

Congregational Mission Endowment Fund

Adopted at a Special Congregation Meeting

Sunday, November 18, 2007

WHEREAS Mount Zion Lutheran Church, Waterloo, Ontario has a living endowment of faithful members with rich gifts and varied talents, "Like good stewards of the manifold grace of God, serve one another with whatever gift each of you has received." (1 Peter 4:10 - NRSV),

NOW THEREFORE, in order to establish an Endowment Fund (the FUND), in which the principal will be retained and only the income disbursed, to enable this congregation to grow in ability to carry out its Gospel calling:

BE IT RESOLVED:

1. That the membership of this congregation amends its bylaws to establish a Perpetual Endowment FUND to receive and administer donations, bequests and other forms of giving.
2. That the efforts of this congregation in establishing the FUND be dedicated to the glory of Almighty God.
3. That the purpose of this FUND is to enlarge the mission of the Church by:
 - (a) supporting current ministries;
 - (b) developing new ministry programs and projects.
4. That authority to accept gifts to the FUND lies with the Congregational Council.
5. That disbursements from the FUND, with the exception of administrative expenses, shall receive prior approval by the Congregational Council. Such disbursements will be considered part of any limits on annual spending specified in the Constitution; and any provisions for excess spending specified in the Constitution shall apply to disbursements from the FUND.
6. That the FUND Committee shall be the custodian of the FUND.

NOW THEREFORE, in order to carry out the purposes of the FUND and to enable the further extension of the mission of Christ's Church and the stewardship of this congregation,

BE IT FURTHER RESOLVED THAT:

A - General

7. Any gifts to the FUND, as well as all income derived there from, shall be used exclusively for religious, educational and other purposes authorized for charities by law. Notwithstanding any other provision of this document, the FUND shall not do any act which would render contributions to it ineligible for treatment as a charitable donation under the provisions of the Income Tax Act.
8. There shall be two sections in the FUND, one for gifts where the donor has stipulated restrictions on the spending of the principal of the gift, and another for unrestricted gifts. The principal of both sections of the FUND shall be preserved, and only investment income shall be disbursed.
9. That while this congregation has every intention of using the FUND as set forth in these resolutions, it does recognize that with the passage of time and changing circumstances, there may be a time when it is not feasible to use the FUND as it was originally intended. Should that situation develop, this congregation or its successors in interest shall then be free to make such other use of the income and principal as is consistent with the charitable and religious purposes of this congregation, in accordance with the laws of the Province of Ontario. However, notwithstanding the foregoing, the congregation shall act in conformity with all donor directions expressed as a condition of any gifts to

the FUND, preserving the principal of those gifts designated to be perpetual and carrying out the donor's wishes.

B - FUND Committee

10. The FUND Committee shall consist of at least five members, all of whom shall be voting members in good standing of this congregation. One of the pastors and the congregational Treasurer shall be members *ex officio*; three other members shall be appointed by Church Council. The Committee shall elect from its membership a chairperson and a secretary. The congregational Treasurer shall be treasurer of the FUND committee.
11. The term of the elected members shall be three years. After the adoption of this resolution by the congregation, Council shall appoint three members to the Committee: one for a term of one year; one for a term of two years; and one for a term of three years. Thereafter at each annual meeting Council shall appoint the necessary number for a term of three years.
12. In the event of a vacancy on the Committee due to death, resignation or removal from office, the Congregational Council shall appoint a member to serve until the next annual meeting of the congregation.
13. The Committee shall meet at least once every three months, and more frequently as the interests of the FUND require. Meetings may be called on twenty-four hours written or oral notice to members by the chairperson or any three members.
14. A quorum shall consist of three members. The affirmative vote of a majority of the members of the committee (i.e. three members) shall carry any motion or resolution.
15. Each member is charged with knowledge of the contents of the minute book. If any member is not present at a meeting, consent in writing to the minutes by that member shall constitute his/her approval of the actions reflected in the minutes and shall have the same force and effect as though he/she had been present and voting at the meeting.
16. All new members of the FUND committee shall receive a copy of this Resolution and bylaw to become acquainted with the purpose and function of the FUND as well as their duties and powers as members.
17. The Committee shall not be liable for any losses which may be incurred upon investments of the FUND except to the extent that such losses have been caused by bad faith or gross negligence of the Committee members. No member shall be personally liable as long as he/she acts in good faith and with ordinary prudence in discharging the duties of the office. Each committee member shall be liable only for his/her own wilful misconduct, and not for the misconduct or omissions of any other Committee member, or of any accountant, agent, solicitor or custodian who has been selected with reasonable care.
18. Apart from the circumstances listed in this section, no part of the income or property of this FUND shall inure to the benefit of or be distributable to any member, director, officer or employee of the congregation or to any other person:
 - (a) payments and distributions in furtherance of the purposes set forth in this Resolution;
 - (b) reasonable compensation for services rendered by professionals engaged to render assistance to the FUND;
 - (c) reimbursement from the income of the FUND for expenses reasonably incurred while engaged in FUND business.
19. Members of the Committee shall avoid all self-dealing and conflict of interest in the exercise of their duties.

C - Committee Duties

20. The Committee shall establish investment objectives and parameters for the FUND assets. These objectives and parameters should reflect those of a prudent investor seeking to earn a return consistent with a balanced portfolio. The Committee shall communicate these objectives and parameters to the congregation on a regular basis.
21. The Committee shall maintain complete and accurate books and accounts and may employ such professional help as it deems necessary in this regard. The Committee shall present a full account of the administration of the FUND during the preceding year, including a financial report, to the annual meeting of the congregation. The Committee shall report to the Congregational Council quarterly.
22. The Committee shall maintain a high degree of communication with the Congregational Council concerning its work.
23. The Committee shall regularly inform the members of the congregation of the FUND's purposes, and encourage members of the congregation to make donations to the FUND through all appropriate means. The Committee may periodically arrange for members of the congregation to meet with professional counsellors in the areas of planned giving, life insurance, estate and financial planning, etc.
24. The Committee shall encourage any donors to the FUND who wish to make a gift toward a designated purpose, to seek advice from the members of the FUND Committee and/or personnel of the Eastern Synod of the Evangelical Lutheran Church in Canada or its successor, before making their gift. This is to ensure the continuing feasibility of the intended designation.
25. The Committee shall keep and maintain the assets of the FUND separate and distinct from the other assets belonging to the congregation.

D - Committee Powers

26. In the administration of this FUND, the Committee shall have all powers and authority necessary to carry out the purposes of the FUND, including the following powers and authority it may exercise on behalf of the congregation as trustees of the FUND:
 - (a) To take, have, hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to handle and manage and control, the FUND, or any part thereof, subject to the usual standards of prudence required of trustees of similar funds and in accordance with the Trustee Act of Ontario;
 - (b) To receive the income, profits, rents and proceeds of the FUND and to collect and issue receipts for the same, and pay all administrative and necessary expenses in connection with it. Such expenses shall be paid from the FUND income;
 - (c) To make, execute and deliver all instruments necessary or proper for the accomplishment of the purposes of the FUND or of any of the foregoing powers, including deeds, bills of sale, transfers, leases, mortgages, assignments, conveyances, contracts, purchase agreements, waivers, releases and settlements;
 - (d) To contribute, donate, support or distribute, from time to time, for the purposes herein stated, such payments or amounts as the FUND Committee in its discretion shall determine, with the prior approval of the Congregational Council;
 - (e) To determine what is principal and income according to accounting procedures;
 - (f) To hold investments in the name of the FUND on behalf of the congregation, and to sign cheques and all other necessary documents on behalf of the congregation in furtherance of the FUND purposes;
 - (g) To employ and reasonably compensate from the FUND income, accountants, agents, and attorneys to assist and advise in the execution of the FUND, without liability for their omissions or neglect, but using reasonable care in their selection, and to rely on the advice of the persons so employed.
27. The FUND Committee may receive funds from any individual, corporation or organization, in any form of donation in cash or in other property acceptable to the FUND Committee.

28. The Committee may commingle the assets under its administration and administer such assets as a single fund, so long as the Committee's records at all times accurately reflect the receipts and disbursements properly allocable to each distinct category of assets.
29. The Committee shall in no event be required to make physical segregation of the assets of the FUND in order to conform to the directions of any individual donors, but may establish separate accounts in its accounting records for that purpose.

E - Congregation

30. In the event of unforeseen catastrophe or dire emergency, the congregation may, by a two-thirds majority vote at a duly called annual or special congregational meeting, decide to disburse FUND principal not restricted by donor directions to the contrary. Notice of such meeting shall include notice of the proposed action.
31. This FUND resolution may be altered or amended in accordance with the congregation's bylaws.
32. This Fund may be dissolved in accordance with the laws of the Province of Ontario and the provisions set forth in the Congregational Constitution, Article V.¹

This FUND Resolution, recommended by the Congregational Council and adopted by the congregation at a legally called meeting is hereby made an Addendum to the bylaws of Mount Zion Lutheran Church and all members are made privy to its content and uses.

DATED this 18th day of November, 2007

Mount Zion Lutheran Church

By ____ (Paul Stolee) _____

(President)

And ____ (Karen Gastmeier) _____

(Secretary)

This draft policy was adapted from the Model Congregational Mission Endowment Fund most recently revised by the Eastern Synod Council in March 2003.

¹ Article V of the Congregational Constitution deals with the issue of Authority and grants the congregation full authority over the disposition of its property, in accordance with its mission. In the event this congregation disbands, assets are understood to revert to the Eastern Synod of the Evangelical Lutheran Church in Canada or its successor.