

EMMANUEL LUTHERAN CHURCH

Congregation Council Policy

**Approved By The
Congregation Council
AUGUST 10, 2021**

Policy on the Creation and Use of Restricted Funds

Definition of Restricted Funds: A restricted fund is a fund account established by the Congregation Council and managed by the Finance Committee where the funds that are deposited are designated to be used for a specific purpose and may not be used for other purposes unless approved by the Congregation Council.

Restricted Fund Accounts: These Fund Accounts are restricted for use for a specific purpose. However, funds that were contributed after the approval date of this policy are subject to following provisions:

Funds that go unused in a “Restricted Account” for a period of five calendar years after the year in which they were first deposited, will be reviewed by the Congregation Council to decide whether to transfer those funds to the Church’s Operations Funds, move the funds to a different Restricted Fund Account, or leave the funds deposited in the original Restricted Fund Account.

Additionally, should the Church experience a severe operations funds deficit, the Congregation Council may, at its discretion, transfer or borrow funds from any or all Restricted Fund Accounts.

Funds deposited in Restricted Fund Accounts prior to the date of approval of this policy are not subject to the above provision. However, funds in all Restricted Accounts are utilized on a “First Received, First Expended” basis.

New Restricted Fund Accounts of any kind cannot be created without prior authorization of the Congregation Council. Existing Restricted Fund Accounts cannot be revised or terminated without prior authorization of the Congregation Council.

When funds are received as a donation to any restricted fund account, a thank-you letter must be sent to the contributor(s) notifying them of the provisions that allow the Congregation Council to utilize unused funds donated to a restricted account after five (5) calendar years, or be transferred to the Church’s Operations Funds if the Church experiences a severe operational deficit.

Page 2 - Policy on the Creation and Use of Restricted Funds

In instances where a general request for contributions to Restricted Fund Accounts is communicated, such as the request for Christmas Memorials in the Messenger, a paragraph must be added to the contribution request describing the provisions that allow the Congregation Council to utilize or transfer unused funds donated to a restricted account after five (5) calendar years, or transfer to the Church's Operations Funds should the Church experience a severe operational deficit.

The Congregation Council may eliminate, or revise/modify this Policy & Procedure at any time.