

BYLAWS FOR OUR SAVIOR'S  
LUTHERAN CHURCH ENDOWMENT FUND

*(Received February 10, 1995)*

I. NAME.

This congregation shall have a Congregational Fund. The Fund shall be called Our Savior's Lutheran Church Endowment Fund. It shall be one of the funds of this congregation.

II. GENERAL PURPOSE

- A. This Fund's purpose shall be to receive gifts and bequests and to use them for the mission and ministry of Our Savior's Lutheran Church, and the Lutheran-Church Missouri Synod, its districts, seminaries, colleges, institutions or agencies.
- B. Both the principal and income from unrestricted gifts and bequests to the Fund are to be used for the uses, projects and programs recommended by the Church Council and approved by a simple majority of the Voters' Assembly provided, that the uses, projects and programs shall be consistent with the general purpose for which this Fund has been established. The list of approved uses, projects, shall be appended to these Bylaws and shall be distributed to the members of the congregation.
- C. The Endowment Fund Board shall make, at least annually, recommendations to the Voters' Assembly for distribution of the income and/or principal of the Fund for the designated uses, projects and programs. None of the income or principal from unrestricted gifts shall be distributed to the congregation's operating budget, except as hereinafter set forth. The distribution of the income and/or principal from unrestricted gifts for purposes other than the operating budget shall be determined by a simple majority of the Voters' Assembly.

In the initial three to five years of a new congregational program or project, which is normally funded by the operating budget, the income and principal of the Fund may be used on a proportionally decreasing basis so that by the third or fifth year, if not sooner, the new program or project is fully supported by the operating budget. Such use of the income and/or principal from unrestricted gifts needs the approval of a simple majority of the Voters' Assembly.

- D. Gifts and bequests may be made upon special terms or conditions or containing limitations or directions as to the investment or use of the substance of the gift, or the use of accumulation of the income provided that such are acceptable to Our Savior's Lutheran Church. The Endowment Fund Board shall submit at the next meeting of the Voters' Assembly (or request an emergency meeting), its recommendation on the acceptability of such a gift or bequest. The acceptance of such a gift shall be by a simple majority of the voting members present and voting at a duly called and constitutional meeting of Voters' Assembly.

### III. DURATION.

The Our Savior's Lutheran Church Fund shall continue in existence and be used as hereinabove provided, unless earlier revoked so long as Our Savior's Lutheran Church shall continue to exist. If Our Savior's Lutheran Church should cease to exist, then the assets constituting the Fund when Our Savior's Lutheran Church ceases to exist shall become the property of a successor Lutheran Church or, if no successor Lutheran Church, then it shall become the absolute property of the Lutheran Church-Missouri Synod Foundation (except that any and all properties held by the Fund upon special conditions, restrictions or limitations shall continue to be subject to the conditions, restrictions or limitation upon which such properties are held). If Our Savior's Lutheran Church dissolves it shall, at the time of such dissolution, have the right and duty to determine the existence of a successor Lutheran Church, if any, providing such successor Lutheran Church must qualify as an exempt organization under the Internal Revenue Code, and Our Savior's Lutheran Church shall execute the necessary documents to effect such transfer.

### IV. GOVERNING BOARD AND OFFICERS

- A. The Endowment Fund Board shall promote and manage the Fund. The treasurer of the Endowment Fund Board shall be responsible for receipts and disbursements from the Fund, shall maintain complete and accurate books of accounts, and shall provide at least annually a written financial report of the fund to the Voters' Assembly.
- B. The Endowment Fund Board, if it deems it to be in the best interest of the congregation, may recommend that the assets of the Fund be delivered to The Lutheran Church-Missouri Synod Foundation for investment management. Any agreement entered into for the management of the Fund shall be valid only if approved by a two-thirds (2/3) majority of the voting members present at a duly called and constituted meeting of the Voters' Assembly.
- C. The Endowment Fund Board shall meet at least once each quarter at the church at a time fixed by resolution of the Endowment Fund Board and more frequently as it may be deemed by it to be in the best interests of the Fund. The Endowment Fund Board, when it deems it unnecessary to hold a particular quarterly meeting, may by resolution cancel a meeting. Special meetings may be called on twenty-four (24) hours written or oral notice to the members of the Board by the chair or any two members. No notice other than recording of the resolution of the council 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 council shall constitute his approval of the action reflected in the minutes and taken at the meeting and shall have the same force and effect as though he had been present and voting at the meeting reflected the minutes.

- D. A quorum shall consist of four members. The affirmative vote of a majority present and voting shall carry any motion or resolution.
- E. The Endowment Fund 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 from the Fund, which it may amend, all within the stated purposes of the Fund.
- F. The Endowment Fund Board 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 Fund shall be executed by the treasurer and the chairperson of the Endowment Fund Board.
- G. Any members of the Endowment Fund Board with check signing authority, at the expense of the Fund, shall be covered by a corporate fidelity bond in a principal amount to be determined from time to time by the council.
- H. The Endowment Fund Board may as 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 for the best interest of the Fund.
- I. The Endowment Fund Board shall maintain complete and accurate books of account and may employ such professional help as it deems necessary in this connection.
- J. The secretary shall maintain complete and accurate minutes of all meetings of the Endowment Fund 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 or her successor.
- K. The chairperson, or the member designated by the chairperson, shall preside at all Endowment Fund Board Meetings.
- L. No member of the Endowment Fund Board shall engage in any self-dealing or transactions with the Fund in which the member of the Endowment Fund 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 interest of the Fund.
- M. The Board of Our Savior's Endowment Fund shall consist of seven members. Each shall serve for terms of four years and may be re-elected to serve for two additional terms. At the initial election, three shall be elected for two years and four members for four years. Only members of Our Savior's Lutheran Church in good standing are eligible to serve. If any become ineligible for any reason, they shall cease to be members of this Board. The vacancy shall be filled at the next meeting of the voters of Our Savior's Lutheran Church. The Board shall elect a Chairperson, a Vice Chair,

a Secretary, and a Treasurer. Terms of office for these positions shall be for two years. Board officers shall be eligible for re-election.

V. FISCAL YEAR.

- A. For tax, accounting, distribution, or other purposes, the fiscal year (whether terminating December 31 or otherwise) of Our Savior's Lutheran Church shall be the fiscal year of the Fund.
- B. Within two months 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 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 Our Savior's Lutheran Church Voters' Assembly.

VI. RESPONSIBILITIES.

- A. The Endowment Fund Board shall, at least annually, render a full and complete account of the administration of the Fund during the preceding year.
- B. Gifts and contributions from any individual, 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 in 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 at any time.
- C. Means for acknowledging the receipt of each gift and contribution shall be established and maintained, including, whenever feasible, a designation of the value ascribed to each gift.
- D. Gifts and contributions may be made upon special terms or conditions or containing limitations or directions as to the investment or use of the substance of the gift, or the use of accumulation of the income, provided that such are acceptable to Our Savior's Lutheran Church. Separate identification and recording shall be made of all transactions with respect to any such special or restricted gift or gifts.
- E. All funds and property shall be kept and maintained separate, distinct and independent from the funds and property otherwise belonging to the church. However, the council 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 Fund Board is to inform the members of the congregation 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 Fund Board are to receive a copy of the bylaws of the congregation relating to the Fund to become acquainted with the function and purposes of the Fund.

## VII. POWERS.

The manager of the Fund, whether the Fund is managed and administered by the Endowment Fund Board, or whether the Fund is delivered to The Lutheran Church-Missouri Synod Foundation for management and administration, shall have the following powers and authority.

- A. 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 lending institutions, and each investment shall be managed and protected in accordance with the principles herein established. In exercising the authority granted in this Section, the decisions with respect to investment shall be guided by the concept of a prudent investor whose investment purpose includes both income and capital appreciation and shall not otherwise be restricted by any law, rule or custom (i) requiring safety of corpus as a primary consideration (ii) regarding investment in income producing property or (iii) requiring diversification of investments. It is further understood that any part or all of the Fund may be invested in obligations of The Lutheran Church Extension Fund-Missouri Synod, St. Louis, Missouri. (Or District's Church Extension Fund.) In amplification, but not limitation, of the foregoing, authority is granted:
  - a. to acquire interests in property by purchase, lease, rental or other method; to sell, option, exchange, redeem or convert any property interests; and to rent or lease property of the Fund;
  - b. to exercise all rights and privileges accruing to a holder of securities, including (without limitation) all conversion, subscription, and preemptive rights; to deposit any securities with, delegate discretionary power to, and participate, cooperate and contract with, as a member or otherwise, any protective committee of security holders; and to effectuate any merger, consolidation, dissolution, reorganization or financial adjustment of the issuer of any securities and/or any transfer, demise, or encumbrance of any of its properties;

- c. to manage and/or develop any real property owned, leased or otherwise held by the Fund; to erect, repair, remodel, reconstruct, demolish or remove building or other improvements on it; to partition or subdivide it; to dedicate all or any part of it to public or semi-public use; and to grant easement or other charges with respect to it;
  - d. to abandon any property interest deemed worthless or of insignificant value;
  - e. to borrow money from any source, to encumber property of the Fund and to repay any loan due by the Fund;
  - f. to foreclose any mortgage, lien, or other encumbrance, and to purchase the encumbered property, whether through foreclosure or private arrangements;
  - g. to establish and maintain, out of income, depreciation, depletion and/or amortization reserves;
  - h. to maintain a portion of all of the property constituting the Fund in liquid or nearly liquid form, even though little or no income is earned thereon;
  - i. to use income or corpus funds (irrespective of their derivation) for any purpose of the Fund and with respect to any property of the Fund (irrespective of the income, if any, it produces) even if such funds are derived from the sale of or income from, other property the Fund or from a loan (from income or an outside source) using such other property as security.
- B. Without limiting the authority otherwise conferred, the following additional authority is hereby granted to be exercised as is believed to be in the best interest of the Fund:
- a. to accept and receipt for any inter vivos, testamentary or other transfer of property to the Fund;
  - b. to hold property, and to negotiate and execute documents on behalf of the Fund, in the name of the Fund or in the name of a nominee(s) without disclosing any fiduciary, relationship to anyone;
  - c. to allocate between income and corpus (in case where reasonable doubt of the applicable law exists) in equitable proportions, and money or other property received, and any loss or expenditure incurred;
  - d. to vote, or refrain from voting, securities having voting privileges, and to give any type of proxy (with or without voting directions) to vote the same;

- e. 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;
- f. to protect the Fund and its property by insurance against damage, loss or liability;
- g. to establish checking accounts(s) in which may be deposited income and/or corpus cash; and
- h. to employ at the expense of the fund, attorneys, investment counsel, brokers, custodians of assets, and other agents and employees.

VIII. AMENDMENTS.

Any amendment to this Bylaw which will change, alter, or amend the general purpose for which the Fund is established shall be adopted, only if approved by a simple majority of the voting members present at a duly called and constituted meeting of the Voters' Assembly, the notice of which has stated that such an amendment will be proposed to the Voters' Assembly.