

Bylaws for Good Shepherd Lutheran Church Endowment

I NAME

Good Shepherd Lutheran Church of Turlock, California shall have the: Good Shepherd Lutheran Church Endowment.

II GENERAL PURPOSE

- A. The Endowment's purpose shall be to receive, to manage and to distribute funding for scholarships, missions, memorials, and other ministry purposes.
1. The scholarship dimension (previously known as the Barnabas Educational Endowment Fund) shall focus on:
 - a. Congregation's members attending Synodical Colleges, Seminaries, and Universities.
 - b. Congregation's members attending Lutheran High School.
 - c. Congregation's members attending Lutheran Middle School and Grammar School.
 2. The mission dimension shall focus on:
 - a. Mission outreach opportunities in our community.
 - b. Mission outreach in other geographic areas.
 - c. Mission trips and servant events.
 - d. Service opportunities.
 3. The memorial dimension shall focus on:
 - a. Items and objects that enhance the worship experience.
 - b. Items that enhance our physical expression of faith.
- B. Both the principal and income from undesignated gifts and bequests to the Endowment are to be used for the uses, projects and programs recommended by the Church Council and approved by a simple majority of those present in the Voters Assembly provided that the uses, projects and programs are consistent with the Statement of Purpose in the above section. The list of approved uses, projects and programs shall be distributed to the members of the congregation.
- C. The Endowment Committee shall make, at least annually, recommendations to the Church Council for distribution of the income and/or principal of the Endowment for the designated uses, projects and programs. None of the income or principal from undesignated gifts shall be distributed to the congregation's budget. In the initial years of a new congregational program or project, which is normally funded by the operating budget, the income and principal of the Endowment may be used on a proportionally decreasing basis so that by the third year, if not sooner, the new program or project is fully supported by the operating budget. Such use of the income and/or principal from undesignated gifts needs the approval of a simple majority of those present in the Voters' Assembly.

- D. Gifts and bequests may be given by the donor with special terms or conditions as to the use of the gift and/or of the income providing that such designated use is consistent with the stated Purpose of the Endowment. The Endowment Committee shall submit at the next meeting of the Church Council (or request an emergency meeting), its recommendation on the acceptability of such a gift or bequest. The Church Council reserves the right to rule on the appropriateness of such designation, or submit said proposal to the next meeting of the Voters' Assembly (or request an emergency meeting.) The acceptance of such a gift shall be by a simple majority of those present in the Voters' Assembly.

III DURATION

The Good Shepherd Lutheran Church Endowment shall continue in existence and be used as hereinabove provided, unless earlier revoked, so long as Good Shepherd Lutheran Church shall continue to exist. Otherwise, the Endowment shall be dispersed as all other property of the church according to Article IX of the Church's Constitution.

IV GOVERNING BODY AND OFFICERS

- A. The Endowment Committee operating under the Church Council shall promote and manage the Endowment. The Committee's membership shall be:
1. Three members of the congregation, elected by the Voters, for a two year term and subject to re-election for one additional two year term.
 2. Chairman, elected from within and by the Committee to a two-year term.
 3. Treasurer of the congregation who also is the treasurer of the Endowment.
- B. The Endowment Committee may recommend that the assets of the Endowment be delivered to The Lutheran Church--Missouri Synod Foundation for investment management or to any other qualified investment management institution. Any agreement entered into for the management of the Endowment shall be valid only if approved by the Church Council.
- C. The Endowment Committee shall meet at least on a quarterly basis.
- D. The Endowment 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 Endowment, which it may amend, all within the stated purposes of the Endowment.
- E. The Endowment Committee shall maintain accounts with such financial institutions as it may by resolution authorize and determine. All checks and other documents transferring or expending any funds or assets in the Endowment shall be executed by the treasurer after authorization by chairman of the Committee. Some or all of the assets of the Fund may be invested with the LCMS Foundation, Lutheran Church Extension Fund or in any other investment that the Endowment Committee deems appropriate, subject to the limitations in section VII.

- F. The Endowment Committee may ask other members of the congregation to serve as advisory members and may employ, at the expense of the Endowment income, such professional counseling on investments and legal matters as it deems to be in the best interest of the Endowment.
- G. The Endowment Committee shall maintain complete and accurate books of account and may employ such professional help as it deems necessary in this task.
- H. The secretary, appointed by the chairman, shall maintain complete and accurate minutes of all the meetings of the Endowment Committee and supply a copy thereof to each member.
- I. The chairman, or the member designated by the chairman, shall preside at all meetings of the Endowment Committee.
- J. No member of the Endowment Committee shall engage in any self-dealing or transactions with the Endowment 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 interest of the Endowment.
- K. The Endowment Committee, in accordance with its written policies and procedures, shall make recommendations no less often than annually for the distribution of income and principal from the Endowment. The Church Council may accept, amend, or reject the recommendation of the Endowment Committee.

V FISCAL YEAR

- A. For tax, accounting, distribution, or other purposes, the fiscal year of Good Shepherd Lutheran Church shall be the Fiscal year of the Endowment.
- B. Within two months after the close of each of Endowment's fiscal years, and at such other time(s) as is deemed convenient, an itemized written statement accurately reflecting the position of the Endowment's income and corpus accounts as of a date reasonably close to the date the statement is submitted, and the receipts, disbursements and changes therein since the Endowment's inception or the previous accounting, as the case may be, shall be submitted to the Church Council.

VI DUTIES

- A. The Endowment Committee shall, at least annually, render a full and complete account of the administration of the Fund during the preceding year.
- B. Gifts and contributions from any individual, family, firm or corporation, in money, in securities, or in any other form of property, including, by way of explanation and not in limitation, direct gifts for the purpose of the Endowment,

- gifts in memory of any deceased person or in appreciation or recognition of any living person, gifts in the form of a devise or bequest under will or trust instrument, and gifts or proceeds or portions of proceeds of insurance, annuity, or endowment policies or contracts, may be received by the Endowment at any time.
- C. Means for formally acknowledging the receipt of each gift and contribution shall be established. The Endowment committee will acknowledge gifts in a manner that will permit the donor to claim a federal income, gift and estate tax charitable deduction whenever feasible.
- D. Gifts and contributions may be made upon special terms or conditions as to the use of the gift, and/or the use of the income, provided that such are acceptable to the Church Council of Good Shepherd Lutheran Church. Separate identification and recording shall be made of all transactions with respect to any such special or designated gift or gifts. The gift may only be accepted if the donor agrees the committee may add restricted gifts to unrestricted funds after a predetermined period of inactivity.
- E. All Funds and property in the Endowment shall be kept and maintained separate, distinct and independent from the funds and property otherwise belonging to the church. However, the Endowment Committee shall in no event be required to make physical segregation of the assets of the Endowment in order to conform to the directions of any individual donors, but may establish separate accounts in its accounting records.
- F. The Endowment Committee is to inform the members of the congregation at least annually of the purpose of the Endowment, and may periodically arrange for members of the congregation to meet with professional counselors in the areas of charitable giving, wills, bequests, insurance, etc.
- G. All new members of the Endowment Committee are to receive an orientation and a copy of the Bylaws to become acquainted with the function and purposes of the Endowment.

VII POWERS

The provisions of this Article shall govern the management of the Endowment:

- A. The property constituting the corpus of the Endowment shall 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 Section, 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 (i) requiring safety of corpus as a primary consideration, (ii)

- regarding investment in income producing property, or (iii) requiring diversification of investments. It is further understood that any part or all of the Endowment may be invested in obligations of the Lutheran Church Extension Fund. In amplification, but not limitation, of the foregoing, authority is granted:
1. To acquire interests in property by purchase, lease, rental or other method; to sell, option, exchange, redeem or convert any property interests; and to rent or lease property of the Endowment;
 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 or 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 properties;
 3. To manage and/or develop any real property owned, leased or otherwise held by the Endowment; 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 Endowment and to repay any loan due by the Endowment 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 Endowment in liquid or nearly liquid form, even though little or no income is earned thereon;
 9. To use income or corpus funds (irrespective of their derivation) for any purpose of the Endowment and with respect to any property of the Endowment (irrespective of the income, if any, it produces) even if such funds are derived from the sale of or income from other property of the Endowment 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 Endowment:
1. To accept and receipt for any inter vivo, testamentary or other transfer of property to the Endowment;
 2. To hold property, and to negotiate and execute documents on behalf of the Endowment;
 3. To allocate between income and corpus 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 Endowment (whenever directed to do so) either in kind or in cash, or partly in kind and partly in cash and for such purpose to set values upon any property of the Endowment;
6. To protect the Endowment and its property by insurance against damage, loss or liability;
7. To establish checking account(s) in which may be deposited income and/or corpus cash; and
8. To employ, at the expense of the Endowment, 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 accordance with the constitution and bylaws of Good Shepherd Lutheran Church.