

LUTHERAN CHURCH OF THE RESURRECTION ENDOWMENT FUND BY-LAWS

PREAMBLE

Lutheran Church of the Resurrection, Racine, Wisconsin, has a living endowment of faithful members with rich gifts and varied talents.

"As each has received a gift, employ it for another, as good stewards of God's varied grace whoever renders it by the strength which God supplies, in order that in everything God may be glorified." *I Peter 1: 10, 11*

✓ The Lutheran Church of the Resurrection Endowment Fund, as established, by the Church Council of the Lutheran Church of the Resurrection, is a permanent fund to enable the further extension of the stewardship of our church. The Fund will be a perpetual fund in which the principal will be retained and only the interest income can be used.

The Fund will receive and administer bequests, estates, insurance, memorials and other assets, to be perpetual and perpetuating.

✕ The purpose of the Endowment Fund is to enhance the work of the church by establishing new ministries and stewardship opportunities additional to and apart from the general operation of the congregation, including without limitations: benevolent projects, in addition to those designated in the church budget, physical plant modifications, special equipment or building funds, as determined by the Fund's Board of Directors. It will also pay incidental expenses of the Fund with no proceeds used toward the regular budget of the Lutheran Church of the Resurrection.

The Endowment Fund Board of Directors shall be the custodians of the Endowment Fund.

The Lutheran Church of the Resurrection has every intention of using the Endowment Fund as set forth, but it does recognize that with the passage of time and changing circumstances, there may be a time when it is not feasible to utilize the Endowment Fund as was intended. Should that situation develop, the Lutheran Church of the Resurrection or its successors in interest shall then be free to make such other use of income and principal as is consistent with the charitable and religious purposes of the Lutheran Church of the Resurrection in accordance with provisions of the laws of the State of Wisconsin, and preserving the principal of those gifts designated to be perpetual, carrying out the donors' wishes.

The efforts of the Lutheran Church of the Resurrection in establishing the Endowment Fund shall be dedicated to the glory of God.

SECTION I THE BOARD OF DIRECTORS

- A. The Board of Directors shall consist of five members, all of whom shall be voting members of the Lutheran Church of the Resurrection. Except as herein limited, the term of each member shall be three (3) years. The Church Council shall initially elect five (5) members to the Board--two (2) for a term of three (3) years; two (2) for a term of two (2) years; and one (1) for a term of one (1) year. The Church Council shall then elect the necessary number of members for a term of Three (3) years thereafter. No member shall serve more than two consecutive terms. A partial term shall not be counted for this purpose. A former Board member may be re-elected after a lapse of twelve (12) months between his/her election and the completion of his/her second term. Notwithstanding the foregoing, the initial Board of Directors consisting of five church members appointed to establish the Endowment Fund shall serve as the Board of Directors for the first one year period at which time the Church Council shall elect the Board members as provided herein.
- B. The Church Council of the congregation shall nominate and appoint the Board of Directors and report at the annual meeting those so serving.
- C. Removal of a Board Member: Any member of the Endowment Fund Board of Directors may be removed from the Board for any reason deemed sufficient by the affirmative vote of two-thirds (2/3) of the Board members then in office taken at a special meeting held for that purpose.
- D. Vacancies: Any vacancies occurring on the Endowment Fund Board of Directors shall be filled by the appointment by the Church Council and the persons named and elected shall serve until the expiration of the vacating member's term.
- E. All Endowment Fund Board Members shall endeavor to maintain a high degree of communication with the Church Council, other organizations within the church, and members of the congregation to nurture the total life and mission of the church and of the Fund. Each Board Member must be a member in good standing of the Lutheran Church of the Resurrection. Only two of the Endowment Board members may serve concurrently on the Church Council. Said restriction will not apply to the initial Board of Directors as that term is defined in paragraph A above. A Pastor of the Church and the President or Chairperson of the Church Council shall be ex-officio nonvoting members of the Endowment Fund Board of Directors.
- F. The Board of Directors shall elect from its membership a chairperson, treasurer, and secretary. The Board of Directors may appoint a non-voting treasurer from outside the Board.
- G. The Board shall meet at least quarterly at a time fixed by resolution of the Board and more frequently as it may be deemed by it for the best interests of the Fund. The Board, when it deems unnecessary to hold a particular meeting, may by resolution cancel a meeting. Special meetings may be called on twenty-four (24) hour written or oral notice to the members of the Board of Directors by the chairperson or any two members. No notice other than recording of the resolution of the Board fixing the time of the regular meetings need be given the members. Each member is charged with knowledge of the contents of the

minute book. If all members are present, consent in writing to the minutes by a member of the Board shall constitute his/her approval of the action reflected in the minutes and taken at the meeting and shall have the same force and effect as though he/she had been present and voting at the meeting by the minutes.

- H. A quorum shall consist of three (3) members. The affirmative vote of a majority present and voting shall carry any motion or resolution.
- I. The Board shall establish written rules and regulations as may be necessary for the conduct of its business. It shall adopt standards and goals to guide in the expenditure of the income for the Fund.
- J. The Board of Directors shall maintain accounts with such financial institutions as it may by resolution authorize and determine. All checks and other documents transferring or expending any funds or assets in the Endowment Fund be executed by the treasurer and either the chairperson or secretary of the Board.
- K. Any members of the Board with check signing authority, at the expense of the Fund, shall provide a corporate fidelity bond in a principal amount to be determined from time to time by the Board. The cost of said bond to be provided by the Endowment Fund.
- L. The Board of Directors may ask other members of the congregation to serve as advisory members and may employ, at the expense of the Endowment Fund income, such professional counseling on investments and legal matters as it deems to be for the best interest of the Endowment Fund.
- M. The Board of Directors shall maintain complete and accurate books of accounts and may employ such professional help as it deems necessary in this connection. The books shall be audited annually in time so that such report will be on file at the time of the annual meeting of the congregation.
- N. The secretary shall maintain complete and accurate minutes of all meetings of the Board and supply a copy thereof to each member within seven (7) days after the meeting. Each member shall keep a complete copy of minutes to be delivered to his/her successor.
- O. The chairperson or the member designated by the chairperson shall preside at all Board meetings.
- P. No member of the Board of Directors shall engage in any self dealings or transactions with the Fund in which the member of the Board 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 interests of the Fund. This paragraph however shall be read in conjunction with Section III, paragraph J herein.

SECTION II

DUTIES OF THE BOARD OF DIRECTORS

- A. The Endowment Fund Board of Directors at each annual meeting of the congregation, shall render a full and complete account of the administration of the Endowment Fund during the preceding year.
- B. The Endowment Fund Board of Directors may receive gifts in any form and from any source acceptable to the Board of Directors. All Endowment Board assets and property shall be kept and maintained separate, distinct and independent from the funds and property otherwise belonging to the church.
- C. The Endowment Fund Board of Directors shall in no event be required to make physical segregation of the assets of the Endowment Fund in order to conform to the directions of any individual donors, but may establish separate accounts in its accounting records.
- D. The Board of Directors is to inform the members of the congregation the purposes 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..
- E. All new members of the Endowment Fund Board are to receive a copy of the Endowment Fund format to become acquainted with the function and purpose of the fund.

SECTION III

POWERS OF THE BOARD OF DIRECTORS

- A. In the administration of this Endowment Fund, the Board of Directors shall have all powers and authority necessary to carry out the purposes of the Fund, including the following powers and authority on behalf of the Lutheran Church of the Resurrection.
- B. To take, have, hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to handle and manage and control the Endowment Fund, or any part thereof, as they in their judgment and discretion shall deem wise and prudent.
- C. To disclaim or refuse, without limitation, any gifts, memorials, bequests, or similar item(s) offered to the Endowment Fund, if in the judgment of the Board of Directors the item or items to be gifted do not further the purposes of the Endowment Fund.
- D. To retain any property in the form in which received; to convert and reconvert the Endowment Fund, or any part thereof, into other kinds and forms of property, real or personal or mixed; and to invest or reinvest the fund or assets herein, or any thereof, as they may deem wise and prudent, including in such common or preferred stocks, bonds, debentures, mortgages, notes or other securities, investments or property whether real or personal, which they in their absolute discretion may select or determine, and including, without limitation, savings deposits of any bank, mutual savings bank, federal home loan bank, savings and loan association, or credit union.

- E. To receive the income, profits, rents and proceeds of the Endowment Fund and to collect and receipt for same, and pay all administrative and necessary expenses in connection with it. Expenses are to be paid from the Endowment Fund income.
- F. To make, execute and deliver all instruments necessary or proper for the accomplishment of the purposes of the Lutheran Church of the Resurrection Endowment Fund or any of the foregoing powers, including deeds, bills of sale, transfers, leases, mortgages, assignments, conveyances, contracts, purchase agreements, waivers, releases, disclaimers and settlements.
- G. To contribute, donate, support, or distribute, from time to time, for the purposes herein stated, such payments or amounts as the Endowment Fund Board of Directors in its discretion shall determine. ✓
- H. To determine what is principal and income according to generally accepted accounting procedures. ✓
- I. To hold investments in the name of the Lutheran Church of the Resurrection Endowment Fund on behalf of the congregation and to sign checks and all other necessary documents on behalf of the congregation in furtherance of Endowment Fund purposes.
- J. To employ and reasonably compensate from the Endowment Fund income, accountants, agents, and attorneys to assist and advise in the execution of the Endowment Fund, without liability for their omissions or neglect, but using reasonable care in their selection, and to rely on the advice of the persons so employed. The Board of Directors may employ the services of any professional serving on the Board of Directors to perform necessary services for the Endowment Fund. The compensation paid for said services shall not be deemed to be self dealing as prohibited in Section I, paragraph P.
- K. The Board of Directors shall not be liable for any losses which may be incurred upon investments of the Endowment Fund except to the extent that such losses shall have been caused by bad faith or gross negligence of the Board members. No member shall be personally liable as long as he or she acts in good faith and with ordinary prudence in discharging the duties of the office. Each Board member shall be liable only for his or her own willful misconduct or omissions in bad faith. No Board member shall be liable for the acts or omissions of any other Board member, or of any accountant, agent, attorney, or custodian selected with reasonable care.
- L. The Board members shall not receive any compensation, but may be reimbursed from the income of the Endowment Fund for expenses reasonably incurred. A Board member, however, may receive compensation for the performance of professional services which the Board of Directors has hired pursuant to Section III, paragraph K.

SECTION IV TAX EXEMPTIONS

- A. Any gifts given to the Endowment Fund, as well as all income derived therefrom, shall be used exclusively for religious, charitable and educational purposes according to Section 501(C) (3) of the Internal Revenue Code of 1954 or corresponding provision of any future United States Internal Revenue Law. This Endowment Fund is created and shall be operated exclusively for church purposes. No part of the income or property of this Fund shall inure to the benefit of or be distributable to any member, director or officer of the church or to any other private person, except that the Endowment Fund Board is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No part of the activities of the Endowment Fund shall be the carrying on of propaganda or otherwise attempting to influence legislation, and it shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the Endowment Fund shall (a) not carry on any activities not permitted to be carried on by an entity exempt from federal income tax under Section 501 (C) (3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law or (b) do any act which would render contributions to the Endowment Fund non-deductible under Section 170 (C) (2) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law.
- B. This Endowment Fund may be dissolved in accordance with the laws of the State of Wisconsin. Upon dissolution of this Endowment Fund, and after the payment of all liabilities, obligations, costs and expenses incurred by this Endowment Fund, any remaining assets shall be distributed to such entities organized and operated exclusively for one or more purposes described in Sections 170 (C) (2) and 501 (C) (3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law.

SECTION V THE CHURCH COUNCIL

- A. The Church Council may upon recommendation by the Board of Directors decide when and if any fund principal, or corpus, shall be used by a two-thirds (2/3) majority vote of those present at a legally called meeting of the Church Council. This holds true if the principal, or corpus, is ever needed in the event of a catastrophe, or dire emergency.
- B. This Endowment Fund Agreement may not be altered or amended except by a two thirds (2/3) vote of the members present at Church Council meeting, or at a special meeting called specifically for the purpose of amending this agreement.
- C. Members of the congregation, or boards, or committees within the congregation may submit written requests to the Memorial Committee, or projects or areas of concern, as pertains to the expenditure of funds available. The Memorial Committee will forward to the Endowment Fund all requests which are appropriate for consideration.

- D. This Endowment Fund Agreement, adopted by the Church Council, via the recommendation of the Ad Hoc Committee appointed for the review and establishment of said Fund, at a legally called Church Council meeting, will form the rules and regulations of the Lutheran Church of the Resurrection Endowment Fund and all members are made privy to its content and uses.

December 1992

President: Fred Reichley

Secretary: Audrey Fisher