

**RESOLUTION ESTABLISHING THE ST. JOHN'S EVANGELICAL LUTHERAN CHURCH UNION
CORNERS ENDOWMENT FUND:**

NOW THEREFORE, in order to establish a permanent Congregational Endowment Fund within St. John's Evangelical Lutheran Church of Union Corners ("Church") to enable the further extension of the stewardship of our Church, BE IT RESOLVED THAT:

I

ESTABLISHMENT

The St. John's Union Corners Endowment Fund ("Fund") is hereby established to receive funds from bequests, donations, memorials, testamentary gifts or other sources designated for the Fund. All the funds received by and for the (Congregational Endowment) Fund shall be kept separate from other funds of the Church and shall not be used for the normal operating expenses or general operating budgetary items of the congregation or Church. Funds shall be administered by the St. John's Union Corners Endowment Fund Committee "Committee" within the guidelines provided herein.

II

PURPOSES

The Fund shall be used for the following purposes only;

- Ministries not normally funded by the Operating Budget of the Church, including (but not limited to) Special Ministries
- To support Projects for the Church that require additional funds and have been approved by the Congregation;
- Specific Christian purpose designated by a Donor and appropriate to the mission of the Fund and Church.
- Purposes recommended by Congregational Council and/or Congregation.

The Fund operates as an internally administered Endowment Fund. It will be accounted for separately from other Church Funds and administered in accordance with policies and guidelines approved by the Committee and Congregational Council. While day to day administration and oversight will be delegated to the Committee, the final authority in all matters related to the Fund remains clearly in the hands of the Congregational Council and approved by the Congregation.

The Fund will be guided by the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Fund will use a Professional Wealth Management Firm to manage the fund assets. The fund will have a moderate allocation with investments spread across asset classes, containing a maximum of 63% equities, 40% fixed income and approximately 2% in cash.

III

THE COMMITTEE

The Committee operates as a Committee of the Congregation and is added as a Resolution in the Church Documents. The Committee will consist of the Church Pastor and President of the Congregational Council as Ex-Officio, voting members, plus 6 elected Members who will serve One, Two and Three Year Terms at the formation of this Committee (beginning January 2018). In succeeding elections, members shall be elected to three-year terms. Members shall not serve more than two consecutive three year terms unless approved by the Congregation at an Annual Congregational Meeting. The Nominating Committee will nominate Members to be elected, presented to the Congregation for approval at the Annual Congregational Meeting.

In the event of a vacancy on the Committee, remaining members shall elect by majority vote, a member to fill the vacancy until the next Annual Congregational Meeting at which time the Congregation may ratify the selection of the Committee or nominate and elect a member to fill the vacancy.

The Committee will work with the Investment Administrator following prudent Investor principles. The Committee may **not** take undue risks. The Committee and Congregational Council guide disbursements from the fund earnings by how requests meet the ministry goals of the Congregation. Congregational Constitution, By-Laws and Resolutions provide guidelines where needed.

The Committee will meet at least on a Quarterly Basis (more often if necessary) at which a Quorum must be present. Quarterly Reports will be provided to the Congregational Council. It will state gifts (number and amount) received, ministries funded and the current Asset Value of the Fund at the end of each quarter. An Annual Report will be provided at the Annual Congregational Meeting.

Members of the Committee shall not receive monetary or non-monetary compensation for their services but shall be reimbursed for any actual or necessary out-of-pocket expenses incurred in the administration of the Endowment Fund, upon presentation to Congregational Council and acceptance of appropriate receipts or other proof thereof.

No member of the Endowment Committee shall be liable for any matters or actions except for his/her own bad faith, gross negligence or willful misconduct.

IV

DUTIES AND POWERS OF THE COMMITTEE

Net Increase in value above the permanently restricted principal of the Fund shall be used and distributed for the purposes indicated.

The spending policy will be that distributions from the Fund will be based on the Ohio legislature's five percent (%) or less of the average fair market value over a 12 quarter rolling average, safe harbor spending rules under UPMIFA. If the committee chooses to spend at a higher rate than the 5% due to unusual conditions, such as, but not limited to changes in market conditions, unusual expenditures, or high interest rate environment, then the following factors must be considered in determining the prudence of such a decision:

1. Duration and preservation of the Fund
2. Purpose of Institution and the Fund
3. General economic conditions
4. Possible effect of inflation/deflation
5. Expected total return from income or appreciation
6. Other institutional (the Church) resources
7. Institution's investment policy

However, due to a large contribution to the Fund in late 2017 which will skew the 12 quarter rolling average, the spending policy for 2019 and 2020 will be to use up to 95% of the realized gains (above the original principal), dividends and interest, offset by the funds' expenses and yearly purchasing power adjustment (inflation/deflation) of the principal. This will then be compared to the fair market value of the Fund. The committee will then compare the results and, using the UPMIFA priority as to prudence, preservation of the principal and the 7 factors listed above, in deciding the spending limit.

Requests for money from the Fund must be presented in writing by a Church Member on a **Request for Funding** form. The purpose and need of Funds must be clearly stated in the request. The Committee will review all applications and then make a recommendation to the Finance Team. The Congregational Council shall then have final authority to approve such requests.

Any distribution from the Endowment Fund shall be subject to and may be restricted by the provisions of any document of intent, gift instrument, testamentary or otherwise, from the donor of specific funds as accepted by the Committee.

Grant requests should be presented to the Committee no later than December 15th for the following year. All approved Grants will be funded by April 15th of each year. In the event of an emergency or unique situation at the Church, a request may be made by the Congregational Council outside of these fund request deadlines.

All necessary disbursements will be done by check from USB Financial Services, Inc. whether for distribution in accordance with its purposes or for necessary expenses. Notice will be given to USB Financial Services, Inc. in the form of a Voucher signed by the Fund Committee Treasurer and the Congregational Council President after required and final approval is received from the Congregational Council. All accountings, reports, monthly statements, or other similar account information shall be distributed to the Committee members at the next quarterly meeting following receipt of same.

V DONATIONS

Donations made to the Fund should be by check, wire transfer or stock certificates payable to "St. John's Union Corners Endowment Fund" and be presented to the Treasurer of the Committee for processing and recordkeeping. In the event the Treasurer is unavailable, then the donation should be presented to the Committee Chairperson.

The Treasurer of the Fund will be responsible for the acknowledgement of the donation to the Donor for Federal Income Tax related purposes.

The Committee shall honor and comply with any request set forth in writing, by any Donor to the Fund, of confidentiality of the identity of the Donor, amount donated thereby, or any other appropriate request. **Such information shall not be related or disclosed in any**

fashion or form for any reason to any person or entity other than the Committee members, the Pastor and the President and Treasurer of the Congregational Council, all of whom shall maintain such confidentiality.

The Committee shall be under no obligation to accept gifts, bequests, memorials or other monies which, in the Committee's judgement, do not serve the best interests of the Fund, or which are deemed to be unreasonably burdensome as to administration or the restrictions associated with same.

VI DISSOLUTION OF THE ENDOWMENT FUND

The Fund resolution may be amended or modified and/or the Fund may be dissolved by a Quorum (two-thirds majority) vote of the Congregation present at the Annual Congregational Meeting or at a Special Meeting specifically called and noticed for the purpose of amendment or dissolution, PROVIDED HOWEVER, that any such amendment, modifications or dissolution may not contravene, alter or defeat any specific designation or intent of any donor/contributor to the Fund, as may be applicable.

In the event that the Fund is dissolved, or in the event that St. John's Evangelical Lutheran Church of Union Corners is closed, disbanded, dissolved or otherwise terminated, the remaining funds shall be distributed to such committees, local organizations, churches, or entities as the Committee shall recommend that will use and hold such fund monies for the purpose set forth in this Resolution; PROVIDED HOWEVER, that any such recommendation and planned distribution shall be subject to recommendation by Congregational Council and approval by majority vote of the Congregation present at any meeting for that purpose.

VII PERPETUAL COMMITTEE EXISTENCE

So long as there is any principal or interest or income in any amount whatsoever remaining or existing in the Endowment Fund, there shall be established and existing an Endowment Fund Committee as provided herein.