relating to fund raising.

**C13.06.08** There shall be a committee on Finance of which the Treasurer shall be a member, ex officio.

**C13.06.08.A14.A25** This committee is responsible for oversight of the income and expenditures of the congregation. To do this, it shall:

- a. Review monthly income statements and other financial reports on a monthly basis.
- b. Monitor weekly giving, building fund giving and capital campaign giving on a monthly basis.
- c. Request input from various commissions, missions, and committees as part of the annual budget process.
- d. Prepare an annual budget for Church Council approval and membership approval at the Annual Meeting.
- e. Recommend actions to the Executive Committee and Church Council when additional financial resources are required.
- f. **Monitor the Endowment Fund and advise council on the use of the disbursements from the Endowment Fund.**
- g. Discuss requests for additional funding and provide recommendations to church council regarding these requests.

**C13.06.09** There shall be a committee on Property.

**C13.06.09.A14** This committee is responsible for seeing to it that the buildings and grounds of the congregation are kept in good repair, cleaned, and properly protected against unusual wear or depreciation. To do this, it shall:

- a. Submit the property budget to the Finance Mission for its review and approval.
- b. Review requests for property maintenance and improvement from various sources within the church.
- c. Request bids from outside contractors when maintenance/repair work or building improvement work is required and present the results of the bid process with recommendations to the Finance Committee and Congregation Council.



- C13.06.10.A23** There shall be a committee on Personnel. The senior pastor shall be a member of the personnel committee and shall participate in personnel issues regarding staff.
- C13.06.10.B23** This committee is responsible for hiring, training, placing employees, and for setting personnel policies.
- Review requests for hiring of staff.
  - Review position descriptions for current positions annually to ensure their accuracy.
  - Define position descriptions for new positions.
  - Determine compensation levels required for new positions.
  - Interview potential candidates for staff positions.
  - Send letter of offering to potential hires; and present the results of the compensation package with recommendations to the Finance Committee and Congregation Council.
  - Communicate with persons not hired of the disposition of their request.
  - Solicit input from appropriate church members and staff as part of the annual evaluation process.
  - Oversee the evaluation process for the pastor(s) and other staff members.
  - Participate along with a selected council member in the Lead Pastor's evaluation.
  - Follow up with the pastor(s) and staff members regarding the goals set during the evaluation process.
- C13.06.12** The Congregational Council shall establish and maintain an Endowment Fund to receive and administer bequests, estates, insurance proceeds, other designated gifts, and gifts specifically designated for the Endowment Fund in any amount. The purpose of the fund is to share God's grace and further the work of Christ's church, both locally and globally.
- C13.06.13.A25** ~~An Endowment Fund Committee shall consist of five voting members of this congregation. The treasurer is a member ex officio. The other four members will be elected by the congregation and serve a three-year term. At each annual meeting the congregation shall elect the necessary number. No member shall serve more than two consecutive three-year terms. After a lapse of one year, committee members may be reelected. In the event of a vacancy on the Committee, the Church Council shall appoint a member to fill the vacancy until the next annual meeting of the congregation, at which time the congregation shall elect a member to fill the term of the vacancy. The Senior Pastor and the President of the Church Council shall be advisory members of the Committee.~~
- An Endowment Fund shall be reviewed and monitored by the Finance Committee. The treasurer is a member ex officio. The Senior Pastor and the President of the Church Council shall advise.**
- C13.06.14** ~~The Endowment Committee shall appoint officers of the Committee and establish operating procedures as deemed necessary for carrying out the duties of the Committee.~~
- C13.07.** Duties of committees of this congregation shall be specified in the bylaws.
- C13.08.** The senior pastor of this congregation shall be *ex officio* a member of all committees and boards of this congregation. The president of this congregation shall be *ex officio* a member of all committees and boards of this congregation, except the Nominating Committee.