

ENDOWMENT FUND

“BE IT FURTHER RESOLVED, that the purpose of the Fund is to enhance the mission outreach of THE EVANGELICAL LUTHERAN CHURCH OF THE HOLY COMMUNION (hereinafter called HOLY COMMUNION), apart from the general operation of the congregation; that no portion of the income generated by the FUND shall be used for the annual operating budget of the congregation. Except that only in particular, temporary, difficult circumstances, and where integrity of gift restrictions permit, may this congregation by action in meeting assembled, use a portion of the FUND income for its own support services; that except where authorized otherwise in terms of the gift, all principal amounts will be retained and only the income expended;”

“BE IT FURTHER RESOLVED, that there will be no money or time restrictions for spending moneys earned through investment of the FUND; however, that no more than one-third of said moneys earned shall be allotted for the ministry of the larger church (Evangelical Lutheran Church in America, Lutheran Church New Jersey Synod or their successor bodies) in any given year;”

“BE IT FURTHER RESOLVED, that, regarding the principal, the following is permissible:

a. With the consent of a majority of voting members that attend the annual or special meetings: the Congregation may borrow money against the principal, at an interest rate to be determined by the COMMITTEE and Congregation Council, but no more than 3% lower than the current prime rate as reported by the Wall Street Journal or other recognized financial publication, at the time of the loan.

b. Whenever the FUND’s principal exceeds \$100,000, a majority of combined Congregation Council and the COMMITTEE may make a recommendation to the Congregation at the annual or special meeting, to spend up to 10% of the principal, provided any such spending during the five years immediately preceding this meeting has not exceeded 10% of the principal in the FUND;”

A. AMENDMENT TO CONGREGATIONAL BYLAWS

“An Endowment Fund, whose purpose, governance, and operational procedures shall be defined by special resolution adopted by the congregation, shall be established.”

B. RESOLUTION TO IMPLEMENT THE ENDOWMENT FUND

“WHEREAS, Christian stewardship involves the faithful management of all gifts God has given to humankind---time, talents, the created world and money, including accumulated, inherited and appreciated resources,” and

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

“WHEREAS, it is the desire of the congregation to encourage, receive and administer these gifts in a manner consistent with the loyalty and devotion to their Lord expressed by the grantors and in accord with the policies of this congregation,”

“THEREFORE BE IT RESOLVED, that this congregation, in (annual) meeting assembled on February 2, 1998, approve and establish on the records of the church a new and separate fund to be known as THE ENDOWMENT FUND (hereinafter called the “FUND”) of THE EVANGELICAL LUTHERAN CHURCH OF THE HOLY COMMUNION, Berlin, New Jersey”;

“BE IT FURTHER RESOLVED, that the Endowment Fund Committee (hereinafter called the “COMMITTEE”) shall be the custodian of the FUND”;

“BE IT FURTHER RESOLVED, that if the fund is terminated, proceeds of the FUND revert to the general operating account of Holy Communion, with congregational approval”;

“BE IT FURTHER RESOLVED, that in the event HOLY COMMUNION ceases to exist either through merger or through dissolution, disposition or transfer of the FUND shall be at the discretion of the Congregation Council in conformity with the approved congregational constitution and in consultation with the Bishop of the Synod to which this congregation belongs at such time. Consultation with the Evangelical Lutheran Church in America (ELCA) may be desirable for continuation of the Endowment Fund obligations”;

“BE IT FURTHER RESOLVED, that the following Plan of Operation shall set forth the administration and management of the FUND.”

PLAN OF OPERATION

1. THE COMMITTEE

“The Committee shall consist of five active members of HOLY COMMUNION, a majority of whom shall be non-standing council members. Committee members must be of legal age (21 years) and voting members for at least five years. Except as herein limited, the term of each member shall be five (5) years. Upon adoption of this resolution by the Congregation, it shall elect five (5) members to the COMMITTEE: one (1) for a term of five (5) years; one (1) for a term of four (4) years; one (1) for a term of three years; one (1) for a term of two (2) years, and one (1) for a term of one (1) year. Thereafter, at each annual meeting, the Congregation shall elect the necessary number for a term of five (5) years. No member shall serve more than two consecutive five (5) year terms. After a lapse of one (1) year, former COMMITTEE members may be re-elected. The Pastor and the President or Vice President of the Congregation Council shall serve as advisory non-voting members of the COMMITTEE. The Congregation Council of HOLY COMMUNION shall nominate candidates to serve on the COMMITTEE and report at the Annual Meeting in the same manner as for other offices and committees. Nominations from the floor will be permissible. In the event of vacancy on the 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 remaining term of the vacancy.”

“The COMMITTEE shall meet at least quarterly, or more frequently as deemed by it in the best interest of the fund.”

“A quorum shall consist of three (3) members of the COMMITTEE. All motions or resolutions will be carried with their 3 affirmative votes.”

“The COMMITTEE shall elect from its membership a Chairperson, Financial Secretary and Recording Secretary. The Chairperson, or member designated by the Chairperson, shall preside at all COMMITTEE meetings.”

“The Recording Secretary shall maintain complete and accurate minutes of all meetings of the COMMITTEE and supply a copy thereof to each member of the COMMITTEE. 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 Congregation Council Secretary.”

“The Financial Secretary of the COMMITTEE shall maintain complete and accurate books of accounts for the FUND; all disbursements must have two (2) authorized signatures; The Financial Secretary shall sign other necessary documents on behalf of the Congregation in furtherance of the purposes of the FUND. The books shall be audited annually by a Certified Public Accountant or other appropriate person(s) appointed by Congregation Council, and who is not a member of the COMMITTEE.”

“The COMMITTEE shall report on a quarterly basis to the Congregation Council.”

“Congregation Council will report for the COMMITTEE at each Annual or relevant Special Meeting of the Congregation. Congregation Council shall render a full and complete audited account of the administration of the FUND during the preceding year.”

“The COMMITTEE may request other members of the Congregation to serve as advisory members and, at the expense of FUND income, may acquire such professional counseling on investments, estate planning, or legal matters as it deems to be in the best interest of the FUND.”

“All assets are to be held in the name of THE EVANGELICAL LUTHERAN CHURCH OF THE HOLY COMMUNION ENDOWMENT FUND.”

“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 stock, 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 for approval by the Congregation Council, with subsequent execution by the delegated member of the COMMITTEE.”

2. DISTRIBUTION OF INCOME

“The COMMITTEE may determine what is principal and income according to generally accepted accounting practices.”

“Gifts and bequests to the FUND shall accumulate until principal amount of \$100,000 is achieved, after which the income generated from the investment of the principal may be expended.”

“Income from the FUND may be distributed annually and at such other times as are deemed necessary and/or feasible to accomplish the following purposes:

Minimum of 10% for outreach into the community and Synod, but not limited to, grants to ELCA seminaries, colleges, or students attending such schools, social service agencies, institutions and agencies to which this Congregation relates, and/or to special programs designed for those in our parish area who are in spiritual and/or economic need.

Minimum of 10% for missions of the ELCA in this continent and worldwide, but not limited to, grants to the Evangelical Lutheran Church in America for new congregational development in North America, professional leadership, educational ministries, global mission, ecumenism, evangelism, social ministries, and/or capital financing.

Minimum of 10% capital improvements, debt reduction, and/or a building program of HOLY COMMUNION.

Remainder of income unallocated to the above designated areas may be disbursed, at the recommendation of the COMMITTEE, for causes or programs consistent with the FUND purpose of enhancing the mission outreach of THE LUTHERAN CHURCH OF THE HOLY COMMUNION.”

“Programs for support shall be recommended by the COMMITTEE and approved by the Congregation Council for funding.”

“Disbursement of income from the FUND need not occur annually if causes and programs have not been approved by the COMMITTEE sufficient to utilize total income available, or if in the judgment of the COMMITTEE total annual disbursement of income is not recommended.”

“Members of the COMMITTEE shall not be liable for any losses which may be incurred upon the investments of the assets of the FUND except to the extent such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable as long as he/she acts in good faith and with ordinary prudence. 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 FUND in which the member has direct or indirect interest. Each member shall at all times refrain from any conduct in which his/her personal interests would conflict with the interest of the FUND.”

3. MANAGEMENT OF THE FUND

“The investment and management of the assets of the FUND and the portfolio recordkeeping shall be the responsibility of the COMMITTEE. The basic policy for the investment of the FUND shall be to utilize investment opportunities which are in harmony with the socially responsible principles as defined by Congregation Council, New Jersey Synod and the ELCA, and which offer:

Safety of principal, and
Responsible and dependable current income, and
Potential for growth with prudent risk.”

“The promotion of the FUND shall be the responsibility of the COMMITTEE.”

4. AMENDING THE RESOLUTION

“BE IT FURTHER RESOLVED, that any amendment to this resolution, which will change, alter or amend the purpose for which the FUND is established shall be adopted by a majority of voting members that attend the Annual Congregational Meeting or a Special Congregational Meeting called specifically for the purpose of amending this resolution.”

5. ADOPTION OF RESOLUTION

“This resolution, recommended by the Congregation Council and accepted by the Congregation at a legally called Congregational Meeting on February 2, 1998, is hereby adopted.”

THE EVANGELICAL LUTHERAN CHURCH OF THE HOLY COMMUNION

by Fred Shourds _____
President

and Jon Hundertmark _____
Secretary

Dated this second day of February, year 1998.

Approved by NJ Synod Constitution Review Committee on May 2, 1998.

Approved by NJ Synod Council on June 18, 1998.