

**TRINITY EVANGELICAL LUTHERAN CHURCH
ENDOWMENT FUND BYLAWS
(2016 REPLACEMENT)**

I. NAME AND GENERAL PURPOSE

A. Trinity Evangelical Lutheran Church (sometimes hereafter referred to as “Trinity”) of Sauk Rapids, Minnesota has established an endowment fund which was adopted by the Voters’ Assembly adopting Bylaws for the same on December 6, 2009. In adopting the Bylaws contained in this document Trinity shall replace in their entirety those endowment Bylaws dated December 6, 2009 with the Bylaws contained in this document. All assets in the endowment fund hereunder which, upon adoption of these Bylaws, shall be managed and be called **“Trinity Evangelical Lutheran Church Endowment Fund”** (hereinafter referred to as the “Fund.”) It shall be one of the funds of this congregation and shall not be a separate entity.

B. The Fund’s purpose shall be to receive gifts and bequests of assets and to use them for the further growth of the mission and the ministry supported by Trinity and those consistent with the doctrines of the Lutheran Church-Missouri Synod.

C. There shall be established a committee for the purpose of managing the Fund which shall be called the Endowment Fund Committee (hereinafter referred to as the “Committee.”)

II. DURATION

The Fund shall continue in existence and be administered so long as Trinity shall continue to exist. If Trinity should cease to exist the Fund shall be dispersed on the same basis as

all other property of Trinity according to the Constitution and Bylaws of Trinity as they may be amended from time to time and provided that the successor to the Fund shall administer the same in a manner consistent with the purposes of the Fund.

III. FUND CATEGORIES, RECEIPTS AND DISTRIBUTIONS

Unless otherwise designated, all gifts to Trinity as a result of the passing away of the donor, including those gifts made through provisions of wills, trusts, or by other means including transfers through designations of beneficiaries, payable on death, transfers on death and estate remainders shall be considered to be gifts to the Fund on an unrestricted basis unless there are specific restrictions established by the donor which shall then be applicable.

A. Unrestricted Funds. The Unrestricted Funds category requires no minimum contribution. All undesignated gifts shall go into this category. Assets of this category of the fund may be used for mission projects and programs approved by the Voters' Assembly. The Committee shall, at least annually, provide recommendations to the Voters' Assembly for distributions from this category of the Fund consistent with the purposes expressed in these Bylaws.

B. Donor Restricted Funds. The Donor Restricted Funds category shall require a \$10,000 minimum contribution. The donor may define how the gift is to be used. Such gifts shall not be accepted unless and until the Committee approves the same. In any event, the same must be consistent with the stated purposes of the Fund. If the Committee determines that it will not accept a gift on such terms and rejects same, upon request of the Donor, the Committee at its election may submit the terms of such gifts at the next Voters' Assembly or at a special meeting with its recommendations as to the

acceptability of the gift. The Committee and Voters' Assembly reserves the right to be the final determiners on the matter of the acceptability of such gifts. The acceptance or rejection of such a gift by the Voters' Assembly shall be by a simple majority vote of those present.

C. Distributions from the Fund are to occur annually. Unless otherwise provided herein or by the donor, the annual distribution from the Fund shall be up to 5% of the total value of the assets of the Fund as of December 31st.

D. Distributions from the Fund may only be used for operating budget relief as a short term loan to Trinity and only upon approval of ½ of all eligible voters of Trinity regardless of attendance at the meeting considering the same.

IV. FISCAL YEAR

A. For tax, accounting, distribution or other purposes, the fiscal year of Trinity shall be the fiscal year of the Fund.

B. At the first regular Voters' Meeting of each year, or at a special meeting called for the purpose, the Committee shall submit an itemized written statement accurately reflecting the position of the Fund's income and principal accounts and the receipts, disbursements and changes from the previous fiscal year.

C. The Fund shall be subject to audits and examinations on the same basis as other congregational funds and accounts.

V. ENDOWMENT FUND COMMITTEE

A. The Committee shall operate under the direction and supervision of the Leadership Team and shall consist of the following members:

1. Members. The Committee shall have seven voting members: The Church Treasurer and six members which shall be appointed by the Leadership Team. The President, Vice President and the Senior Pastor of the congregation shall be non-voting members of the Committee.

2. Term. The term of the Treasurer will be the terms as set by the Trinity Constitution and Voters' Assembly. The six appointed members shall serve in staggered three year terms so that only two will complete a term each year. The appointed members can serve not more than two consecutive terms and after a twelve month absence from the Committee are again eligible for re-appointment. If an appointed member is unable to complete a term, the Leadership Team shall appoint a replacement to complete the term.

3. Accountability. The Committee shall be accountable directly to the Leadership Team.

4. Quorum. A quorum shall consist of four voting members. A majority present and voting shall carry any motion or resolution.

5. Advisory Members. The Committee may request others to serve as advisory members at the expense of the Fund and may provide for such professional counseling on investments, accounting or legal matters as it deems to be in the best interest of the Fund. Such expenses shall require the prior approval of the Leadership Team.

6. Officers. The Officers of the Committee shall be the Chairperson who will be selected by the Leadership Team from among the appointed members, the Trinity Treasurer and a Vice Chairperson, Financial Secretary and Recording Secretary for one year-terms. In the event any of the appointed members is unable to complete a term of office, the remaining

members of the Committee shall elect a successor to serve until the next annual election.

a. Chairperson. The Chairperson, or the Vice Chairperson in the Chairperson's absence shall preside at all meetings of the Committee and be responsible for scheduling meetings and providing notices and agendas for the same.

b. Treasurer. The Treasurer of the congregation shall also be the Treasurer of the Fund and shall be covered by a corporate fidelity bond with limits acceptable to the Leadership Team.

c. Financial Secretary. The Financial Secretary shall assist the Treasurer in maintaining complete and accurate books of accounts in the Fund.

d. Recording Secretary. The Recording Secretary shall maintain complete and accurate Minutes of all the meetings of the committee and supply a copy to each member. Copies of the Minutes shall be made available for members of the congregation.

B. In order to properly manage the Fund, the Committee shall maintain checking and investment accounts with such financial institutions as it may from time to time determine by Committee resolution. The Committee is authorized to designate as such depositories for the Fund assets the LCMS Foundation, the Lutheran Church Extension Fund of the LCMS, Thrivent and any bank chartered by the State of Minnesota or the Federal Government. Any other depository or engagement of any other investment management firm will require approval of the Voters' Assembly by at least a 2/3 majority of those present at the meeting. The signature of both the Treasurer and one other committee member shall be required for all checks and other

documents transferring or expending any funds or assets in the Fund.

C. The Committee shall endeavor to meet at least on a quarterly basis.

D. The Committee shall establish such 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 from time to time, all within the stated purposes of the Fund and within the limitations of these Bylaws.

E. The Committee shall maintain complete and accurate books of account and may employ such professional help as it deems necessary in this task.

F. No members of the Committee shall engage in any self-dealing or transactions with the Fund in which the member of the Committee 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.

VI. DUTIES

A. The Committee shall, at least annually, render for the Leadership Team and Trinity congregation a full and complete account of the administration of the Fund during the preceding year.

B. The Committee shall actively market and promote participation in the Fund and provide materials and presentations to educate the members of Trinity regarding the

Fund and its purposes and to encourage members to support the same.

C. The Committee shall adopt procedures for review and acceptance of assets that donors may desire to give. Gifts of cash or publicly traded securities will almost always be acceptable. However, other gifts and gifts in “kind” shall not be accepted unless approved in advance by the Committee. Gifts in kind include gifts of real estate and tangible and intangible personal property (except cash and marketable securities) and will include any of the following types of gifts: operating businesses, partial or deferred interests in real estate, assets encumbered by debt assets, assets which may have title or environmental problems, assets which may not be marketable within reasonable time and assets where the expense of owning the property may not be acceptable. In addition, certain types of property may not be acceptable because they may cause adverse federal or state tax problems for the Fund or Trinity. If the Committee determines that an asset which a donor desires to give to the Fund is not acceptable, it will explain the reasons to the donor and may provide suggestions or alternatives for making the asset acceptable.

Some property may cause tax or other adverse consequences to the donor. Neither Trinity nor the Committee shall be responsible for advising donors of the tax or other consequences of any gift. Donors are advised to consult with their own attorney, tax adviser and other professional advisers regarding the consequences of a gift. This Fund will abide by requirements of the Internal Revenue Code and its regulations.

D. The Committee shall prescribe the means for formally acknowledging the receipt of each gift so as to allow the donor to claim applicable charitable tax deductions.

E. All Funds and property in the Fund shall be kept and maintained separate, distinct and independent from the funds and property otherwise belonging to Trinity. The Committee shall in no event be required to make physical segregation of the assets within the Fund in order to conform to the directions of individual donors, but it shall maintain separate accounts within its records as needed for that purpose.

F. All new members of the Committee are to receive a copy of these Bylaws so as to become acquainted with the function and purposes of the Fund.

VII. POWERS

The provisions of these Bylaws and this Article shall govern the management of the Fund, whether administered by the Committee, or whether the Fund is delivered to an investment entity for management and/or administration:

A. The property constituting the principal of the Fund may 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 Article, 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 (1) requiring safety of principal as a primary consideration, (2) regarding investment in income producing property, or (3) requiring diversification

of investments. In amplification, but not limitation, of the foregoing, authority if granted:

1. To acquire interest in property by purchase, lease, rental or other method; to sell, option, exchange, redeem or convert any property interest and to rent or lease property of the Fund;

2. To exercise all rights and privileges accruing to a holder of securities, including all voting, conversion, subscription, and preemptive rights; to deposit any securities with, delegate discretionary power to, and participate, cooperate and contract with, as a member of otherwise, any; protective committee or 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 property;

3. To manage and/or develop any real property owned, leased or otherwise held by the Fund; to erect, repair, remodel, reconstruct, demolish or remove buildings 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;

4. To abandon any property interest deemed worthless or of insignificant value;

5. To borrow money from any source, to encumber property of the Fund and to repay any loan due by the Fund provided it incurs no acquisition indebtedness;

6. To foreclose any mortgage, lien, or other encumbrance, and to purchase the encumbered property, whether through foreclosure or private arrangement;

7. To establish and maintain out of income, depreciation, depletion and/or amortization reserves;

8. To maintain a portion or all of the property constituting the Fund in liquid or nearly liquid form, even though little or no income is earned thereon;

9. To use income or principal funds (irrespective of their derivation) for any purpose of the Fund and with respect to any property of the Fund (irrespective of the income, or any it produces) even if such funds are derived from the sale of or income from other property of 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 additional authority is hereby granted to be exercised as is believed to be in the best interest of the Fund:

1. To accept and receipt for any monetary gifts, memorials, bequests, or other transfer of property to the Fund;

2. To hold property, and to negotiate and execute documents on behalf of the Fund;

3. To allocate between income and principal in equitable proportions, any money or other property received, and any loss or expenditure incurred;

4. To vote, or refrain from voting, securities having voting privileges and to give any type of proxy (with or without directions) to vote the same;

5. 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 cash and for such purpose to set values upon any property of the Fund;

6. To protect the Fund and its property by insurance against damage, loss or liability;

7. To establish checking account(s) in which may be deposited income and/or principal cash;

8. To employ, at the expense of the Fund, attorneys, investment counsel, brokers, custodians of assets, and other agents and employees.

VIII. AMENDMENTS

Any amendment, which will change, alter or amend these Bylaws, shall be adopted only if approved in the same manner as is required for amending Trinity’s Bylaws under Trinity’s Constitution and Bylaws.

APPROVED BY VOTERS’ ASSEMBLY:

Date: _____, 20__

Secretary: _____

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