

DRAFT 4

PERMANENT ENDOWMENT FUND **RESOLUTION** OF CONCORDIA EVANGELICAL LUTHERAN CHURCH OF FORT WAYNE, INC.

- I. **Creation of Fund.** The congregation hereby creates a separately administered Fund to be known as “Permanent Endowment Fund of Concordia Evangelical Lutheran Church of Fort Wayne, Inc.” hereinafter referred to as the “Fund”.
- II. **Purpose of the Fund.** The ~~Permanent Endowment Fund of Concordia Evangelical Lutheran Church of Fort Wayne~~ **Fund** has been established to receive gifts and contributions **to the church, school and affiliates**, in whatever form donated, on behalf of the congregation, thereby creating a **permanent** resource to help the congregation achieve the ~~goals and objectives~~ **mission and vision** of its Christian ministry.

Donations to the Fund are classified as **Unrestricted** or **Restricted**. The income generated through these gifts (along with the principal if specifically authorized by the donor) will be used as follows:

A. Unrestricted Donations. Donations to the Fund for its general purposes will be used as follows:

1. To provide initial funding for new ministry projects that will enable facets of the congregation to further its ~~Christian mission~~ **mission and vision**. Ministry groups within the congregation may apply for such **funding on the form provided**.
2. To provide for major capital improvements or major capital repairs where funds are not otherwise available ~~and cannot readily be made available~~ **without having to borrow such funds**.
3. To reinvest a portion of the income from these unrestricted funds in order to increase the overall assets of the Fund.

B. Restricted Donations. The Fund also accepts and administers the funds committed to the congregation for other specific purposes that are in keeping ~~with its statement of the mission and ministry~~ **vision of Concordia Lutheran Church**.

1. Such restricted accounts will be established in amounts of a minimum of ~~\$2,500~~ **\$25,000**. ~~The income from the investment of~~ **These funds (and the principal if such is the donor’s direction)** will shall be used for the purposes

designated by the donor. Examples: Care Ministry Fund, Youth Ministry Fund, Church Operating Expense Fund.

2. If the balance of any Restricted Fund falls below ~~\$1,000~~ \$10,000, ~~or the project for which it was intended is completed for which restricted gifts were received, the account will be discontinued and the balance in such restricted account shall be transferred~~ to the Unrestricted Endowment Fund.

III. Management of the Fund. The management of the Fund is hereby entrusted to the Permanent Endowment Fund Trustees, hereinafter referred to as the "Fund Trustees".

- A. The Fund Trustees shall** consisting of six(6) members of the Voter's Assembly, who shall be nominated and elected by the Voter's Assembly at the same time and in the same manner as the principal officers of the congregation. ~~.; provided, however, that the initial Fund Trustees may be elected at any regular meeting of the Voter's Assembly, including the meeting in which this resolution is adopted.~~
- B.** Except for the privilege and responsibility of electing the Fund Trustees and recommending or concurring in the distribution of funds, the members of the Voter's Assembly, other than the Fund Trustees, shall not participate in the management of the Fund.
- C.** The **Senior** Pastor ~~or Pastors~~ of the Congregation shall ex officio act in an advisory capacity to the Fund Trustees, but without power to vote. The presence of the **Senior** Pastor ~~or Pastors~~ shall not be counted in determining the existence of a quorum.

IV. Organization of the Fund Trustees

- A.** Fund Trustees shall be elected for three (3) year terms; provided however, that the initial Fund Trustees shall be elected to positions having the following terms: positions A shall be for a terms expiring at the next annual meeting for the nomination and election of officers. Positions B shall be for a term expiring one (1) year following the expiration of positions A, and Positions C shall be for a term expiring two (2) years following the expiration of position A.
- B.** No person shall be elected to more than two(2) consecutive terms. ~~provided~~ **However, that person shall again be eligible for election following a one (1) year absence as a Fund Trustee.**
- C.** Fund Trustees vacancies shall be filled as soon as possible by special election at any regular meeting of the Voter's Assembly, and the Fund Trustees so elected shall remain in office for the unexpired term of his

predecessor. **Filling an unexpired term shall not count toward the term restriction in part B above.**

- D. The Fund Trustees shall serve without salary.
- E. ~~(The Fund Trustees shall number as of November 22, 1992, six (6) trustees.)~~
The Fund Trustees shall organize themselves and act as a board through meetings at which any four members shall constitute a quorum, provided that the Fund Trustees shall act only with the consent of any four (4) of its members present and voting. The Fund Trustees may appoint and operate through such sub-committees as they deem appropriate.

V. **Powers and Responsibilities of Fund Trustees**

A. **Receipt of Contributions**

1. The Fund Trustees shall have the power to receive **or decline**, on behalf of the Fund and the Congregation, gifts of any description, however restricted or unrestricted, and to hold the same for the purposes and according to the terms and conditions stated herein. The Fund Trustees shall acknowledge the receipt of each gift to the donor, ~~and where feasible, ascribe a value to each gift.~~
2. The Fund Trustees may, at their discretion, establish one or more special accounts with the Fund to identify and record transactions involving any restricted gift. Restricted accounts shall not be established for amounts less than ~~\$2,500~~ **\$25,000**.
3. The Fund Trustees shall have the power to receive and hold gifts which are intended by the donor to be the property of the Fund, notwithstanding that such gifts are made in the name other than the official **name** of the Fund.

B. Management of the Fund. The Fund Trustees shall have the exclusive power to hold, collect, invest, protect, manage, purchase, change or sell the property in the Fund with the object of obtaining maximum income and growth in value consistent with the investment policies which might be followed by a prudent man in the management of his own property. Notwithstanding that Fund property is to be held under the terms of this Resolution and apart from any other property of the Congregation, the Fund Trustees may, in their discretion, hold any part or all of the Fund's property in the name of the Congregation. In the management of the Fund, the Fund Trustees shall be subject to all requirements of Indiana and federal laws.

C. Use of Fund. The Fund Trustees shall have the power to use the principal and income of the Fund, according to the terms and limitations hereinafter

provided, to accomplish any or all of the religious, educational, and charitable purposes of the Fund.

D. Limitations on Use of the Fund. In the management of the Fund, the Fund Trustees shall not:

1. Engage in any form of trade or commercial activity which will result in remunerative profit to the fund.
2. Engage in the carrying on of propaganda or otherwise participate in or attempt to influence legislation, participate in or intervene in (including the publishing or distribution of literature) any political campaign on behalf of any candidate for public office; or contribute any part of the income or principal of the fund to any organization in such activities.
3. Permit any part of the principal or income of the Fund to inure to the benefit of any Fund Trustee or member of the Congregation, or any private individual (except that reasonable compensation may be paid for services rendered to the Fund or materials furnished to it affecting any one or more of its purposes), or permit any Fund Trustee or member of the Congregation to share in the distribution of any of the properties of the Fund on dissolution of the Fund.

E. Maintenance of Tax Exemption. The Fund Trustees shall at all times manage the Fund in a manner consistent with the requirements of the Internal Revenue Code, as it is presently or may hereafter be amended, to protect the exempt status of the operation of the Congregation and to insure that gifts to the Fund will qualify as charitable contributions to a church.

F. Record of Action. The Fund Trustees shall record and maintain written minutes or other appropriate records of all decisions relating to the management of the Fund.

G. Employment of Professional Services. The Fund Trustees shall have the power to employ custodian, depository, trust, accounting, insurance, legal, and other professional services or facilities to assist and advise them in the management of the Fund. The Fund Trustees may, in their discretion, consult with a bank trust officer or his nominee, with respect to the investment portfolio of the Fund or any changes contemplated therein. The Fund Trustees shall pay reasonable compensation for any such services out of the income or principal of the Fund.

H. Accounting to the Congregation.

1. The Fund Trustees shall report to the Board of Directors quarterly or whenever requested on the operations, receipts, requests, disbursements, balances, and performances of the Fund.
 2. The Fund Trustee shall report to the ~~Congregation~~ and Voter's Assembly whenever requested, but not less than annually, on the operations and accounts of the Fund.
 3. At the same or any other time, the books, records, and properties of the Fund shall be subject to ~~audit annually~~ financial review by an auditor, or an audit committee appointed by the Board of Directors of the Congregation. The ~~audit report~~ financial review shall be furnished shall be made available, upon request, to the Voter's Assembly.
- I. **Liability of Fund Trustees.** No Fund Trustees shall be held accountable for any loss or diminution of the Fund or any damage to the property of the Fund, unless such loss or damage is caused by his/her individual willful neglect, bad faith, or an imprudent investment.
- J. **Removal of a Trustee.** Notwithstanding, any Fund Trustee may, for good cause, be removed from office at any time by the vote of a majority of those present and eligible to vote at any regular meeting of the Voter's Assembly or any special meeting of the Voter's Assembly called for this purpose.
- K. **Bonding Directors.** The Fund Trustees shall furnish a fidelity bond in an amount to be determined by the ~~Voter's Assembly~~ Board of Directors. The cost of such fidelity bonds shall be paid by the unrestricted Fund.
- VI. **Accounting and Use of the Fund.** The Fund Trustees shall, in the books and records of the Fund, ~~distinguish between the principal and income of the Fund~~ maintain separate accounting for unrestricted funds and any restricted funds.
- A. All gifts received by the Fund shall be ~~allocated to the principal of the Fund~~ and invested and reinvested to produce income.
 - B. The ~~principal of the Fund is~~ unrestricted funds are intended by the Congregation to be held intact as a source of supplementary income and not to be dissipated for the ordinary and usual expenses of the Congregation.
 - C. At any time, and from time to time during the course of the Fund's ~~calendar or fiscal year~~, the Fund trustees may, ~~upon the recommendation and concurrence of the Voter's Assembly~~, expend any or all of the income of the Fund authorize expenditures of not more than ten percent (10%) of the prior calendar year-end balance of the unrestricted funds to accomplish any or all of the purposes of Unrestricted Donations (see Section II, Part A).

- D. The Fund Trustees shall have the power, upon recommendation and concurrence of the Voter's Assembly, to expend ~~the principal of the Fund at any time and from time to time to accomplish any or all of the purposes of the Fund, provided, however,, that the Fund Trustees shall not expend more than ten (10) percent of the amount then existing in the principal account of the Fund in any of the first five (5) years or more than twenty (20) percent annually thereafter~~ **not more than twenty percent (20%) of the prior calendar year-end balance of the unrestricted funds to accomplish any or all of the purposes of Unrestricted Donations (See Section II, Part B).**
- E. **The limitations described in Part C and D above shall not apply to any restricted fund.**
- F. ~~When a project is completed for which restricted gifts were received, the balance in such restricted accounts may be transferred to the Permanent Fund, with the concurrence of the Voter's Assembly~~ **unrestricted funds.**
- F. All transactions of the Fund shall require the signature of at least two Fund Trustees on the appropriate instrument.

VII. Term of Fund. The Fund hereby created shall exist and continue to exist for so long as the religious congregation known as Concordia Evangelical Lutheran Church of Fort Wayne, Inc. shall exist, provided, however, that if at any time ~~after ten (10) years from the date of this Resolution,~~ the unrestricted principal of the Fund shall have a value less than \$20,000, the Fund Trustees may, upon the recommendation and concurrence of the Voter's Assembly, transfer, convey, and surrender all the property of the Fund to the Congregation, to be held and managed as other congregational property, subject to the following limitations:

- A. In the event of such a transfer, any property held by the Fund in a separate account or as the result of a restricted gift, and subject to any special condition or limitation, shall be ~~transformed~~ **transferred** to the Congregation subject to the condition and limitation upon which it is held by the Fund.
- B. In the event of such a transfer, this Fund shall cease to exist, and the responsibilities of the Fund Trustees shall terminate.

VIII. Dissolution with Congregation. In the event that the religious congregation, known as Concordia Evangelical Lutheran Church of Fort Wayne, Inc. shall disband or otherwise discontinue its religious, charitable, and educational work during the term of this Fund, then, the Fund Trustees shall dissolve ~~the~~ **and** terminate this Fund as follows:

- A. The Fund, and all books and records pertaining thereto, shall be transferred and surrendered to the Church Extension Fund of the Indiana District of the Lutheran Church – Missouri Synod and/or to the Lutheran Church – Missouri

Synod, or to the legal successors of the foregoing, all upon the recommendation and concurrence of the Voter's Assembly, ~~subject to the following limitation.~~

- IX. Amendment of This Resolution.** ~~Except as provided hereinafter, this Resolution may be amended at any time, and from time to time, upon the approval of seventy five (75) percent of the members present and voting at two consecutive, regular meetings of the Voter's Assembly.~~
- A. ~~This resolution may be amended by a two-thirds majority of the votes cast in at a properly convened regular or special meeting of the Voter's Assembly. The proposed changes shall be distributed in writing to the congregation assembled for worship two weeks prior to the date upon which the amendment is presented for action. Written copies of the proposed amendment(s) shall be available at the time of voting.~~
- B. ~~No amendment shall be permitted, however, which purports to, or has the effect of, permitting the Fund Trustees to use the Fund to accomplish any purpose not consistent with the religious, charitable, and educational object of the Congregation and this Fund mission and vision of Concordia Lutheran Church.~~

Adopted by Voter's Assembly, November 19, 1978
Ratified changes to the resolution made May 1992
Amended by Voter's Assembly, December 12, 2005
Amended by Voter's Assembly, _____