

CONSTITUTION

HOSANNA LUTHERAN CHURCH ENDOWMENT FUND

ARTICLE ONE – NAME

The name of the fund shall be: Hosanna Lutheran Church Endowment. In this document the Hosanna Lutheran Endowment shall be referred to as Fund.

ARTICLE TWO – OBJECT

1. Whereas Hosanna Lutheran Church, Watertown, South Dakota endeavors to have a living endowment of faithful members with gifts and talents.
"As each has received a gift, employ it for another, as good stewards of God's varied grace whoever renders it by the strength which God supplies, in order that in everything God may be glorified. " 1 Peter 1:10-11
2. Whereas to establish a permanent Fund within the church to enable the future growth of our church, its ministries and stewardship opportunities, the membership of Hosanna Lutheran Church will establish an Endowment Fund to receive and administer bequests, estates, insurance, memorials and other assets.
3. Therefore, the purpose of the Fund is to enhance the work of the church by establishing new ministries and stewardship opportunities additional to and apart from the general operation of the congregation.
4. The efforts of Hosanna Lutheran Church in establishing the Fund will be dedicated to the glory of Almighty God.

ARTICLE THREE – MANAGEMENT

The Endowment Fund Committee shall be custodian of the Fund according to the by-laws.

ARTICLE FOUR – AMENDMENTS

While Hosanna Lutheran Church has every intention of using the Fund as set forth in this constitution and bylaws, it does recognize that with the passage of time and changing circumstances, there may be a time when it is not feasible to utilize the Fund as was intended. Should that situation develop, Hosanna Lutheran Church, or its successors in interest shall then be free to amend in

whole or in part at any annual meeting by two-thirds of the membership present.

The Bylaws of the Hosanna Lutheran Endowment

ARTICLE ONE – MANAGEMENT

1. The Endowment Fund Committee, herein called the committee, shall consist of five (5) members, all of whom shall be voting members of Hosanna Lutheran Church. The committee shall be elected for a term of three years by the Church Congregation. At the onset of organization of the committee, two members shall serve one year, two members shall serve two years, and one member shall serve three years.
2. The committee shall serve as the group to nominate committee members, except at the onset of the organization when the Church Council will provide nominees to the congregation.
3. In the event of a vacancy on the committee, the committee shall appoint a member of the congregation to fill this vacancy. All Fund Committee members shall endeavor to maintain a high degree of communication with the Church congregation, council, the other organizations within the church, to nurture the total life and mission of the church and of the Endowment Fund-
4. The committee shall elect from its membership a chairperson, treasurer, and secretary.
5. A quorum shall consist of three members. The affirmative vote of one -half ($\frac{1}{2}$) present and voting shall carry any motion or resolution.
6. The committee shall establish written investment and spending policies as may be necessary for the conduct of its business. It shall adopt standards and goals to guide in the expenditure of the Endowment Fund which it may amend all within the stated purposes of the Endowment Fund.
7. The committee shall maintain accounts with such financial institutions as it may by resolution authorize and determine. All checks and other documents transferring or expending any funds or assets in the Endowment Fund shall be executed by the treasurer and either the chairperson or secretary of the committee.

8. The committee may ask other members of the congregation to serve as advisory members and may employ, at the expense of the Endowment Fund, such professional counseling on investments and legal matters as it deems to be for the best interest of the Endowment Fund.
9. The pastor of Hosanna Lutheran may serve as an ex official member of the Endowment Fund management committee, but without voting privileges.
10. The committee shall maintain complete and accurate books of accounts and may employ such professional help as it deems necessary in this connection. The books shall be checked annually and in time so that such report will be on file at the time of the annual meeting of the congregation.
11. The secretary shall maintain complete and accurate minutes of all meetings of the committee and supply a copy thereof to each member. Each member shall keep a complete copy of minutes to be delivered to his or her successor.
12. The chairperson, or the member designated by the chairperson, shall preside at all meetings of the committee.
13. No member of the committee shall engage in any self-dealing or transactions with the Endowment Fund in which the member of the committee has direct or indirect financial interest and shall always refrain from any conduct in which his/her personal interests would conflict with the interests of the Endowment Fund.

ARTICLE TWO – MEETINGS

1. Meetings may be called on one week written or oral notice to the members of the committee by the chairperson or any two members. No notice other than recording of the resolution of the committee fixing the time of the regular meetings need be given the members. Each member is charged with knowledge of the contents of the minute book. If all members are not present, consent in writing to the minutes by a member of the committee shall constitute his/her approval of the action reflected in the minutes and taken at the meeting and shall have the same force and effect of though he/she had been present and voting at the meeting reflected by the minutes

2. The Fund Committee at each annual meeting of the congregation, shall render a full and complete account of the administration of the Endowment Fund during the preceding year.

ARTICLE THREE – COMMITTEE PROCEDURES

1. The Fund Committee may receive funds at their discretion 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 them. All funds and property shall be kept and maintained separate, distinct and independent from the funds and property otherwise belonging to the church.
2. The Fund Committee shall in no event be required to make physical segregation of the assets of the Endowment Fund to conform to the directions of any individual donors but may establish separate accounts in its accounting records.
3. The committee is to inform the members of the congregation the purposes of the Fund, and may periodically arrange for members of the congregation to meet with professional counselors in the areas of charitable giving, wills, bequests, insurance, etc.
4. All new members of the Endowment Fund Committee are to receive a copy of the Endowment Fund Constitution and By-laws to become acquainted with the function and purposes of the Endowment Fund.

ARTICLE FOUR – DUTIES OF COMMITTEE MEMBERS

1. In the administration of this Fund, the Fund Committee shall have all powers and authority necessary to carry out the purposes of the Endowment Fund, including but not limited to the following powers and authority on behalf of Hosanna Lutheran Church.
2. To take, have, hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respect to handle and manage and control, the Fund,

or any part thereof, as they in their judgment and discretion shall deem wise and prudent.

3. To retain any property in the form in which received; to convert and reconvert the Fund, 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, investment or property whether real or personal, which they in their absolute discretion may select or determine, and including, without limitation, savings deposits or any bond, mutual saving bond, federal home loan bank or savings and loan association, or in any common trust fund, mutual fund, or any like fund, subject to the usual standards of prudence required of trustees of similar funds.
4. To receive the income, profits, rents, and proceeds of the Endowment Fund and to collect and receipt for the same, and pay all administrative and necessary expenses in connection with it. Expenses are to be paid from the Fund.
5. 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.
6. To determine what is principal and income according to generally accepted accounting principles.
7. To hold investments in the name of Hosanna Lutheran Church Endowment Fund on behalf of the congregation and to sign checks and all other necessary documents on behalf of the congregation in furtherance of the Fund purposes.
8. To employ and reasonably compensate from the Fund, 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.
9. The Fund Committee shall not be liable for any losses which may be incurred upon investments of the Fund except to the extent that such losses shall have been caused by bad faith or gross negligence of the committee members. No

member shall be personally liable as long as he or 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 or her own willful misconduct or omissions in bad faith. No committee member shall be liable for any of the acts of any accountant, agent, attorney or custodian selected with reasonable care.

10. The Fund Committee members shall not receive any compensation but may be reimbursed from the Fund for expenses reasonably incurred.
11. This Fund Constitution may not be altered or amended except by a two-thirds vote of the members present at an annual meeting of the congregation, or at a special meeting called specifically for amending this constitution.

ARTICLE FIVE - COMMITTEE RESTRICTIONS

1. Any gifts given to the Endowment Fund, as well as all income derived therefrom, shall be used exclusively for religious, charitable and educational purposes with Section 501 (c) (3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law. This Endowment Fund is created and shall be operated exclusively for charitable purposes. No part of the income or property of this Endowment Fund shall be to the benefit or be distributable to any committee member, director or officer of the church or to any other private person, except that the Endowment Fund Committee is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions 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 (a) not 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 Internal Revenue Law or (b) do

any act which would render contributions to the Fund non-deductible under Section 170(c) (2) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law.

2. This Endowment Fund may be dissolved in accordance with the laws of the State of South Dakota. Upon dissolution of this Endowment Fund, and after the payment of all liabilities, obligations, costs and expenses incurred by this Endowment Fund, any remaining assets shall be distributed to such entities organized and operated exclusively for one or more purposes described in Sections 170(c) (2) and 501 (c) (3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law.