



Messiah Lutheran Church General Endowment Fund By-laws and Procedures

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**GENERAL ENDOWMENT FUND OF
MESSIAH LUTHERAN CHURCH
BYLAWS AND PROCEDURES**

1. FUND NAME

The congregation shall have a special fund called The General Endowment Fund of Messiah Lutheran Church (of N. Fort Myers, FL., Inc.)

2. PURPOSE OF THE FUND

The purpose of the Fund is to provide a vehicle and structure for individuals to make gifts to the church that will undergird the long-term ministries of Messiah. The monies generated by the fund's annual principal will be used to augment the General Fund of the annual budget and to provide money for the Capital Reserve Fund.

3. COMMITTEE COMPOSITION

A. The Fund Committee shall consist of the following seven voting members: the senior pastor, a member selected annually from the Church Council (hereafter called "Council") by its own members at its January meeting, and five members elected from the Congregation at its annual meeting.

B. The Council shall appoint the initial five congregational board members as follows: Two for terms of three years, two for terms of two years, and one for a term of one year.

C. The terms of the five committee members elected from the Congregation shall be for three years.

D. A committee member may be re-elected at the end of his/her first term and may serve no more than two consecutive three year terms. A former committee member will be eligible for re-election after a period of one year out of office.

E. A vacancy on the Committee shall be filled by appointment by the Council and the term of that appointment shall last until the next annual meeting of the congregation, at which time the remainder of the vacated term will be filled by vote of the Congregation.

F. A committee member may be removed from office by a unanimous written vote of the remainder of the Committee, for non-performance of duties and/or for conduct deemed inappropriate for his/her position. (Abstentions may be appropriate.)

G. Committee officers, consisting of Chairperson and Secretary, shall be elected annually by the members of the Committee at its first meeting of the year.

H. A quorum of the Committee shall be defined as a majority (4) of the Committee members.

4. COMMITTEE DUTIES AND JOB DESCRIPTION

The Committee shall:

A. Be responsible for the day-to-day operation of the Fund.

B. Educate the congregation about the Fund and solicit donations to it in an appropriate manner.

C. Assist donors in the process of making gifts to the Fund.

D. Establish guidelines for accepting or rejecting proposed gifts to the Fund.

E. Maintain a high degree of communication with the Council by providing them at least quarterly reports of the assets being managed by the Committee.

5. FINANCIAL RECORDS AND AUDITS

The Committee shall:

- A. Coordinate with the Church Treasurer to maintain complete and accurate records of the accounts of the Fund. These records shall be kept and maintained separate, distinct and independent from all other financial records of the Church.**
- B. Submit to the Congregation at its annual meeting a report containing the total of the new gifts for the year, the year-end fund total value, and the total amount of the funds distributed for the year. An annual audit report of the Fund, prepared by Messiah's Audit Committee, will be included in the report.**
- C. List all donors of \$100 or more in a permanent General Endowment Fund Record Book.**
- D. The Church Treasurer shall handle the funds of the Committee. Withdrawals from the Fund may only be made on written authorization from the Committee and shall require two signatures, those of the Church Treasurer and one of the officers of the Committee.**

6. COMMITTEE AUTHORITY

In the administration of the Fund, the Committee shall have all powers and authority necessary to carry out the purposes of the Fund, including the following, on behalf of Messiah Lutheran Church of N. Ft. Myers, FL, Inc.:

- A. To receive gifts and bequests (other than real property) from donors, from the Council, or from other sources that are compatible with the mission of the Fund. All such gifts shall be kept separate, distinct, and independent from other financial assets of the Church.**
- B. To establish accounts with financial institutions such as banks, brokerage firms, etc.**
- C. To hold, sell, and exchange investments as the Committee, in its judgment, deems wise and prudent, using accepted principles of investment and Christian stewardship.**

D. Decisions dealing with investments of the assets of the Fund shall be made by majority vote of the Committee members present.

E. To use knowledgeable and experienced members of the congregation as advisors and volunteers, and in addition, to hire, if desired or needed, professional councilors in legal and investment matters.

7. CONTRIBUTIONS TO THE FUND

A. Individuals who desire to support the Fund should designate that their gifts be made to “The General Endowment Fund of Messiah Lutheran Church.”

B. Gifts given to the Fund will be received and recorded by the Fund Committee. This record will include the date received, the donor’s name, and the amount of the gift. Requests for anonymity will be honored.

C. “Undesignated” gifts (assets, bequests, proceeds from sale of property received by vote of the congregation) to Messiah Lutheran Church that are not initially specified for the Fund, upon recommendation of the Finance Committee and by the Church Council, be brought to a congregational meeting to be approved to be transferred, assigned, or given (all or in part) to the Fund. These gifts will become an integral part of the corpus of the Fund and will be recorded in the Donor Book.

8. ACCEPTANCE OF GIFTS TO THE FUND

The Committee will, using established guidelines, determine if a potential gift is acceptable. If the gift is denied, the Committee will explain the reason(s) to the donor in a timely manner and suggest ways to make the gift acceptable.

9. ACKNOWLEDGEMENT OF GIFTS

The Committee shall acknowledge receipt of all gifts in a manner that will permit the donor to claim a charitable contribution deduction for tax purposes.

10. RESTRICTED GIFTS TO THE FUND

Gifts designated for contribution to the Fund may not contain restrictions as to how they should be used by the Congregation. All gifts to the Fund shall be unrestricted, and all assets within the Fund shall be unrestricted.

11. AVAILABLE FUNDS FOR DISTRIBUTION

Available funds for distribution shall be defined as a percentage of the total assets of the Fund. Initially, the amount to be distributed in any calendar year will be 5% of the fund's total balance on November 30th of the prior year. No annual distributions will begin until the fund reaches a minimum of \$100,000. This percentage available for distribution cannot be changed until the fund balance exceeds \$500,000; after which time the "Available Funds for Distribution" may be recalculated annually; but always with the goal of growing the fund.

12. USES OF FUND DISTRIBUTIONS

A. Grants from the Fund shall be used to strengthen and extend Messiah's day-to-day ministry and to preserve/expand our facilities.

B. Of the percentage available for distribution, 80 % of the funds distributed will assigned to the General Fund and 20% to the Capital Reserve Fund. Once the fund balance exceeds \$500,000, the committee may recalculate the 80/20 split of the funds.

C. Each December, the board will inform the Council and Finance Committee of the amount of income from the fund that Messiah will receive in the next calendar year. Distributions will be made quarterly.

13. LOANS FROM THE FUND

Loans from the corpus of the Fund may be made to the general operating fund or other fund of the church under the following conditions:

- A. For an emergency loan: The congregation may approve a request for an emergency loan from the Fund by a two-thirds majority of the voting members present at a legally called congregational meeting. The request shall explain the circumstances of the emergency and explain the plan for repayment of the loan. The loan, if approved, will be granted for one year, but in extenuating circumstances, may be renewed for another year.**
- B. For a temporary loan: The above conditions prevail. The loan shall be repaid in not more than one year.**
- C. Loans shall include a Note which shall require the payment of interest at the rate of prime plus one percent (1%).**

14. COMMITTEE EXPENSES

- A. The Committee may employ, at the expense of the fund, such professional counseling on investments, accounting, and legal matters as it deems to be in the interest of the Fund.**
- B. The Committee may pay all administrative and other necessary expenses using the General Endowment Fund income.**
- C. Committee members shall not receive compensation for their work, but may, upon presentation of a proper receipt, be reimbursed for expenses reasonably incurred.**

15. PUBLICITY

The Committee will periodically publish a list of new donors to the Fund in the congregational newsletter. Up to five percent (5%) of the 80% distribution to the General Fund may be used to create and distribute material designed to inform prospective donors of the existence, purposes, and benefits of various methods of giving to the Fund.

16. FISCAL YEAR

The Fund shall employ the fiscal year of Dec. 1–Nov. 30. Should the congregation change it's fiscal year from Jan 1–Dec 31, the endowment board may modify the fiscal year of this fund.

17. CONFLICT OF INTEREST

No member of the Congregation shall engage in any self-dealing or transaction with the Fund in which that member has a direct or indirect financial interest, and shall at all times refrain from any conduct in which his/her personal interests would conflict with the interests of the Fund.

18. SUB-COMMITTEES

The Committee may establish sub-committees for assistance in managing the Fund and may seek the assistance of volunteers with the skills needed to carry out the purposes of the Fund.

19. AMENDMENTS TO THESE BYLAWS

Amendments to these By-laws may be made with a majority vote of the Committee and with the approval of the Council and a majority vote at a congregational meeting.

20. DURATION OF THE FUND

The Fund shall continue in existence so long as Messiah Lutheran Church, N. Ft. Myers, FL., Inc., shall exist. Should the church cease to exist, the assets of the Fund shall be disbursed in accordance with the needs and conditions prevailing in the Church at that time, and in accordance with the laws of the State of Florida as described in Sections 170-2 and 501-3 of the Internal Revenue Code of 1954, or the corresponding provisions of any future United States Internal Revenue law.

21. MEETINGS OF THE COMMITTEE

The Committee shall meet annually, in January, and such other times as called by the Chairperson.



