

Faith Lutheran Church

Endowment Fund

Bylaws

I. NAME

Faith Evangelical Lutheran Church, located at 6101 Telegraph Road in Oakville, Missouri, shall establish the Faith Lutheran Church Endowment Fund (The Fund).

II. STATEMENT OF PURPOSE

- A. The Fund's purpose is to provide an orderly way to manage gifts from donors and to encourage the confidence of the members and other benefactors to consider such gifts to Faith Lutheran Church. The Fund shall be aligned to the mission and vision of the congregation and shall help donors understand how this Fund will advance the Kingdom of God through the congregation and its ministries.
- B. The Fund's transactional purpose shall be to receive, manage and distribute funding in support of Education, Missional Outreach, Capital Improvements and Undesignated purposes.
1. **Education** – the fund shall provide tuition and other support for the congregation's members and/or staff attending synodical institutions, with preference to those preparing for church ministry vocations. Support may be provided for students in any level of education, including:
 - a. Preschool, grade school and high school
 - b. College and University
 - c. Seminary
 2. **Missional Outreach** – the fund shall support connecting new/disconnected people to Christ. Missional Outreach can include, but is not limited to:
 - a. Local Missions-Outreach service opportunities in our community through life/small groups.
 - b. New Missional Outreach Seed Fund-Purchasing items necessary for enabling a new Missional Outreach of the church, to include the expansion or remodeling of current facilities or the purchase of new facilities.
 - c. Servant Events Fund-Mission trips, servant events, etc. in areas locally and abroad including needs for such events and scholarships for participants.

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3. **Capital Improvement** – the fund shall support the on-going need for facilities and equipment to enable ministry to Faith’s members and guests. These needs include:
 - a. Building of new property or facilities expansion projects.
 - b. Remodeling and renovating of existing property.
 - c. Obtaining new capital equipment.
 - d. Deferred maintenance/repairs/replacement for non- recurring capital expenses.
 - e. Emergency repairs and/or alternative worship sites, in the event of catastrophic circumstances.

4. **Undesignated** – the fund may support, subject to limitations, previously unplanned needs and/or activities at the discretion of the Leadership Board.

C. Both the principal and interest income from gifts to the Fund are to be used for the uses, projects, and programs approved by the Endowment Committee provided that the uses, projects, and programs are consistent with the Statement of Purpose in the above section.

D. None of the income or principal from the above listed accounts shall be distributed and used for the congregation’s operating budget except as hereinafter stated.

In the initial years of a new congregational ministry and/or project which will ultimately be funded by the operating budget, the income and/or principal of the Fund may be used on a proportionally decreasing basis, subject to approval by the Endowment Committee, and not to exceed two (2) years, until the new ministry and/or project is fully supported by the operating budget.

E. The Endowment Committee may designate for use no more than seven (7) percent of the endowment’s total value in any given fiscal year with no more than one-third of the total distributed to be used for Undesignated purposes. Exceptions must be approved by a two-thirds majority at an official congregational meeting.

F. Gifts with special terms or conditions imposed by the donor may be accepted by the church, providing that such designated use is consistent with the stated purpose of the Fund. The Endowment Committee reserves the right to rule on the appropriateness of such designation, and shall determine the acceptability of said gift according to The Fund’s Gift Acceptance Policy. The acceptance of said gift that complies with the Gift Acceptance Policy shall not need further vote of the Endowment Committee. Any gift that requires a vote shall be by a simple majority of the Endowment Committee.

G. No less than annually, the Endowment Committee shall provide to the members of Faith Lutheran Church, an accounting of the Fund, including income received and distribution of the income and/or principal of the Fund for designated uses, projects, and programs.

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III. DURATION

The Faith Lutheran Church Endowment Fund shall continue in existence and be used as hereinabove provided, unless earlier revoked, so long as Faith Lutheran Church shall continue to exist. Otherwise, the Fund shall be dispersed upon the recommendation of the Endowment Committee subject to approval by the congregation.

IV. FISCAL YEAR

- A. For tax, accounting, distribution, or other purposes, the fiscal year of Faith Lutheran Church (July 1 – June 30) shall also be the fiscal year of the Fund.
- B. No more than 120 days after the close of each of the Fund's fiscal years, and at such other time(s) as is deemed convenient, an itemized written statement accurately reflecting the position of the Fund's income and corpus accounts as of a date reasonably close to the date the statement is to be submitted, and the receipts, disbursements and changes therein since the Fund's inception or the previous accounting, as the case may be, shall be submitted to the Faith Lutheran Endowment Committee.

V. GOVERNING BODY AND OFFICERS

- A. The Endowment Fund Committee, operating under the Leadership Board shall promote and manage the Fund. The Committee's membership appointed by the Leadership Board shall be:
 - 1. At least 3 members of the congregation appointed by the Leadership Board for two (2) year staggered terms and subject to re-appointment.
 - 2. A representative from the Leadership Board and the Executive Director shall serve as ex officio, nonvoting members.
- B. The Endowment Committee shall meet at least on a quarterly basis;
- C. The Endowment Committee shall establish such written rules and regulations as may be necessary for the conduct of its business subject to review by the Leadership Board. It shall adopt standards and goals to guide in the expenditures, within the stated purposes of the Fund. These shall include:
 - 1. Establishment of a Gift Acceptance Policy
 - 2. Establishment of an Investment Policy
 - 3. Establishment of a Fund Transfer Policy
 - 4. Establishment of a Disbursement/Spending Policy
 - 5. Establishment of a Conflict of Interest Policy

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6. Establishment of a Financial Misconduct Policy
 7. Establishment of any other policies and procedures as deemed necessary
- D. The Endowment Committee shall elect a Chair, Vice-chair, and Secretary.
 - E. The Endowment Committee, in accordance with its written policies and procedures, shall make recommendations no less often than annually for the distribution of income and principal from the Fund. The Leadership Board may accept, amend, or reject the recommendation of the Endowment Committee.
 - F. The Congregation shall maintain accounts with such financial institutions as the Endowment Committee may, by resolution, authorize and determine. All checks and other documents transferring or expending any funds or assets in the Fund shall be executed by the Executive Director of the Congregation. The Endowment Committee will establish a fund transfer policy and applicable forms to obtain fund transfer approval. Some or all of the assets of the Fund may be invested with the LCMS Foundation, Lutheran Church Extension Fund or in any other investment that the Endowment Committee deems apropos.
 - G. The Endowment Committee may ask other members of the congregation to serve as advisory members and may employ, at the expense of the Fund, such professional counseling on investments and legal matters as it deems to be in the best interest of the Fund.
 - H. The Endowment Committee shall maintain complete and accurate accounting records and may employ such professional help as it deems necessary in this task. The Endowment Committee will coordinate with the Accounting and Finance Office of the Church.
 - I. The secretary shall maintain complete and accurate minutes of all the meetings of the Endowment Committee and supply a copy thereof to each member. Each member shall keep a complete copy of minutes to be delivered to his or her successor. Copies will also be provided to the Church Accounting and Finance Office for record keeping. All documents will be stored in digital or other electronic format.
 - J. Endowment Committee members are subject to serving on the Endowment Committee by the governance of the Leadership Board and the Constitution and Bylaws of Faith Lutheran Church.
 - K. The chairman, or the member designated by the chairman, shall preside at all meetings of the Endowment Committee.
 - L. No member of the Endowment Committee shall engage in any self-dealing or transactions with the Fund in which the member of the Endowment Committee has direct or indirect financial interest and shall at all times refrain from any conduct in which his/her personal interests would conflict with the interest of the Fund.

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VI. DUTIES

- A. The Endowment Committee shall, on a regular basis, render a full and complete accounting of the administration of the Fund to the Leadership Board in conjunction with the financial reports currently prepared by the Executive Director.
- B. Gifts from any individual, family, firm or corporation, in money, in securities, or in any other form of property, including, by way of explanation and not in limitation, direct gifts for the purpose of the Fund, gifts in memory of any deceased person or in appreciation or recognition of any living person, gifts in the form of a devise or bequest under will or trust instrument, and gifts or proceeds or portions of proceeds of insurance, annuity, or endowment policies or contracts, may be received by the Fund. All gifts shall be approved by the Endowment Committee prior to acceptance as per section II. F. of this document.
- C. Means for formally acknowledging the acceptance of each gift shall be established in the Gift Acceptance Policy.
- D. Gifts may be made upon special terms or conditions as to the use of the gift and/or the use of the income provided that such are acceptable to the Endowment Committee per the Gift Acceptance Policy. Separate identification and recording shall be made of all transactions with respect to any such special or designated gift or gifts.
- E. All funds and property in The Fund shall be kept and maintained separate, distinct, and independent from the funds and property otherwise belonging to the church. However, the Endowment Committee shall in no event be required to make physical segregation of the assets of the Fund in order to conform to the directions of any individual donors, but may establish separate accounts in its accounting records.
- F. The Endowment Committee is to inform the members of the congregation at least annually of the purpose of the Fund, and may periodically arrange for members of the congregation to meet with professional counselors in the areas of charitable giving, wills, bequests, insurance, etc.
- G. All new members of the Endowment Committee are to receive a copy of the Endowment Fund Bylaws to become acquainted with the function and purposes of the Fund. They shall also receive copies of the Gift Acceptance Policy, Investment Policy, Transfer Policy, Disbursement/Spending Policy, Conflict of Interest Policy, Financial Misconduct Policy, applicable forms, and any other related documents in order to perform their functions as committee members of the Endowment Committee. The expectation is placed on new (and existing) members to sign a conflict of interest statement and a statement acknowledging that they have read and fully understand the documents and will adhere to the policies of The Fund.

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VII POWERS

The provisions of this Article shall govern the management of the Fund:

- A. Consistent with the Investment Policy approved by the Endowment Committee, the property constituting the corpus of the Fund shall be invested and reinvested in any kind of property, (whether real or personal, tangible or intangible, and/or domestic or foreign), including, but not limited to, securities, real estate, oil, gas, and other natural resources and/or accounts or certificates of banks or other financial institutions, and each investment shall be managed and protected in accordance with the principles herein established.
- B. Without limiting the authority otherwise conferred, the additional authority is hereby granted to be exercised as is believed to be in the best interest of the Fund:
 - 1. To accept and receipt for any inter vivo, testamentary or other transfer of property to the Fund;
 - 2. To hold property, and to negotiate and execute documents on behalf of the Fund;
 - 3. To allocate between income and corpus in equitable proportions, any money or other property received, and any loss or expenditure incurred;
 - 4. To vote, or refrain from voting, securities having voting privileges, and to give any type of proxy (with or without directions) to vote the same;
 - 5. To make division and distribution of property held in the Fund (whenever directed to do so) either in kind or in cash, or partly in kind and partly in cash and for such purpose to set values upon any property of the Fund;
 - 6. To protect the Fund and its property by insurance against damage, loss or liability;
 - 7. To establish checking account(s) in which may be deposited income and/or corpus cash;
 - 8. To employ, at the expense of the Fund, attorneys, investment counsel, brokers, custodians of assets, and other agents and employees, as approved by the Endowment Committee.

VIII. AMENDMENTS

Any amendment which will change, alter or amend these Bylaws shall be adopted only if approved in accordance with the constitution and bylaws of Faith Evangelical Lutheran Church.