



Consistent with and in support of the Living Waters Lutheran Church Constitution, we adopt the following resolution, presented as Bylaws; relating to formation, implementation and management of the affairs of the Living Waters Lutheran Church Mission Endowment Fund. All provisions of the Bylaws shall remain in effect until subsequent action is taken by the Congregation Council.

Bylaws

02.02.2020

Living Waters Lutheran Church Mission Endowment Fund

I. NAME AND GENERAL PURPOSE

A. The Congregation shall establish and maintain an endowment fund. This fund shall be called the Living Waters Lutheran Church Mission Endowment Fund ("Endowment Fund"). It shall be one of the several funds of this congregation.

B. This Endowment Fund's purpose shall be to provide vehicles and structure for members who have the desire to benefit the mission and ministry of Living Waters Lutheran Church ("LWLC") through planned or special charitable giving that is consistent with its mission of witnessing to the message of salvation through Jesus Christ on both a local and global level. The Endowment Fund shall provide a perpetual source of income to benefit the following categories:

1. Missions
2. Youth
3. Worship and Music

II. DURATION

A. The Fund shall continue in existence and be used as herein provided, unless earlier revoked, so long as LWLC shall continue to exist. Otherwise, the Endowment Fund shall be dispersed as all other property of the church according to LWLC's Constitution.

III. ESTABLISHMENT AND OPERATION OF THE ENDOWMENT COMMITTEE

A. The Endowment Committee ("Committee") shall be comprised of no fewer than six (6), and as many as nine (9) voting members. Any LWLC member in good standing shall be considered a qualified candidate for Committee membership.

1. The term of each regular member shall be three years, with no member serving more than two consecutive three-year terms except as hereinafter explained.
2. LWLC's Lead Pastor or his/her staff designee shall be an ex-officio member of the Committee.

3. The first named members may be named for varying terms of one, two, or three years, allowing for continuity on the Committee. Any initial member named for less than three years shall be eligible for two additional full three-year terms. After serving the maximum number of continuous terms, subsequent service would be allowed following a two-year break in service.

4. The Officers of the Committee shall be the Chairperson, Financial Secretary and Recording Secretary. The Committee shall elect the officers for a two-year term at the first committee meeting following the approval of the resolution accepting these Bylaws. In the event an officer is unable to complete a term of office, the remaining members of the Committee shall elect a successor to serve until the next regular election of officers.

a) Chairperson: The chairperson, or the member designated by the chairperson, shall preside at all meetings of the Endowment Committee.

b) Financial Secretary: The Financial Secretary shall assist the Congregation Treasurer and the Congregation Financial Secretary in maintaining complete and accurate records for the Endowment Fund.

c) Recording Secretary: The Recording Secretary shall maintain complete and accurate minutes of all the meetings of the Endowment Committee and supply a copy to each member. Each member shall keep a complete copy of minutes to be delivered to his or her successor.

5. Members of the Committee shall not be liable for any losses which may be incurred upon the investments of the assets of the Endowment 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.

6. No member shall engage in any self-dealing or transactions with the Endowment Fund in which the member 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 Fund.

7. A quorum shall consist of five voting members. A majority present and voting shall carry any motion or resolution, except a recommendation to invade the principal of the unrestricted account of the Endowment Fund, which requires a two-thirds majority vote.

8. The Committee may recommend that all or part of the assets of the Endowment Fund be delivered to a qualified investment management institution.

9. The Committee shall meet at least on a bi-annual basis.

IV. DUTIES OF THE ENDOWMENT COMMITTEE

A. The Endowment Committee is authorized to take the following actions (following are some examples):

1. To utilize a qualified investment management institution to establish, for the Endowment Fund, fund accounts as may be needed, and have the authority to direct or transfer endowment gifts to said institution at any time. The relationship will be governed by an agreement entered into for the management of the Endowment Fund, approved by a majority of the voting members of the Endowment Committee and properly executed by Congregation officers.
2. To determine and implement procedures and policies for soliciting, processing and disbursing grant requests in accordance with the requirements and guidelines of the Endowment Fund.
3. To educate the congregation about the Fund.
4. To adopt and implement strategies to promote gifts to the Fund.
5. Promptly following each Endowment Committee meeting, present a complete record of meeting business to the Congregation Council.
6. To report to the congregation, at least annually, the balance of the Fund accounts, the year's financial activity in the Fund, the amounts and beneficiaries of grants from the Fund.
7. To establish guidelines for acceptance of unrestricted gifts.
8. To undertake any other related matters delegated to the Endowment Committee by the Congregation Council.

V. FUND CATEGORIES, RECEIPTS AND DISTRIBUTIONS

A. Individuals who desire to support the Fund should designate that their gift is to: "Living Waters Lutheran Congregation of Sauk Rapids, Minnesota for the Living Waters Lutheran Church Mission Endowment Fund." Specified categories to which donors may make gifts or bequests for religious, charitable or educational purposes are as follows:

1. Unrestricted Funds

- a) The Unrestricted Funds category requires no minimum contribution. All undesignated gifts and bequests shall go into this category. Income or principal from this fund shall not be distributed for LWLC general budget items or routine debt service payments.
- b) Annually the Endowment Committee shall recommend to the Congregation Council the distributions to be made from the

Endowment Fund (unrestricted account) in amount not to exceed 4% of the end-of-year value of the account without regard to the character of such funds as income, principal, dividends, realized and unrealized gains.

(1) Distributions requests that meet the criteria set forth above (1.b) and are outside of the normal operating budget will be considered.

(2) Annually, the Lead Pastor (or designee) shall submit within 45 days of the end of the year, distribution requests on the prescribed form, stating the desired distribution amount and rationale therefor – all to be used by the Endowment Committee in formulating its recommendations for Fund distributions to the Congregation Council.

(3) There is no obligation to make distributions from the Endowment Fund in any given year.

c) Subject to its normal quorum requirements, a simple majority approval of those present at the Congregation Council is required for distributions.

2. Donor Restricted Funds

a) The Donor Restricted Funds category shall require a \$10,000 minimum contribution.

b) The donor defines how the gift is to be used, how interest, earnings and principal are to be distributed and over what time period the distributions are to take place.

c) 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 LWLC's next Congregation Council meeting (regular or special, if so scheduled), its recommendation on the acceptability of such a gift or bequest. The Congregation Council reserves the right to rule on the appropriateness of such designation. The acceptance of such a gift shall be by a simple majority of those present in the Congregation Council, subject to its normal quorum requirements.

VI. AMENDMENTS

A. Any amendment, which will change, alter or amend these Bylaws, shall be adopted only if approved in accordance with the Constitution and Bylaws of LWLC through action of the Congregation Council.

Adoption:

_____	_____	_____	_____
Council Chairperson	Date	Lead Pastor	Date