

St. John's Lutheran Church Endowment Fund 2/97 version

Mission Statement: *The mission of the St. John's Endowment Fund is to encourage Christian stewardship and to enhance the outreach ministry of the congregation by providing an orderly method for receiving and administering gifts bequeathed to the church through wills and other forms of estate planning.*

AMENDMENT TO CONGREGATIONAL BYLAWS

The St. John's Lutheran Church Endowment fund, whose purpose, governance, and operational procedures shall be defined by special resolution adopted by this congregation, shall be established.

RESOLUTION TO IMPLEMENT THE ST. JOHN'S LUTHERAN CHURCH ENDOWMENT FUND

WHEREAS, Christian stewardship involves the faithful management of all the gifts God has given to humankind - the created world, the Gospel, life, time, abilities, money, including accumulated, inherited and appreciated resources; and

WHEREAS, the Scriptural principle of proportionate giving, to return to the Lord a portion of the gifts God has first given to his beloved children, is both a privilege and an appropriate response in all times and circumstances; and

WHEREAS, Christians can give to the work of the church through bequests in wills, assignment of life insurance, charitable gift annuities, charitable remainder and other trusts, assignment of certificates of deposit, and transfers of property (cash, securities, bonds, real estate); and

WHEREAS, it is the desire of St. John's Lutheran Church to encourage, receive, and administer these gifts in a manner consistent with the loyalty and devotion to our Lord as expressed by the donors and in accord with the policies of this congregation;

THEREFORE BE IT RESOLVED, that this congregation in annual meeting on February 2, 1997, approve and establish on the records of the church a new and separate fund to be known as the St. John's Lutheran Church of Eau Claire Endowment Fund [hereafter called the S.J.E.F].

BE IT FURTHER RESOLVED, that the purpose of the S.J.E.F. is to enhance the outreach ministry of this congregation apart from the current operating budget of this congregation; that no portion of the income generated by the S.J.E.F. shall be used for current operating or benevolence expenses.

BE IT FURTHER RESOLVED, that the distribution from all unrestricted gifts and bequests to the Endowment Fund shall be transferred periodically and used for outreach ministries. After being vested for a term of 33 and 1/3 years certain, each principal gift not designated in perpetuity by its giver shall be rolled-over and be placed in the Vision Ministry Fund, where its entire remainder is used;

BE IT FURTHER RESOLVED, that the S.J.E.F. Committee shall be the custodian of the S.J.E.F.;

BE IT FURTHER RESOLVED that Memorial Gifts, both those which are endowed in perpetuity and others which may be "flow through" gifts, being consistent with the congregation's outreach ministry, be administered by the Committee;

BE IT FURTHER RESOLVED, that the following Plan of Operations is set forth for the administration and management of the S.J.E.F. Committee.

A. PLAN OF OPERATION

A.1 The S.J.E.F. Committee shall consist of five members, all of whom shall be voting members of St. John's Lutheran Church. Except as herein limited, the term of each member shall be three years. Upon adoption of this resolution by the congregation, it shall elect five members to the Committee: two for a term of three years; two for a term of two years; and one for a term of one year. Thereafter, at each annual meeting, the congregation shall elect from the nominees of the church council the necessary number for the term of three years. No member shall serve more than two consecutive three year terms. After a lapse of one year, former Committee members may be re-elected. The senior pastor and the president of the council shall be advisory members of the Committee without vote.

A.2 If a member has two or more non-excused absences, that member shall be considered to have resigned from this Committee. In the event of a vacancy on the Committee, the church council shall appoint a member to fill the vacancy until the next annual meeting of the congregation at which time the congregation shall elect from the nominees of the church council a member to fulfill the term of the vacancy.

A.3 The Committee shall meet at least twice per year, or more frequently as deemed by it and/or the church council as in the best interest of the congregation.

A.4 A quorum shall consist of three members. When only three members are present, a unanimous vote shall be required to carry any motion or resolution.

A.5 The plan for distribution of the funds from the S.J.E.F. is to be accepted by the congregation at the annual meeting, within the guidelines of Sections B and C of this document, as recommended by the Committee and approved by the church council. The distribution may contain a contingent amount which may be disbursed as required during the year, to fulfill congregational approved applications.

A.6 The Committee shall elect from its membership a chairperson, recording secretary and financial secretary. The chairperson, or member designated by the chairperson, shall preside at all committee meetings.

A.7 The recording secretary shall maintain complete and accurate minutes of all meetings and supply a copy thereof to each member. Each member shall keep a complete copy of the minutes to be delivered to his or her successor. The recording secretary shall also supply a copy of the minutes to the church council.

A.8 The financial secretary will work with the church council treasurer in maintaining and coordinating complete and accurate accounts and shall authorize all fund transfers to the church council and co-execute all transactions and/or other necessary documents on behalf of the congregation in furtherance of the purposes of the S.J.E.F.. The books shall be audited tri-annually by a certified public accountant and annually by persons appointed by the church council, who are not involved with the Committee.

A.9 The Committee shall report on a quarterly basis to the church council and, at each annual meeting of the congregation, shall render a full and complete audited account of the administration of the S.J.E.F. during the preceding year.

A.10 The Committee may request other members of the congregation to serve as advisory members or as sub-committees, and with church council approval at the expense of S.J.E.F. income, may provide for such professional counseling on investments and on legal or financial matters as it deems to be in the best interest of the S.J.E.F.

A.11 The Committee members shall not be liable for any losses which may be incurred upon the

investments of the assets of the S.J.E.F. except to the extent such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable unless that member acts in bad faith or with gross negligence. Each member shall be liable only for his/her own willful misconduct or omissions, and shall not be liable for the

acts or omissions of any other member. No member shall engage in any self dealing or transactions with the S.J.E.F. in which the member 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 S.J.E.F..

A.12 All assets are to be held in the name of St. John's Lutheran Church of Eau Claire Endowment Fund or in the name of the ELCA for the benefit of St. John's Lutheran Church.

A.13 The committee with execution by a delegated member of the Committee shall hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects manage and control the assets of the S.J.E.F., including any other form of property whether real or personal, tangible or intangible, and/or domestic or foreign, including, but not limited to real estate, oil, gas and other natural resources, and/or accounts in the ELCA Mission Investment Funds, certificates of banks or other lending institutions, and securities bonds, debentures, mortgages, or notes, as in their judgment and discretion they deem wise and prudent.

A.14 Any single investment of an amount greater than 10% of the Fund's assets must be approved or rejected by the executive committee of the church council on or before ten days from date of written request. If no action is taken by the executive committee, the Committee may proceed as if the recommendation is approved.

A.15 Neither principal nor income of the S.J.E.F. is intended to be used as a source of personal and/or corporate loans or grants to members of the Committee, employees or members of St. John's Lutheran church or to contributors to the S.J.E.F., except those consistent with the purpose and objectives in accordance with sections B and C of this resolution.

B. PLAN FOR DISTRIBUTION

B.1 The Committee shall determine the annual distribution of the St. John's Endowment fund based on the total value of the fund including any other form of property (at the latest appraised value) whether real or personal, tangible or intangible, and/or domestic or foreign, including, but not limited to real estate, oil, gas, and other natural resources and/or accounts in the ELCA Mission Investment Funds, certificates of banks or other lending institutions, debentures, mortgages, notes, and securities and bonds (as reported in the Wall Street Journal) at the closing price on the last calendar trading day, for that fiscal year. The Committee will determine the market value and they will set aside from either the sale or the earnings, five(5%) percent of the S.J.E.F. on December 31 (or fiscal date) of each year, which shall be the amount of distribution during the following year. The plan for distribution shall follow the guidelines of Section B.2, a-e. Then, the Committee will recommend, subject to church council acceptance; if rejected, the recommendation will be returned to the Committee for new action. Upon acceptance by the council, the plan for distribution will be voted for acceptance by the congregation at the annual or special called meeting.

a) All unrestricted or planned gifts or bequests to the S.J.E.F., shall at the occurrence of the gift be invested by the S.J.E.F. committee. The plan for distribution shall be according to the procedure in Section B.1 and Section B.2, a-e. The gift principal shall be retained in the S.J.E.F. for a period of 33 1/3 years. On the 33 1/3 anniversary of the unrestricted or planned gift or bequest, 100% of the then remaining principal shall be rolled-over and placed into the Vision Ministry Fund, a separate fund of St. John's Lutheran Church, subject to

paragraph B.1.d.

b) Donors may designate that their unrestricted or planned gifts (bequests) will remain in the S.J.E.F. in perpetuity, with only the 5% distribution being expended.

c) The Congregation shall place all unrestricted or planned gifts (bequests) into the S.J.E.F. for a period, certain.

d) No distribution from the asset balance shall be made to the Vision Ministry Fund that reduces the S.J.E.F. total asset balance below the sum 10% of the annual operating budget of the congregation.

B.2 Distributions from the S.J.E.F. shall be transferred by voucher to the church council periodically for outreach ministry to accomplish the following purposes:

a) A minimum of ten (10%) percent, within our community, for children and adults:

1. for the purpose of attending a college, university, seminary, or other post-high school institution.
2. for church-related camping or leadership conferences.
3. for other training which enables members of this congregation to grow in their Lutheran faith and service to God's people.
4. for the funding of church youth outreach programs outside of the current operating budget.

b) A minimum of then (10%) percent, within our community, for adults/families in need:

1. for social service agencies, institutions, and agencies;
2. for special programs designed for those persons in our community who are in spiritual and/or economic need;
3. for temporary shelter, food, and clothing

c) A minimum of ten (10%) percent in grants:

1. to our ELCA schools, colleges, universities, campus ministries, and seminaries;
2. to our ELCA church-related camping ministries.

d) A minimum of ten (10%) percent in grants

1. through the Synod for:

- a. educational ministries
- b. partnership ministries

2. through the ELCA for:

- a. World Hunger
- b. World Missions
- c. Mission Outreach

- d. Lutheran Vespers
- e. Mission Partners
- f. Congregational Ministries
- g. Other partnership ministries

e) And, sixty (60%) percent for any one or all of the above designated areas B.2. a-d, in any proportion as decided by the S.J.E.F. Committee, recommended by the church council, and accepted by the congregation at an annual or special called meeting.

B.3 The distributions from the S.J.E.F. shall occur annually.

B.4 Causes and programs for the Committee to consider for outreach ministry shall be recommended by the church council through the advisory capacity of the council president, the pastors, associates in ministry, other staff personnel, committee chair-persons, and/or individual congregational members.

C. PLAN FOR "ROLL-OVER TO THE VISION MINISTRY FUND

C.1 At the end of a period certain, that being 33 1/3 years from the date of receipt, the remainder of each single gift principal (asset) portion of the non-designated or planned gift or bequest will be rolled-over from the St. John's Endowment fund to the St. John's Vision Ministry Fund according to B.1 a-d.

C.2 These assets will then be expended by the church council in consultation with the Vision Ministry Fund Committee.

C.3 The purpose for the transfer of these assets from the S.J.E.F. to the Vision Ministry Fund is that these funds will be used for building new ministries. These funds are not intended to be used for current operating expenses.

D. PLAN FOR AMENDING THE RESOLUTION

Amendments to this constitution may be proposed by at least one hundred (100) voting members or by the Congregation Council. Proposals must be filed in writing with the Congregation Council sixty [60] days before formal consideration by this congregation at its regular or special meeting called for that purpose. The Congregation Council shall notify the members of the proposal with the council's recommendations at least 30 days in advance of the meeting.

A proposed amendment to this constitution shall:

- a. be approved at a properly called meeting according to this constitution by a majority vote of those

present and voting.

b. be ratified without change at the next annual meeting by a two-thirds majority vote of those present and

voting; and

c. have the effective date included in the resolution and noted in the constitution.

E. PLAN FOR DISPOSITION OR TRANSFER OF FUND

"Be it further resolved that in the event that St. John's Lutheran Church ceases to exist either through merger or dissolution, disposition or transfer of the S.J.E.F. shall be at the discretion of the church council in conformity with the congregation constitution, being within the IRS Code 501 (c)(3) tax exempt organization - rules, and in consultation with the bishop of the synod to which this congregation belongs at such time. Discussion with the Evangelical Lutheran Church in America (ELCA) may be desirable for continuation of the S.J.E.F. obligations.

F. ADOPTION OF RESOLUTION

"This resolution, recommended by the church council and accepted by this congregation at a legally called congregational meeting, is hereby adopted."

ST. JOHN'S LUTHERAN CHURCH

By: _____

1804 Highland Avenue

President

Eau Claire, WI 54701

and:

Secretary

20 _____ Dated this _____ day of _____ ,