

April 8, 2016

ENDOWMENT FUND BY-LAWS
THE LUTHERAN CHURCH OF THE REDEEMER

55 Wyckoff Avenue
Ramsey, New Jersey 07446

I. NAME

- A. The congregation of The Lutheran Church of the Redeemer has established a fund which shall be known as **THE LUTHERAN CHURCH OF THE REDEEMER ENDOWMENT FUND**, hereinafter referred to in the By-Laws as **THE FUND**. This Fund shall be separate and distinct from other funds maintained by the congregation of The Lutheran Church of the Redeemer, hereinafter referred to in the By-Laws as **THE CHURCH**.

II. GENERAL PURPOSE

- A. The Fund has been established to accept and receive gifts and bequests made to the Church, to administer those funds, and use such funds for the mission and ministry of the Church and the Evangelical Lutheran Church in America (hereinafter referred to as the ELCA). The Fund shall also administer and maintain in a separate and distinct account the proceeds received from the sale of the parsonage owned by the Church.

III. FUND SOURCE AND DISTRIBUTION

- A. The Endowment Fund Committee shall maintain in a separate and distinct account the proceeds from the sale of the parsonage which was owned by the Church. The Endowment Fund Committee shall invest said funds and reinvest the income generated from such investments. The parsonage fund assets shall be maintained and not used until a pastoral call is issued by the congregation and authorization is granted by the congregation for use of the parsonage

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funds for the purchase of a pastor's parsonage. At no time shall the parsonage funds be commingled with any other Fund assets.

- B. The Endowment Fund Committee shall maintain separate accounts to administer nonrestrictive gifts and bequests made to the Fund. The income from this Fund shall be used in a manner approved but eh Congregation Council for projects, uses, purposes and programs that are consistent with the general purpose for which this fund has been established.
- C. Ten percent (10%) of the initial gift or bequest shall be given as a tithe to the ELCA. None of the gifts or bequests shall be used for the general budget of the Church.
- D. Income shall be distributed upon recommendation of the Endowment Fund Committee and approved but the Congregation Council for funding. A tithe of ten percent (10%) of all unrestricted income from the Fund shall be distributed to the New Jersey Synod and/or other wider ministries of the ELCA to support mission and ministry beyond the local congregation. Distributions may be made on a timely basis as needs are identified.

IV. ADMINISTRATION

- A. The Congregation Council shall be accountable for the Fund through an elected Endowment Fund Committee (hereinafter referred to as the ENDOWMENT COMMITTEE). The Treasurer of the congregation shall be responsible for receipts and disbursements from the fund and shall maintain complete and accurate books of accounts.
- B. The Endowment Committee shall consist of five (5) members, all of whom shall be voting members of the Church. Except as herein limited, the term of each member shall be three (3) years. Upon adoption of this resolution by the congregation it shall elect five members to the Endowment Committee: two (2) for a term of three (3) years; two for a term of two (2) years; and one for a term of (1) year. Thereafter, the congregation shall elect each annual meeting the necessary number of members to fill all vacancies in the membership of the committee. No member shall serve more than two (2) consecutive three (3) year terms. After a lapse of one (1) year, former members may be re-elected. In the event of a vacancy in the voting

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membership of the Endowment Committee, the Congregation Council shall appoint a member to fill the vacancy until the next annual meeting of the congregation at which time the congregation shall elect a member to fulfill the term. One member of the Church may serve on both the Congregation Council and Endowment Committee. The Pastor, President and Finance Chairperson of the congregation shall be non-voting advisors to the Endowment Committee.

The Congregation Council may nominate a slate of proposed Endowment Committee members to stand for election at the annual congregation meeting. Additional nominations may be made by members of the congregation at the annual congregational meeting.

The Endowment Committee shall submit an annual written report and financial report which shall be reviewed by the congregation at the annual congregational meeting.

1. The Endowment Committee shall meet at least quarterly, or more frequently as deemed by it to be in the interest of the Fund.
 2. A quorum shall consist of three (3) voting members. When only three (3) members are present a unanimous vote shall be required to carry any motion or resolution.
 3. The Endowment Committee shall elect from its membership an Chairperson, financial secretary, and a recording secretary. The chairperson shall preside at all meetings of the committee. The financial secretary shall assist the congregation's treasurer in maintaining and coordinating complete and accurate books of account for the fund and shall sign checks and all other necessary documents on behalf of the congregation in furtherance of the purpose of the Fund. The recording secretary shall maintain complete and accurate minutes of all meetings of the committee and provide a copy thereof to each member of the Endowment Committee and to the Congregation Council.
 4. The Endowment Committee shall provide a written financial report of the Fund to the Congregation Council on a quarterly basis and to the congregation at the annual meeting.
- C. The Congregation Council, at the request of the committee and if it deems it to be in the best interest of the congregation and Fund, shall employ prudent professional investment management and/or legal services. Any agreement entered into for the management of the fund

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shall be valid only if approved by two-thirds (2/3) majority of the Congregation Council.

- D. The Congregation Council shall receive a fiscal report of the Fund, and shall act on any recommendations of distribution submitted but the Endowment Committee.
- E. Members of the Endowment Committee shall not be held liable for any losses which may be incurred by the Fund based upon the investment of the assets of the Fund except that an Endowment Committee member shall be liable for intentional misconduct or gross negligence. No member shall be personally liable as long as he or she has acted in good faith and has acted as a reasonably prudent person would act and serve in this capacity as Endowment Committee member. Each member shall engage in any “self-dealing” or transactions which the Fund that member has direct or indirect financial interest and shall at all times refrain from any conduct in which his or her personal interests would conflict with the interest of the Fund. No member of the Endowment Committee shall receive compensation whether direct or indirect for rendering services to the Fund.
- F. All assets are to be held in the name of The Lutheran Church of the Redeemer Endowment Fund.
The Endowment Committee shall appoint a Finance Secretary as an authorized signatory who will have online access authority. The Committee Chairman that is appointed and the Recording Secretary shall also be two additional authorized signatories on all accounts of the Endowment Committee.
There shall be required two signatories for any written request as it pertains to the Vanguard account. The Endowment Committee shall have the right to modify this provision as it pertains to any and all other accounts beyond the existing Vanguard account. The Endowment Committee shall have the right to determine who shall have online access to any of the accounts and this will be determined at the organizational meeting of the Endowment Committee each year.
- G. Recommendations to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest and in all other respects to manage and control the assets of the Fund, including ELCA Mission Funds, stocks, bonds, debentures, mortgages, notes or other securities, as in their

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judgement and discretion they deem wise and prudent, are to be made by the Endowment Committee for approval by the Congregation Council, with subsequent execution by the delegated members of the Endowment Committee.

V. FISCAL YEAR

- A. For tax, accounting, distributions, or other purposes, to fiscal year for the Fund shall be the same as the fiscal year for the congregation.
- B. After the close of each fiscal year and at such other time(s) as requested by the Congregation Council, an itemized written financial 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 prepared.

VI. DUTIES

- A. At the annual congregational meeting, the Endowment Committee shall submit a full and complete financial statement/accounting and report concerning the administration of the Fund during the preceding year.
- B. The Congregation Council shall acknowledge the receipt of each gift and contribution. A means of acknowledgement shall be established and maintained, including, whenever feasible, a designation of the value ascribed to each gift.

VII. DISTRIBUTION OF INCOME

- A. Income from the Fund, other than the parsonage funds, shall be distributed annually and at such other times as deemed necessary or feasible to accomplish the following purposes:
 - 1. Minimum of twenty percent (20%) for capital improvements, debt reduction or a building program of The Lutheran Church of the Redeemer. If income is not needed in any one year or number of years, such distributions may be deferred and accumulated to a subsequent year.

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2. Minimum of five percent (5%) for outreach into the community and synod, including, but not limited to, grants to the ELCA seminaries, colleges or students attending such schools, social service agencies, institutions, or agencies to which this congregation relates, and to special programs designed for those person in our parish area who are in spiritual and/or economic need.
 3. Minimum of five percent (5%) for mission of the ELCA in this continent and worldwide, including, but not limited to, grants to the ELCA for new congregational development in North America, professional leadership, educational ministries, global mission, ecumenism, evangelist, social ministries and capital financing.
 4. Minimum of twenty percent (20%) for an additional staff person(s) to expand the ministries of the Church until these expanses can be funded by the general operating fund.
 5. Up to seventy percent (70%) for any one or all of the above designated areas in any proportion as determined by the committee, or for causes and programs which at the discretion of the committee, or for causes and programs which at the discretion of the committee are consistent with the fund purpose of enchainning the mission outreach of the Church.
- B. Programs for support shall be recommended by the Committee and approved by the Congregation Council for funding according to the guidelines established by the congregation.
- C. Disbursements of income form the fund need not occur annually in the event causes and programs have not been approved by the Endowment Committee sufficient to utilize total income available, or if in the judgement of the Endowment Committee total annual disbursement of income is not recommended.

VIII. DISTRIBUTION OF PRINCIPAL

- A. When in the opinion of the Endowment Committee, and with the concurrence of the Congregation Council, financial circumstances require payment from the Fund for the general expense of the Church in order for the Church to remain viable and function, and the committee upon a two-thirds (2/3) majority vote can recommend

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payments to the general fund of the Church and such recommendation must be reviewed and approved by the majority of the Congregation Council. It is the policy of the Fund that it not be used for the Congregation's general operating budget except in a case of emergency wherein funds are necessary in order to meet the expenses for the daily operation of the congregation of the Church. Any such advances and payments in this manner shall be considered a loan from the Fund to be reimbursed by the Church at some later date under terms and conditions approved by the Congregation Council and Endowment Committee.

IX. DURATION

- A. The Fund shall continue in existence and be used herein above provided, unless earlier revoked so long as the Church shall continue to exist.

If the Church should cease to exist, the assets constituting the fund when the Church ceases to exist shall become the property of the successor Lutheran congregation or, if no successor Lutheran congregation than it shall become the absolute property of the New Jersey Synod ELCA as listed in the constitution of this congregation. If the Church dissolves it shall, at the time of such dissolution, have the right and duty to determine the existence of a successor Lutheran congregation, if any, providing such successor Lutheran congregation must qualify as an exempt organization under the Internal Revenue Code. And the Church shall execute the necessary documents to effect such transfer.

X. AMENDMENTS

- A. Any amendment to these By-laws which sill change, alter or amend the general purpose for which the Fund is established shall be adopted only if approved by a two-thirds (2/3) majority of the voting members of the congregation present at an annual congregational meeting or at a special congregation meeting. Notice of any prose amendment to the general purpose for the Fund must be submitted to the congregation

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thirty (30 days in advance of the date for said congregational meeting.)