

**Administration of School Funds Policy**  
**St. Luke Lutheran Church & School - School Board**  
**October 25, 2021**

**Purpose:** To clarify administration of school funds

St. Luke Lutheran School has several sources of income, which are to be handled according to their individual purposes. Payments, gifts and funds must only be used according to their stated purpose and current policy.

A. Money Collected from School Families:

1. Registration fees, tuition payments, and other such payments shall be given to the Business Manager within two weeks of receipt and deposited in St. Luke Lutheran Church and School's General Fund.
2. The School Principal and the Business Manager have the authority to spend the monies collected according to their intended purpose and as specified in the annual budget. All unbudgeted expenditures must be approved in advance by the Board of Lay Leaders and Voters Assembly (if necessary).

B. School Specific Funds: Gifts made to specific school funds, endowments, and scholarships must be used for their intended purpose when originally established and in accordance with the St. Luke Gift Acceptance Policy.

1. Annual Fund: The Principal in consultation with the school staff, School Board, Lead Pastor and Business Manger sets the annual goal and designates purposes for the Annual Fund Drive.
  - a. The fund drive can consist of mailings, phone drives, and announcements.
  - b. The funds raised by the drive can be used to make purchases that meet the designated purposes with the approval of the Principal. Such purchases should then be reported to the School Board for record keeping purposes.
  - c. Any funds designated for scholarship or financial aid can be applied to the current year, if needed, with Principal and School Board approval.
  - d. Any funds designated for scholarship remaining at the end of the fiscal year should be invested in the Plant-A-Seed Endowment.
  - e. Any contemplated capital or permanent improvements/modifications must be presented to the Business Manager who will seek BLL and/or Voter's pre-approval.
2. Mark Neubert Endowment Fund: This fund's purpose shall be to receive gifts and bequests and to use the earnings received from the investment of these gifts and bequests to reduce the cost of the school to the church, helping to keep tuition affordable for all. At the discretion of the School Board, up to 50% of each year's earnings could be used for something that would enhance the Christian education at St. Luke Lutheran School. A minimum of 50% of each year's earnings must go to the church to help offset the cost of the school.
3. Little Maestro Music Fund: This fund's purpose is to grant scholarships to current St. Luke day school students who cannot afford to pay for private music lessons.
4. Willis Follstaedt Endowment: This fund's purpose shall be to receive gifts and bequests and to use the earnings received from the investment of these gifts and bequests for the further education of graduates of St. Luke day school who are members of St. Luke Lutheran Church and wish to attend college.
5. Nicol Scholarship:
  - a. This fund's purpose shall be two-fold:
    - 1) To receive gifts and bequests and use the earnings received from the investment of these gifts and bequests for the further education of graduates of St. Luke day school who are members of St.

Luke Lutheran Church and wish to attend college and/or for current teachers who are pursuing their colloquy.

- 2) To receive gifts and bequests and use the earnings from the investment of these gifts and bequests for the enhancement of technology at St. Luke day school.
  - b. At the discretion of the School Board, 5% of the annual earnings will be reinvested. Of the remaining 95%, up to 60% of each year's earnings must go toward the Nicol Scholarship to further the education of graduates of St. Luke day school who are members of St. Luke Lutheran Church and wish to attend college. A maximum of 40% of each year's earnings must go to enhance technology at St. Luke day school.
6. Leah Montag Endowment: This fund's purpose is to award tuition scholarships to current St. Luke day school students who have met the qualifications as defined in written endowment.
  7. Plant-A-Seed Endowment: This fund's purpose shall be to receive gifts and bequests and to use the earnings/dividends received from the investment of these gifts and bequests to assist those families who cannot afford to pay the entire tuition. This fund is dedicated to helping families who wish to send their children to St. Luke Lutheran School but cannot afford the tuition. Monies given to the Plant-A-Seed Fund assist in paying the tuition costs of families in financial need. This allows all families the opportunity for a Christian education and does not limit it to only those with the ability to pay. This fund's purpose is to make sure that none of God's little lambs are ever prevented from attending St. Luke Lutheran School for lack of funds.

C. Special School Bank Accounts:

1. Parent Teacher League (PTL): This account is for all school related fundraising and covers the cost of transportation for classroom fieldtrips, school wide events, and assemblies.
2. 7<sup>th</sup> & 8<sup>th</sup> Grade: This account is for all funds raised and expended related to the annual 7<sup>th</sup> and 8<sup>th</sup> grade field trips.
3. Scrip: This account is for proceeds from the sale of gift cards. Students may use their proceeds to cover tuition costs.

D. Chapel Donations:

1. All monies collected for Chapel should be given to the Business Manager on a timely basis for deposit and recording into a dedicated account on St. Luke's accounting books.
2. At the end of the fiscal year, the school will give the Business Manager guidance on where to disburse the monies to the missions the school selects, essentially zeroing out this Dedicated Account at the end of each school year.