

Chapter 18. BYLAWS

**TO IMPLEMENT THE ASLC ENDOWMENT FUND PLAN OF
OPERATION**

*C18.01 **Statement of Purpose/Intent.** The purpose of this instrument is to define the operational procedures relating to the administration of the **All Saints Lutheran Church of Phoenix Endowment Fund ("Fund")**, which was authorized by the congregation at its annual meeting January 1997 as set forth in a resolution herein reproduced as item C18.02 of this plan. The stated mission of the **All Saints Lutheran Church of Phoenix Endowment Fund** is to offer an opportunity to fulfill the mission of All Saints Lutheran Church apart from the operating budget of the Church.

*C18.02. **Resolution to Establish the ASLC Endowment Fund.**

WHEREAS, Christian Stewardship involves the gifts God has given us: our time, talents and possessions - signs of His gracious love, and the faithful management of them; and

WHEREAS, our possessions include accumulated, inherited, and appreciated resources; and

WHEREAS, the scriptural principle of proportionate giving, to return to the Lord a portion of all that He has given to us, is a privilege and an appropriate response to His goodness; and

WHEREAS, Christians can give to the work of the church both in the present and in the future through bequests in wills, trusts, deferred gifts, assignments of assets, property transfer, residual provisions in estates, beneficiary designations; and

WHEREAS, it is the desire of All Saints Lutheran Church to encourage, receive, and administer these gifts in a manner consistent with the loyalty and devotion of our Lord, the love expressed by the donors, and in accord with the policies of this congregation; therefore, be it

RESOLVED, that this congregation in an annual meeting assembled in January of 1997, approve and establish bylaws for a new and separate fund to be known as "**The All Saints Lutheran Church Endowment Fund**" ("ASLC Endowment Fund") of the All Saints Lutheran Church and be it further

RESOLVED, that the bylaws of this congregation set forth details for administration of the Fund; and be it further

RESOLVED, that an **Endowment Fund Committee**, appointed by the Congregation Council be established to be custodian of the Fund; and be it further

RESOLVED, that the Fund shall receive funds designated for the ASLC Endowment Fund and/or other monies designated from the Church Council. Undesignated monies left to All Saints Lutheran Church shall be received by the Church Council and go to the All Saints General Fund until or unless the Council votes to designate such funds to the ASLC Endowment Fund; and be it further

RESOLVED, that the purpose of the Fund is to enhance the mission of our church.

*C18.03. **Custom Design/Intent and Acceptance of Endowment Contributions.**

- a. The Committee shall (1) develop and distribute informational materials concerning the purpose, benefits and utilization of the Fund and (2) assist all interested persons in understanding and customizing endowment contributions.
- b. To the extent possible, each endowment contribution shall provide for a

specific name and sufficient written instructions to enable the Committee to fulfill the Donor's intent. The Committee shall be authorized to develop a sample form of instructions for Donors to utilize and, to the extent necessary, to name, interpret and administer each endowment contribution consistent with the stated purpose of the Fund.

- c. The Committee shall review and approve all endowment contributions prior to acceptance and act as advisor to the Church Council on gifts other than cash gifts that are undesignated. The Committee shall encourage Donors to have the Committee review and pre-approve the specific form and instructions relating to their endowment contribution consistent with the stated purpose of the Fund.

*C18.04. **Endowment Fund Committee.** The Fund shall be administered

by an "Endowment Fund Committee" ("Committee").

- a. Selection of Committee Membership - There shall be five (5) committee members who are selected from the congregation of All Saints Lutheran Church of Phoenix. Each person serving on the Committee shall be a member in good standing according to the church records ("qualified member"). Three (3) committee members shall be selected by vote of the church membership at its annual meeting with the other two (2) committee members being a Pastor and a Council member.
- b. Term of Office - The term of each elected non-pastor Committee member shall be two (2) years, and the terms shall be staggered. Thereafter, at each annual meeting, the congregation shall elect committee members to fill the positions of those members whose terms will expire and elect a new member to

fill the remaining term of any member whose position was not expired and whose vacancy was filled by the Church Council. No member shall serve more than three (3) consecutive two (2) year terms. After a lapse of one (1) year, former Committee members may be re-elected.

- c. Vacancies - In the event of a committee vacancy, the Church Council shall appoint a qualified member of the congregation to fill such vacancy until the next annual meeting of the congregation.
- d. Removal - In the event any committee member is no longer a qualified member or otherwise fails to participate in the operation and administration of the Fund, the Council shall have the absolute authority in its discretion, on a case by case basis, to remove such person from the committee.
- e. Meetings - The committee shall meet at least quarterly or more frequently as deemed necessary in the best interest of the Fund. A special meeting may be called by at least three (3) members. Proper notice must be given for all meetings as provided below.
- f. Notice - Each member shall receive written notice of all committee meetings at least ten (10) days prior to any regular or special meeting. In an emergency, such notice requirement may be waived by unanimous written consent of all committee members.
- g. Quorum and Voting - At least three (3) committee members must be present in order to have a quorum to hold a committee meeting and the affirmative vote of at least three (3) committee members shall be required to carry any motion or resolution.

- h. Chairperson & Officers - 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.
- i. Minutes - The recording secretary shall be responsible for preparing and maintaining complete and accurate notices and minutes of all meetings. Each set of minutes shall be approved by the committee at its next regularly scheduled meeting as its first order of business. After approval, a copy of each meeting's minutes shall be delivered to each member with an extra copy given to the secretary of the Church Council. Each member shall keep a complete set of the minutes which shall be delivered to his or her successor.
- j. Accountings - The financial secretary shall design and maintain complete and accurate accounts for the Fund, including separate records for individual or groups of similar categories of contributions as required by the Donors or as appropriate, and shall submit a financial report to the committee at each regularly scheduled meeting for review and inclusion in the meeting minutes. The accounting records shall be maintained on a September 30 year end basis to facilitate the completion of an annual report and related review prior to each annual congregational meeting. On at least an annual basis, the Audit Committee shall review and report to the Council on the Committee operations and record keeping. Such review shall include an analysis of the annual report for the years ending in September 30 which shall be presented for approval to the congregation at its annual meeting.

- k. Reporting to Council and Congregation - The Council member serving on the committee shall report to the Church Council as requested. The Chairperson shall file an annual report for approval by the congregation at its annual meeting.
- l. Indemnification and Hold Harmless - Committee members shall be indemnified and held harmless from any liability for any losses which may be incurred upon the investments of Fund assets, except to the extent such losses shall have been caused by intentional acts, bad faith, or gross negligence. No member shall be liable for the acts or omissions of any other member. No member shall engage in any self dealing or transactions with the Fund 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 Fund.

***C18.05. Administration of the Fund**

- a. Title to Fund Assets - All money received by the Committee for the Fund shall be deposited into one or more financial accounts, as authorized by the Committee, which are separate and apart from the Church general or memorial funds and any non-monetary assets received by the Committee for the Fund shall be titled in the Fund or otherwise restricted from use or commingling with Church general or memorial assets, as authorized by the committee.
- b. Disbursements - All disbursements from any Fund account shall be made in accordance with the Donor's instructions or as authorized by the Committee or Council as applicable. All disbursements shall be made with dual signatures as

authorized by the Committee and registered with the applicable financial institutions or entities. All legal instruments to be executed on behalf of the Fund shall be first authorized by the Committee in accordance with Donor's instructions and in furtherance of Fund purposes.

- c. Investment Decisions - Except as may be otherwise provided by a Donor's request, all recommendations to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the Fund assets, including stocks, bonds, debentures, mortgages, notes, or other securities, as in their judgment and discretion they deem wise and prudent, are to be made by the Committee.
- d. Use of Advisors - The Committee is authorized to retain and pay for the services of one or more investment, legal or accounting advisors to assist with the committee operations.

***C18.06. Fund Income**

a. Distribution or Accumulation of Income

- 1. Specific Instructions - Income from Fund investments shall be disbursed or accumulated in accordance with the Donor's specific instructions to the extent practicable.

Note: The Committee reserves the right to interpret and modify the beneficiary intent consistent with the legal concept of "cy pres", or otherwise delay disbursement of income from any Donor's contribution in the event such intent cannot be satisfied due to unanticipated or unforeseen circumstances, i.e. intended beneficiary is no longer in

existence or the intended beneficiary (or programs) cannot effectively utilize the specified total income available, or if in the judgment of the Committee, total annual disbursement of income to a particular program is not recommended.

2. Unspecified - If the Donor does not specify the manner in which income from a particular endowment contribution is to be disbursed or whether the income is to be accumulated, income from the Fund shall be disbursed or accumulated by the Committee consistent with the Fund's mission statement. The Committee shall establish a written plan for the distribution of unspecified income. Programs for support by the Fund shall be recommended by the Committee and approved by the Church Council according to the guidelines established by the congregation.

Note: Income shall not be disbursed to satisfy general Church operations without congregational authorization. Such authorization shall be limited to unanticipated or unforeseen circumstances which seriously jeopardize the existence or continuation of the Church entity after other reasonable efforts have failed.

- b. Identification and Allocation of Principal and Income - The committee shall determine what is principal and income according to accepted accounting procedures.

*C18.07. **Fund Principal or Corpus**

- a. Specific Instructions - Principal (or corpus) of any endowment contribution shall be disbursed in accordance with the Donor's specific instructions, to the extent practicable.

Note: The Committee reserves the right to modify the beneficiary intent, consistent with the legal concept of "cy pres", or otherwise delay disbursement of principal from any Donor's contribution in the event such intent cannot be satisfied due to unanticipated or unforeseen circumstances, i.e. intended beneficiary is no longer in existence or the intended beneficiary (or programs) can not effectively utilize the specified total principal available, or if in the judgment of the committee total or specified disbursement of principal to a particular program is not recommended, i.e. requisite programs have not been approved by the committee in a manner sufficient to utilize principal available, or if in the judgment of the committee disbursement of principal is not recommended.

- b. Unspecified - If the Donor does not specify the manner or if principal from a particular endowment contribution is to be disbursed, principal from the Fund shall be disbursed by the committee consistent with the Fund's mission statement. The committee shall establish a written plan for the distribution of unspecified principal. Programs for support by the Fund shall be recommended by the Committee and approved by the Church Council according to the guidelines established by the congregation.

Note: Principal shall not be disbursed to satisfy general Church operations

without congregational authorization. Such authorization shall be limited to unanticipated or unforeseen circumstances which seriously jeopardize the existence or continuation of the Church entity after other reasonable efforts have failed.

*C18.08. **Disposition or Transfer of Entire Fund** - In the event All Saints Lutheran Church of Phoenix ceases to exist either through merger or dissolution, disposition or transfer of the existing endowment contributions shall be made to its successor or such other entity which can fulfill the Donor's intent.

*C18.09. **Adoption and Amendment** - This Plan of Operation shall be adopted and may be amended from time to time by formal act of the Church Council, as set forth in the Church Bylaws. However, no amendment shall either substantially change the duties and responsibilities of the Committee without its consent or frustrate the Donor's intent (or be materially inconsistent with the plan of operation at the time the gift was created).

Authorization And Approval

Dated: _____, 1997

All Saints Lutheran Church of Phoenix

Council President

Council Secretary

Acceptance

Dated: _____, 1997

ASLC Endowment Fund Development Committee (Ad hoc)
