**LUTHERAN CHURCH OF THE RESURRECTION**

**ENDOWMENT FUND BY-LAWS**

**Amended September 2016**

Resolution to Establish the Endowment Fund of Lutheran Church of the Resurrection

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.” 1 Peter 1: 10 – 11

Christians can give to the work of the church through gifts in and from wills, life insurance policies, charitable gift annuities, charitable remainder and other trusts, and transfers of property such as cash, stocks, bonds and real estate; and

Whereas, it is the desire of Lutheran Church of the Resurrection to encourage, receive and administer these gifts in a manner consistent with the loyalty and devotion to our Lord in accord with the policies of this congregation.

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

The purpose of the Endowment Fund is to enhance the work of the church by establishing new ministries and stewardship opportunities in addition to and apart from the general operation of the church and outside of the church budget, including without limitations: benevolent projects – separate from those designated in the church budget, physical plant modifications, special equipment or building funds, all as determined by the Endowment Fund’s Board of Directors. It will also pay incidental expenses of the Endowment Fund. No proceeds will be used towards the regular budget or operating expenses of Lutheran Church of the Resurrection. The Endowment Fund assets shall not be used for loans.

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

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 use the Endowment Fund as was intended. Should that situation develop, Lutheran Church of the Resurrection or it 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 Lutheran Church of the Resurrection in accordance with Section V PP A of these By-Laws, the Emergency Distributions section of the Investment and Spending Policy, provision of the laws of the state of Wisconsin, and preserving the principal of those gifts designated to be perpetual, carrying out the wishes of the donor(s),. The Board of Directors of the Endowment Fund shall be responsible for maintaining a record of donations and the wishes of the donor(s) who made each donation.

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**

1. The Board of Directors shall consist of five members, all of whom shall be voting members of Lutheran Church of the Resurrection. Except as herein limited, the term of each member shall be three (3) years. 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. Terms shall be staggered such that no more than 3 Board members shal be replaced in a year.
2. The Nominating Committee of Lutheran Church of the Resurrection shall nominate the Board of Directors and report at the annual meeting of the Church Council those so serving.
3. Any member of the Endowment Fund Board of Directors may be removed from the Board when a majority of the Board is in agreement that the member is unable or unwilling to act in the best interest of the Endowment Fund. Before that action can be taken, an affirmative vote of two-thirds (2/3) of the Board members must take place at a special meeting held specifically for that purpose.
4. Any vacancies occurring on the Endowment Fund Board of Directors shall be filled by the nominating committee of Lutheran Church of the Resurrection, and the person(s) named and elected shall serve until the expiration of the vacating member’s term.
5. 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 Endowment Fund. Each Board Member must be a member in good standing of Lutheran Church of the Resurrection. Only two of the Board Members may serve concurrently on the Church Council. A Pastor of the Church and the President or Chairperson of the Church Council shall be ex-officio non-voting members of the Endowment Fund Board of Directors.
6. The Board of Directors shall elect from church membership a chairperson, treasurer and secretary. The Board of Directors may appoint a non-voting treasurer from outside the Board.
7. 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 Endowment 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, oral or electronic notice from the chairperson or any two members to the members of the Board of Directors. No notice, other than recording of the resolution of the Board fixing the time of the regular meetings need be given to the members. Each member is charged with maintaining knowledge of the contents of the minutes book. The secretary, or other member as designated and agreed to by the Board, shall maintain a complete copy of the minutes and shall supply a copy to each member of the Board. The secretary shall also supply a copy, in a timely manner, to the Church Council.
8. The chairperson, or the member designated by the chairperson, shall preside at all Board meetings.
9. A quorum shall consist of three (3) members. When only three (3) members are present a unanimous vote shall be required to carry any motion or resolution.
10. The Board has established an Investment Policy Statement as may be necessary for the conduct of its business. It has adopted standards and goals to guide in the expenditure of the income of the Endowment Fund.
11. 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 must be executed by the treasurer and either the chairperson or secretary of the Board.
12. Lutheran Church of the Resurrection shall maintain a corporate fidelity bond in a principal amount to be determined from time to time by the Board for the check signing authority of Board members. The cost of said bond can be provided by the Endowment Fund.
13. The Board of Directors shall maintain complete and accurate books of accounts and may employ such professional help as it deems necessary for this requirement. The financial records of the Endowment Fund shall be audited annually by a certified public accountant, church audit committee or other appropriate person who is not a member of the Board. The Board shall report to the Church Council at the annual meeting of the congregation.

**Section II**

**Duties of the Board of Directors**

1. The Endowment Fund Board of Directors shall render a full and complete accounting of the administration of the Endowment Fund for the calendar year just ended.
2. The Endowment Fund Board of Directors may receive gifts in any form and from any source acceptable to the Board of Directors. All Endowment Fund assets and property shall be kept and maintained separate, distinct and independent from the funds and property otherwise belonging to the church.
3. 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.
4. The Board of Directors is to inform the members of the congregation of the purposes of the Endowment 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.
5. All new members of the Endowment Fund Board of Directors are to receive a copy of the Endowment Fund By-laws and Investment Policy Statement to become familiar with the function and purpose of the Endowment Fund.

**Section III**

**Powers of the Board of Directors**

1. In the administration of the Endowment Fund, the Board of Directors shall have all powers and authority necessary to carry out the purposes of the Endowment Fund including the following powers and authority on behalf of Lutheran Church of the Resurrection.
2. 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.
3. 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.
4. 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 therein or any thereof, as they deem wise and prudent, including in such common or preferred stocks, bonds, debentures, mortgages, notes or other securities, investments or other property whether real or personal, which they in their absolute discretion may select or determine, and including, without limitation, savings deposits of any bank, federal home loan bank or credit union.
5. 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.
6. To make, execute and deliver all instruments necessary or proper for the accomplishment pf the purposes of 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.
7. To contribute, donate, support or distribute, from time to time, for purposes herein stated, such payments or amounts as the Endowment Fund Board of Directors shall determine in its discretion.
8. To determine what is principal and income according to generally accepted accounting principles.
9. To hold investments in the name of 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 further of the purposes of the Endowment Fund.
10. 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 person(s) 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 the following paragraph.
11. 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 of the Board of Directors shall engage in any self-dealings or transactions with the Endowment 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 Endowment Fund. No member shall be personal liable as long as he or she acts in good faith and with reasonable 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.
12. Board members shall not receive any compensation, but may be reimbursed from the income of the Endowment Fund for reasonably incurred expenses. A Board member may however, receive compensation for the performance of professional services which the Board of Directors has hired pursuant to Section III, paragraph J.

**Section IV**

**Tax Exemptions**

1. Any gifts given to the Endowment Fund, as well as income derived therefrom, shall be used exclusively for religious, charitable and educational purposes according to Section 501(C)(3) of 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 the Endowment 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(3) of 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 the Endowment 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 of Directors 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) and political campaign on behalf of any candidate for public office. Notwithstanding any other provisions 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 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.
2. The Endowment Fund may be dissolved in accordance with the laws of the state of Wisconsin. Upon dissolution of this Endowment Fund, and after 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**

1. The Church Council may, upon recommendation by the Board of Directors, decide when and if any fund principal, or corpus, shall be used. This will require a two-third (2/3) majority vote of those present at the legally called meeting of the Church Council. This only holds true if the principal, or corpus, is needed in the event of a catastrophe or dire emergency.
2. The Endowment Fund By-laws may not be altered or amended except by a two-thirds (2/3) vote of the members present at a Church Council meeting, or at a special meeting called specifically for the purpose of amending these by-laws.
3. Members of the congregation, or boards or committees within the congregation, may submit written requests to the Board of Directors of the Endowment Fund for projects or areas of concern, as pertains to the expenditure of available funds.

Section VI

Adoption of By-laws

These by-laws, recommended by the Board of Directors of the Endowment /fund and considered by the Church Council at a duly convened meeting, are hereby adopted this \_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

20\_\_\_\_\_\_.

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

President

Attest: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Secretary