

# **The Lutheran Church of the Atonement Florissant, Missouri**

## **Atonement Endowment Fund**

### **I. NAME**

This congregation shall have an Endowment Fund. The fund shall be called the Atonement Endowment Fund, hereinafter referred to as AEF.

### **II. GENERAL PURPOSE**

- A. The purpose of the AEF shall be to receive gifts and bequests and to use them for the mission and ministry of The Lutheran Church of the Atonement.
- B. Gifts and bequests, whether or not made upon special terms or conditions as to the investment or use of the substance of the gift, or the use or accumulation of the income, must be acceptable to The Lutheran Church of the Atonement. The Atonement Endowment Fund Oversight Committee (the Committee) shall consider at its next meeting and make its determination on the acceptability of such gifts or bequests and any acceptance of such gifts or bequests shall be by a majority of the members present and voting at a duly called meeting of the Committee. If a majority cannot be achieved, the decision shall be referred to the Congregation Council, which shall decide the issue. Acceptance of such gifts or bequests by the Congregation Council shall be by a majority of the members present and voting at a duly called meeting of the Congregation Council.
- C. Expenditures from gifts and bequests to the AEF are to be used for the purposes recommended by the Committee and approved by the Congregation Meeting; provided that the purposes shall be consistent with the general reason for which the AEF has been established. The list of approved purposes shall be appended to this document and shall be distributed to the members of the congregation. Determination of the purposes to be included on this list will be made by the Committee and will be revised or updated as determined by the Committee. At least annually, the Committee shall make recommendations to the Congregation Meeting regarding distribution from gifts and bequests to AEF. None of this shall be distributed to the congregation's operating budget, except as approved by the Congregation Meeting
- D. In the establishment of the AEF it is intended that the principal of any gifts or bequests received not be expended or distributed except as specified below. Five percent (5%) of the balance at the beginning of any year may be distributed or expended for the purposes as approved, or for expenses of the fund. It is also intended that any expenditure or distribution not expended or distributed in the year authorized herein, may be carried over as retained authorization into the year or years following. In no event may the amount expended or distributed in any year exceed current year's authorization and any retained authorization available at that time, except in accordance with the following two circumstances:
  1. Any capital building funds, which are accumulated in the AEF may be expended for the capital project for which they were accumulated upon the direction of the Congregation Meeting, and
  2. The Congregation Meeting may direct the expenditure of not more than 25% of the funds of the AEF in any fiscal year for the purpose(s) specified in section II.C. above.

### III. GOVERNING BOARDS AND OFFICERS

- A. The Committee shall consist of the Vice President (who shall chair the Committee), the Treasurer, and three additional members appointed by the President to staggered three year terms. Additional members may be appointed by the President as deemed appropriate by the President or the Vice President for terms not exceeding three years. Appointed members may not serve more than two consecutive terms. The Committee shall report to, and follow the directions of the Congregation Council and the Congregation Meeting.
- B. The Committee shall promote and manage the AEF. The Treasurer of the congregation shall be responsible for receipts by and disbursements from the AEF, shall maintain complete and accurate records, and shall provide, at least annually, a written financial report of the AEF to the Congregation Council and the Congregation Meeting.
- C. The Committee, if it deems it in the best interest of the congregation, may recommend that the assets of the AEF be delivered to The Evangelical Lutheran Church in America Foundation, or other professional endowment manager, for investment management. Any agreement entered into for the management of the AEF shall be valid only if approved by two-thirds (2/3) majority of the voting members present at a duly called and constituted meeting of the Congregation Meeting.
- D. The Congregation Council may ask other members of the Congregation to serve as advisory members and may employ, at the expense of the AEF, such professional counseling on investments and legal matters as it deems to be in the best interest of the AEF.
- E. No member of the Committee or Congregation Council shall engage in any self-dealing or transactions with the AEF in which the member of the Committee or Council 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 AEF.

### IV. FISCAL YEAR

- A. For tax, accounting, distribution, or other purposes, the fiscal year (whether terminating December 31 or otherwise) of The Lutheran Church of the Atonement shall be the fiscal year of the AEF.
- B. Within two months after the close of each of the AEF's fiscal years, and at such other time(s) as is deemed convenient, the Committee shall prepare an itemized written statement which accurately reflects the position of the AEF's income and corpus accounts as of a date reasonably close to the date the statement shall be submitted, and shall indicate the receipts, disbursements and changes therein since the AEF's inception or the previous accounting, as the case may be. The statement shall then be submitted to the Congregation Meeting for informational purposes.

### V. DUTIES

- A. Gifts and contributions from any individual, firm or corporation, in money, in securities, or in any other form of property, including by way of explanation and not in limitation, direct gifts for the purpose of the AEF, gifts in memory of any deceased person or in appreciation or recognition of any living person, gifts in the form of a devise or bequest under will or trust instrument, and gifts or proceeds or portions of proceeds of insurance, annuity or endowment policies or contracts, may be received by the AEF at any time.
- B. Means for acknowledging the receipt of each gift and contribution shall be established

and maintained, including, whenever feasible, a designation of the value ascribed to each gift.

- C. Separate identification and recording shall be made of all transactions with respect to gifts and contributions which include special terms or conditions or containing limitations or directions as to the investment or use of the substance of the gift, or the use or accumulation of the income, which were accepted in accordance with Section II B.
- D. All funds and property shall be kept and maintained separate, distinct and independent from the funds and property otherwise belonging to the The Lutheran Church of the Atonement. The Congregation Council, however, shall in no event be required to make physical segregation of the assets of the AEF in order to conform to the directions of any individual donors, but may establish separate accounts in its accounting records.

## VI. POWERS

The manager of the AEF, whether the AEF is managed and administered by the Committee, or whether the AEF is delivered to the Evangelical Lutheran Church in America Foundation or other management entity for management and administration, shall have the following powers and authority:

- A. The property constituting the corpus of the AEF shall be invested and reinvested in any kind or property (whether real or personal, tangible or intangible, and/or domestic or foreign), including, but not limited to, securities, real estate, oil, gas and other natural resources and/or accounts or certificates of banks or other lending institutions, and each investment shall be managed and protected in accordance with the principles herein established. In exercising the authority granted in this section, the decisions with respect to investments shall be guided by the concept of a prudent investor whose investment purpose includes both income and capital appreciation and shall not otherwise be restricted by any law, rule or custom (1) requiring safety of corpus as a primary consideration, (2) regarding investment in income producing property, or (3) requiring diversification of investments. It is further understood that any part or all of the AEF may be invested in obligations of the Mission Investment Fund, The Evangelical Lutheran Church in America. In amplification, but not limitation, of the foregoing, authority is granted:
  - 1. to loan money to Atonement for purposes approved by the Congregation Council and the Congregation Meeting, with interest to be paid at prime rate plus one point, or at the rate then in effect at the time charged by the Mission Investment Fund, whichever is the lower;
  - 2. to acquire interests in property by purchase, lease, rental or other method; to sell, option, exchange, redeem or convert any property interests; and to rent or lease property of the AEF;
  - 3. to exercise all rights and privileges accruing to a holder of securities, including all voting, conversion, subscription and pre-emptive rights; to deposit any securities with, delegate discretionary power to, and participate, cooperate and contract with, as a member or otherwise, any protective committee of security holders; and to effectuate any merger, consolidation, dissolution, reorganization or financial adjustment of the issuer of any securities and/or any transfer, demise or encumbrance of any of its properties;
  - 4. to manage and/or develop any real property owned, leased or otherwise held by the AEF; to erect, repair, remodel, reconstruct, demolish or remove buildings or other improvements on it; to partition or subdivide it; to dedicate all or any part of it to

public or semipublic use; and to grant easement or other charges with respect to it;

5. to abandon any property interest deemed worthless or of insignificant value;
  6. to borrow money from any source, to encumber property of the AEF and to repay any loan due by the AEF;
  7. to foreclose any mortgage, lien or other encumbrance, and to purchase the encumbered property, whether through foreclosure or private arrangement;
  8. to establish and maintain out of income, depreciation, depletion and/or amortization reserves;
  9. to maintain a portion or all of the property constituting the AEF in liquid or nearly liquid form, even though little or no income is earned thereon;
  10. to use income or corpus funds (irrespective of their derivation) for any purpose of the AEF and with respect to any property of the AEF (irrespective of the income, if any, it produces) even if such funds are derived from the sale of or income from other property of the AEF or from a loan (from income or an outside source) using such other property as security.
- B. Without limiting the authority otherwise conferred, the following additional authority is hereby granted to be exercised as is believed to be in the best interest of the AEF:
1. to accept and receipt for any inter vivos, testamentary or other transfer of property to the AEF;
  2. to hold property, and to negotiate and execute documents on behalf of the AEF, in the name of the AEF or in the name of a nominee(s) without disclosing any fiduciary relationship to anyone;
  3. to allocate between income and corpus (in cases where reasonable doubt of the applicable law exists) in equitable proportions, any money or other property received, and any loss or expenditure incurred;
  4. to vote, or refrain from voting, securities having voting privileges, and to give any type of proxy (with or without voting directions) to vote the same;
  5. to make division and distribution of property held in the AEF (whenever directed to do so) either in kind or in cash, or partly in kind and partly in cash and for such purpose to set values upon any property of the AEF;
  6. to protect the AEF and its property by insurance against damage, loss or liability;
  7. to employ, at the expense of the AEF attorneys, investment counsel, brokers, custodians of assets, and other agents and employees.

## VII. AMENDMENTS

Any amendments to this document that will change alter or amend the general purpose(s) for which the AEF is established must be submitted in accordance with Chapter 17 of the Constitution of The Lutheran Church of the Atonement.

# **Atonement Endowment Fund**

## **PURPOSES**

In accordance with the provisions of Section II-C of the document establishing the Atonement Endowment Fund, the following purposes are established for the receipt and management of designated gifts and bequests:

**PARISH NURSING AND WELLNESS MINISTRY** - To support, expand, or enhance the mission of the Parish Nurses and wellness programs for the support of the congregation and community.

**EDUCATION** - To ensure the ongoing ministry of Christian education at Atonement through the support of the Day School, Youth Ministry, Sunday School, Lutheran High School, Adult Education, Pre-Kindergarten, Child Care, etc., and to provide scholarship assistance to members enrolled in them.

**PROFESSIONAL DEVELOPMENT** - To provide opportunities to our Pastors, Teachers and staff for continuing education and training to support our ministry, and to provide financial assistance while attending the seminary or teacher colleges to those members of our congregation who have chosen to enter the full-time pastoral or teaching ministry of the Lutheran Church.

**CHURCH MUSIC AND WORSHIP** - To provide for opportunities to promote meaningful and worshipful use of music and singing, and to purchase and maintain musical facilities and equipment, especially the organ.

**SOCIAL MINISTRY** - To support, expand, or enhance the ministries relating to our community and those around us.