

Trinity Evangelical Lutheran Church

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Mission

Endowment

Fund

April 20, 1996

Establishment and Operation of
Trinity Evangelical Lutheran Church
of Montgomery County, Maryland
Mission Endowment Fund

Amendment to Chapter 18 of the Congregational Constitution (by adding underlined language) :

*C18.01. Except as provided in 18.03, the Congregation Council may enact continuing resolutions which describe the function of the various committees or organizations of this congregation. Amended on [date of adoption of amendment].

*C18.03. The bylaws may set forth the authority for continuing resolutions to be adopted by the Congregation which include the description of special standing committees, including creation of a Mission Endowment Fund, and Committee, some or all of whose members may be elected by the Congregation and designated by the resolution as special officers of the Congregation. " Adopted on [date of adoption].

Amendment to Congregational Bylaws (new) :

*Chapter 14 MISSION ENDOWMENT FUND

B14.01 A Mission Endowment Fund and Committee, whose purpose, governance, and operational procedures set out in Chapter 2 of the Continuing Resolutions shall be defined by special resolution adopted or amended only by the congregation, shall be established."

Adoption of Continuing Resolution to Establish a Mission Endowment Fund (new) :

WHEREAS, Christian stewardship involves the faithful management of all the gifts God has given to humankind - the created world, the gospel, life, time, abilities, money, including accumulated, inherited and appreciated resources; and

WHEREAS, the Scriptural principle of proportionate giving, to return to the Lord a portion of the gifts God has first given to his beloved children, is both a privilege and an appropriate response in all times and circumstances; and

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

WHEREAS, it is the desire of Trinity Evangelical Lutheran Church to encourage, receive and administer these gifts in a manner consistent with the loyalty and devotion to our Lord expressed by the donors and in accord with the policies of this congregation;

THEREFORE BE IT RESOLVED, that this congregation in this semiannual meeting assembled on May 19, 1996, approve and establish on the records of the church as a

new and separate fund to be known as THE MISSION ENDOWMENT FUND (hereafter called the "FUND") of the Trinity Evangelical Lutheran Church of Montgomery County, MD, through the following continuing resolution of the Congregation:
*Chapter 2. IMPLEMENTATION OF THE MISSION ENDOWMENT FUND

CR2.01 There is hereby established a new and separate fund on the records of the Church, known as THE MISSION ENDOWMENT FUND (hereafter called the "FUND") and a Mission Endowment Fund Committee (hereafter called the "COMMITTEE"). The purpose of this FUND is to enhance the mission outreach of Trinity Evangelical Lutheran Church apart from the general operation of the congregation. No portion of the income generated by the FUND shall be used for the annual operating budget of the congregation. The COMMITTEE shall be the custodian of the FUND. The Plan of Operation describing the administration and management of the FUND is set forth below.

CR2.02 The COMMITTEE shall consist of six regular members and five ex officio members, all of whom shall be voting members of Trinity Evangelical Lutheran Church. Except as herein limited, the term of each regular member shall be three (3) years. Upon the adoption of this resolution by the Congregation, it shall elect ~~six (6)~~ regular, voting members of the COMMITTEE: two (2) for a term of three (3) years; two (2) for a term of two (2) years; and two (2) for a term of one (1) year. Thereafter, at each May semiannual meeting, the congregation shall elect the necessary number for a term of three (3) years. No regular member shall serve more than two consecutive three (3) year terms. After a lapse of one (1) year, former COMMITTEE members may be re-elected. The senior pastor, the president of the Congregation Council, the Treasurer, the Financial Secretary and the Chairperson of the Finance Committee shall be ex officio and, except for the senior pastor, non-voting members of the COMMITTEE. The Congregation Council of the congregation shall nominate for the COMMITTEE and report at the May semiannual congregational meeting in the same manner as for other offices and committees. In the event of a vacancy on the COMMITTEE, the Congregation Council shall appoint a member to fill the vacancy until the next semiannual meeting of the congregation, at which time the congregation shall elect a member to fulfill the term of the vacancy. Each member of the COMMITTEE shall be deemed a special financial officer of the Congregation.

CR2.03 The COMMITTEE shall meet at least quarterly, or more frequently as deemed by it to be in the best interest of the FUND.

CR2.04 A quorum shall consist of four (4) voting members. The affirmative vote of a majority present and voting shall carry any motion or resolution.

CR2.05 The COMMITTEE shall elect from its membership a chairperson and recording secretary. The chairperson, or other member designated by the chairperson, shall preside at all committee meetings.

CR2.06 The secretary of the COMMITTEE shall maintain complete and accurate minutes of all meetings and supply a copy thereof to each member of the committee. Each member shall keep a complete copy of minutes to be delivered to his or her successor. The recording secretary shall also supply a copy of the minutes to the Congregation Council.

CR2.07 The congregation treasurer shall be the financial secretary of the COMMITTEE. The treasurer will maintain and coordinate complete and accurate accounts for the FUND and shall sign checks and all 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 who is not a member of the COMMITTEE.

CR2.08 The COMMITTEE shall report on a quarterly basis to the Congregation Council and, at each May semiannual meeting or duly called special meeting of the Congregation relating to the FUND, shall render a full and complete audited account of the administration of the FUND during the preceding year.

CR2.09 The COMMITTEE may request other members of the congregation to serve as advisory members and, at the expense of FUND income, may provide for such professional counseling on investments or legal matters as it deems to be in the best interest of the FUND.

CR2.10 All assets are to be held in the name of the "Trinity Evangelical Lutheran Church: Mission Endowment Fund".

CR2.11 The COMMITTEE shall establish written guidelines for the conduct of its business, including standards and guides in the investment, maintenance, accounting and expenditure of the FUND, within the purposes and limitations established in this resolution. 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 stocks, 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. No member of the COMMITTEE shall engage in any self dealing or transactions with the FUND in which the 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 interest of the FUND.

CR2.12 The COMMITTEE shall determine what is principal and income according to accepted accounting procedures. 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 shall be expended as provided in CR2.13

CR2.13 Except as provided in paragraph CR2.15 below, income from the FUND shall be distributed annually and at such other times as deemed necessary and/or feasible to accomplish the following purposes:

1. 25% for Trinity Evangelical Lutheran Church Use -- **Special (non-budgeted) Program or Building purposes as recommended by the COMMITTEE and approved by the Congregation Council.**
2. 25% for Special Community Ministries as recommended by the COMMITTEE and approved by the Congregation Council.
3. 25% for Special Benevolence Projects as recommended by the Committee

and approved by the Congregation Council.

4. 25% allocated to principal, not to be spent, but to build the Endowment Fund and to keep up with inflation.

CR2.14 All programs for support and timing for distribution shall be recommended in the COMMITTEE and approved by the Congregation Council for funding according to the guidelines established by the Congregation as described in this resolution.

CR2.15 Disbursement of income from the FUND need not occur annually in the event 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.

CR2.16 When, in the opinion of the COMMITTEE circumstances are so dire and of such an emergency nature threatening the continued existence of Trinity that the only recourse seems to be the use of the FUND principal, the COMMITTEE may, upon a two-thirds majority vote, recommend such authorizing action to the Congregation Council. If the council agrees by a two-thirds majority, it shall so recommend to the congregation for approval to be made by a two-thirds majority.

CR2.17 Any amendment to this Chapter 2, which will change, alter or amend the purpose for which the FUND is established or the distribution of the Fund shall be adopted only after readings and approval without substantive change at two successive meetings, which meetings shall be either a semiannual meeting of the congregation or a special meeting called specifically for the purpose of amending this resolution."

CR2.18 In the event that Trinity Evangelical Lutheran Church ceases to exist either through merger or dissolution, disposition or transfer of the FUND shall be at the discretion of the Congregation Council in conformity with Chapter 7 of 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 may be desirable for continuation of Mission Endowment Fund obligations."

CR2.19 Any gifts given to the FUND, as well as all income derived therefrom, shall be used exclusively for religious, charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States Internal Revenue Law (hereafter "Internal Revenue Code"). This FUND is created and shall be operated exclusively for Church purposes. No part of the income or property of this FUND shall inure to the benefit of or be distributable to any member, director or officer of the Church or to any other private person, except that the COMMITTEE is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions for reasonable expenses in furtherance of the purposes set forth herein. No part of the activities of the FUND shall be the carrying on of propaganda or otherwise attempting to influence legislation, and it shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision of this document, the FUND shall not be used to (a) carry on any activities not permitted to be carried on by an entity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (b) do any act which would render contributions to the FUND non-deductible under Section 170(c)(2) of the Internal Revenue Code.

CR2.20 Upon termination of the FUND and after payment of all liabilities, obligations, costs and expenses incurred by this FUND, any remaining assets shall remain the property of Trinity Evangelical Lutheran Church, Montgomery County, Maryland, its successors or assigns."

[DELETE: provided, however, if Trinity Evangelical Lutheran Church is not then an exempt organization under Section 501(c)(3), or is no longer in existence or is unwilling or unable to accept the distribution, such distribution shall be made to the Metropolitan Washington, D.C. Synod of the Evangelical Lutheran Church in America, its successors and assigns; provided, further, if the METRO D.C. Synod of the Evangelical Lutheran Church in America is not then an exempt organization under Section 501(c)(3), or is no longer in existence or is unwilling or unable to accept the distribution, such distribution shall be made to the ELCA, and if the ELCA or its successor body is not longer in existence or is unwilling or unable to accept the distribution, such distribution shall be made to such entities organized and operated for one or more purposes described in Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code which, in the sole judgment of the Committee, have purposes most closely allied to those of the FUND. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction exclusively for such exempt purposes or to such organization(s) as said court shall determine, which are organized and operated exclusively for such purposes.]

ADOPTION OF CONSTITUTION AMENDMENT, BYLAW AMENDMENT AND CONTINUING RESOLUTION

The amendment to the constitution, having been previously approved by a majority vote of those present and voting at a properly called meeting of this congregation on _____, 1996, is hereby ratified without change by a two-thirds majority vote of those present and voting at this, the next regular congregational meeting is hereby approved for submission to the synod, to be effective within 120 days from the date of receipt absent an objection from the synod of conflict with the synod constitution and bylaws.

The amendment to the by-laws, having been adopted at a legally called meeting of this congregation, there being a quorum present, by a majority vote of those voting members present and voting, is hereby approved and adopted.

The Continuing Resolution, recommended by the Congregation Council and accepted by the Congregation at a legally called congregational meeting, is hereby adopted this _____ day of _____, 1996.