

WPLC ENDOWMENT COMMITTEE BY-LAWS

TABLE OF CONTENTS

SEC	TOPIC
I	MISSION STATEMENT
II	COMMITTEE STRUCTURE
III	COMMITTEE DUTIES
IV	COMMITTEE POWERS
V	GIFT ACCEPTANCE GUIDELINES
VI	TYPES OF GIFTS ACCEPTED
VII	NEW FUND ESTABLISHMENT CRITERIA

SEC I

Mission Statement of the Washington Prairie Lutheran Church Endowment Committee

The Washington Prairie Lutheran Church Endowment Committee (EC) is established to do God's work in the world by creating and managing the ongoing financial resources above and beyond regular offerings. The EC will establish funds for those functions of the church that can be strengthened by a steady and dependable income stream. The EC's intent is to manage these gifts to Washington Prairie Lutheran Church (WPLC) in an effective manner.

SEC II

Endowment Committee Structure

The EC shall consist of five (5) members. Three (3) members shall be elected for a three (3) year term. The pastor of the church and the treasurer of the Vision Board shall be ex-officio non-voting members of the EC. At each congregational annual meeting the congregation shall elect one member of the EC. No member shall serve more than two (2) consecutive terms. A partial term shall not be counted for this purpose. A former EC member may be re-elected after a lapse of 12 months.

A vacancy on the EC will occur when a member either resigns or fails to attend three (3) consecutive regular meetings. In the event of an EC vacancy the WPLC Vision Board shall forthwith appoint a replacement to fulfill the position subject to ratification by the congregation at the next congregational meeting. If the vacancy is not filled within ninety (90) days, the congregation shall fill the vacancy at a special meeting called for that purpose.

The nomination and election process for the EC shall follow the procedures set forth in the WPLC constitution/by-laws. The EC shall elect from its membership a chairperson and a secretary.

The EC shall meet at least four (4) times per year at a time and place as agreed by the EC and more frequently as necessary. Special meetings may be called on a twenty-four (24) hours written or oral notice to all the members of the EC by the EC chairperson or by any two EC

members. No notice other than recording of the agreement of the board fixing the time of the regular meetings need be given the members. Each member is charged with the knowledge of the contents of the minute book.

A quorum shall consist of two (2) voting members. The affirmative vote of eligible voting members present and voting shall carry any motion or resolution. The EC shall establish 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 funds which it may amend within the stated purposes of the fund.

SEC III

Endowment Committee Duties

The EC will be available to meet with potential donors. While the EC does not do financial planning or provide financial advice, they will work with donors and their financial advisors and lawyers on how to most effectively integrate the donor's charitable wishes with the mission of WPLC.

The EC will establish procedures for the review of potential gifts and a procedure for accepting or refusing potential gifts to the WPLC. Those procedures are established within this document in Sections V & VI.

The EC Secretary shall keep a careful account of actions taken by the committee. The EC will coordinate with the WPLC Vision Board if a new fund is to be started. If any money from the funds is to leave the control of WPLC or the church organizations to which WPLC belongs, it must also be approved through the WPLC Vision Board.

The EC will submit an annual report of its activities and outcomes to the congregation at the Congregational Annual Meeting.

The EC is the WPLC committee to which all potential endowment style gifts will be directed. The EC will review gift proposals and assess the appropriateness of the gift for WPLC. If the proposed gift has stipulations outside of existing fund guidelines, the EC will refer their acceptance or rejection recommendation to the WPLC Vision Board for final approval.

The EC or church may receive funds through gifts, memorials, bequests, wills, estates, etc. from any individual or corporation or organization or from any other source in cash or in other property acceptable to the EC and which furthers the WPLC mission. All funds entrusted to the EC shall be kept and maintained separate, distinct, independent from and property otherwise belonging to the church.

The EC is to inform the members of the congregation about the purpose of the funds, and may periodically arrange for the congregation to meet with professional counselors in the areas of charitable giving, wills, bequests, insurance, etc.

The EC is established to take, have, hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to handle, manage, and control the WPLC endowment funds(EF), or any part thereof, as they, in their judgment, deem wise and prudent. The EC is given the authority to invest funds in, but is not limited to, common and preferred stocks, bonds, debentures, mortgages, notes or other securities, property whether real or personal, savings deposits of any bank, the ELCA Mission Investment Fund, and common trust funds, mutual

funds, hedge funds, or any like funds so long as they exercise the usual standards of prudence required of trustees of similar funds.

The EC shall receive the income, profits, rents and proceeds of the endowment funds and collect and receipt for the same, and to approve the payment of all administrative and necessary expenses in connection with it. Expenses for each particular fund are to be paid from that particular endowment fund's income.

The congregational treasurer, with the approval of the WPLC Vision Board, shall execute and deliver all payments, other than ordinary operational expenses, on behalf of the EC which are leaving the control of WPLC or church organizations of which WPLC is a member.

In the event that legal counsel is sought for deeds, bills of sale, transfers, leases, mortgages, assignments, conveyances, contracts, purchase agreements, waivers, releases, and settlements the EC shall use an attorney appointed (or approved) by the WPLC Vision Board. On an annual basis the EC shall review contact information at all fund custodians and update as necessary.

All new members of the EC are to receive a copy of the EC by-laws and ongoing resolutions. The EC shall not (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 of 1954 or the corresponding provision of any future United States Revenue Law or (b) do any act which would render contribution to any WPLC EF non-deductible under Section 170(c) (2) of the internal revenue Code of 1954 or the corresponding provisions of any future United States Internal Revenue Code.

SEC IV

Endowment Committee Powers

Before any of the actions listed below is completed, the action must be approved by the WPLC Vision Board. No action regarding EF assets can be taken by the WPLC Vision Board without the consent of at least two (2) EC members.

To take, have, hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to handle and manage and control, the endowment funds, or any part thereof, as they in their judgment deem wise and prudent. Prudent Investor Guidelines

To retain any property in the form in which received; to convert and reconvert the EF or any part thereof, into other kinds and forms of property, real or personal or mixed; and to invest or reinvest the fund or assets herein, or any thereof, as they shall deem wise and prudent, including in such common or preferred stocks, bonds, debentures, mortgages, notes or other securities, investments or property whether real or personal, which they in their absolute discretion may select or determine, and including, without limitation, savings deposits of any bank, mutual savings bank, federal home loan bank, or savings and loan association or in the ELCA Mission Investment Fund, or in any common trust funds, mutual funds, hedge funds, or any like funds, subject to the usual standards of prudence required of trustees of similar funds.

To receive the income, profits, rents and proceeds of each fund and to collect and receipt for the same, and to approve the payment of all administrative and necessary expenses in connection with it. The expenses from each individual fund will be paid from that funds income.

To make, execute, and deliver all instruments necessary or proper for the accomplishment of the purposes of the WPLC endowment funds or any of the foregoing powers, including deeds, bills of sale, transfers, leases, mortgages, assignments, conveyances, contracts, purchase agreements, waivers, releases, and settlements.

To contribute, donate, support or distribute, from time to time, for the purposes herein stated, such payments or amounts as allowed by the individual endowment funds or the EC, in its discretion, shall determine.

To determine what is principal and income according to accounting procedures.

SEC V

Gift Acceptance Guidelines

1. Does the gift fit with the mission of the church?
2. Does the gift fall into an already established endowment fund?
3. Does the gift come with restrictions?
4. Does the EC feel they can handle or readily arrange for the management of the gift?
5. Does the church benefit from accepting the gift or does the gift consume more than it returns?
6. If the gift is to establish a new endowment, does the new endowment meet the criteria set forth in section VII?
7. What sunset provisions will apply to the gift?

SEC VI

The general policy of the EC is to convert any gift to cash and invest proceeds in the types of assets currently used for that particular endowment fund.

Types of Gifts Accepted

CASH

- Checks should be made payable to Washington Prairie Lutheran Church.
- Cash gifts should be given in the form of money orders or checks.

PUBLICLY TRADED SECURITIES

- Readily marketable securities, such as those traded on a stock exchange, can be accepted by Washington Prairie Lutheran Church
- Gifted securities may be sold immediately.

CLOSELY HELD SECURITIES

- Non-publicly traded securities may be accepted after consultation with the Endowment Committee and the WPLC Vision Committee. The fair market value of the securities must be determined by a qualified appraiser.
- Prior to acceptance, WPLC should explore methods of immediate liquidation of securities through redemption or sale.
- No commitment for repurchase or sale of closely held securities should be made prior to completion of the gift of securities, as the transaction might be viewed by the IRS as a sale rather than a gift, with adverse tax consequences for the donor.

REAL ESTATE

- Gifts of real estate will be reviewed by the Endowment Committee before acceptance.
- The donor is responsible for obtaining and paying for an appraisal for the fair market value and environmental audit of the property.
- Prior to acceptance by the Endowment Committee, the EC must conduct a visual inspection of the property, or at the cost of the EC, purchase an inspection of the property.
- Property that is secured by a mortgage or other encumbrances may be denied.

LIFE INSURANCE

- WPLC should accept a life insurance policy as a gift only when it is named as owner and beneficiary of the policy.

TANGIBLE PERSONAL PROPERTY

- Gifts of jewelry, artwork, collections, and equipment may be accepted after approval by the Endowment Committee.
- Such gifts of tangible personal property shall be used by or sold for the benefit of WPLC.
- WPLC must follow all IRS requirements in connection with disposing of gifts of tangible personal property, and filing appropriate tax reporting forms.

Charitable Gift Annuities/Deferred Gift Annuities/Charitable Trust

- WPLC will not serve as administrator or trustee for any of these.
- WPLC can be named as beneficiary for these.

BEQUEST

- WPLC should refuse to accept (disclaim) any bequest that might prove to be more cost than benefit.

SEC VII

New Fund Establishment Criteria

Donors are strongly encouraged to contribute to the existing funds. The EC reserves the right to review all donations before establishing a new endowment fund including any fund wishing to be considered for naming rights.

Criteria

1. Is the new fund economically viable in perpetuity?
 - a. Investment selection
 - b. Growth potential of principal
 - c. Disbursement arrangements
2. Is the mission of the new fund unique?
3. Is the mission of the new fund consistent with the mission of WPLC?