

**CENTRAL STATES SYNOD
MISSION ENDOWMENT FUND COMMITTEE
BYLAWS**

Approved by the Executive Committee 5/3/19

I. Statement of Purpose

1. Many of the gifts that come to the Central States Synod of the ELCA ("SYNOD") are intended for use other than the general operation of the SYNOD. It is the responsibility of the Synod Council to determine the intent of donors and to place such extra-budgetary gifts under separate administration from the general budget.

2. As approved in SYNOD'S 1990 assembly, a separate fund was established as the "Central States Synod Mission Endowment Fund" ("FUND").

3. The purpose of the FUND is to enhance the mission of the SYNOD.

4. The Mission Endowment Fund Committee ("COMMITTEE") shall be the custodian of the FUND.

5. The COMMITTEE shall also be responsible for the development of the FUND by encouraging potential donors to contribute to the FUND and by providing the information for potential donors to make such contributions by mail to the SYNOD office or through electronic means as through a link from the SYNOD web site.

6. Gifts that are so designated will be managed as endowed gifts. This will be understood to mean that the donor wished that the fund would be sustained and that distributions from that fund would be made with primary consideration for the donor's stated purpose.

7. Subject to any specific limitation set forth in a specific gift instrument or in law, the management of the Mission Endowment Fund will be guided by *Uniform Prudent Management of Institutional Funds Act* as adopted by the state of Kansas.

II. The Committee

1. The COMMITTEE shall consist of four (4) members who are appointed by the Synod Council and the bishop, the vice-president, and the treasurer of the SYNOD

2. The term of each appointed member shall be three (3) years. An appointed member shall be eligible for reappointment to one additional 3-year term upon expiration of the member's first term or upon expiration of an unexpired term to which the member was appointed. After a one year time away, a former member again shall be eligible to be appointed to a new term. The terms of appointed members are to begin July 1, in the year of appointment and expire June 30, of the final year of the term. The Synod Council shall fill any vacancy on the COMMITTEE for the unexpired term. To the extent possible, the Synod Council will make appointments with staggered expirations in order to assure continuity of COMMITTEE membership and leadership.

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3. The COMMITTEE shall meet at least twice each year. Meetings may be conducted by telephone or other electronic means including exchanges of email, provided that full minutes shall be maintained of all meetings including members participating, matters discussed and actions taken.
4. A quorum shall consist of three members, not counting the bishop or vice-president, present either in person or by telephone or other electronic means.
5. The COMMITTEE shall elect from its membership a chairperson, who shall preside at all meetings, and a recording secretary.
6. The recording secretary of the COMMITTEE shall maintain complete and accurate minutes of all meetings and supply a copy thereof to each member of the COMMITTEE. The recording secretary shall supply a copy of the minutes to the Synod Council.
7. The treasurer shall maintain complete and accurate accounts for the FUND, which shall be audited annually as a part of the annual certified public accountant audit of the synod's books.
8. The COMMITTEE may request other members of the synod 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.
9. Members of the COMMITTEE shall not be liable for any losses which may be incurred upon the investments of the assets of the FUND except to the extent such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable as long as he or she acts in good faith and with ordinary prudence. Each member shall be liable only for his or her willful misconduct or omissions, and shall not be liable for the acts or omissions or any other member. No member shall engage in any "self dealing" or transactions with the FUND in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his or her personal interests would conflict with the interest of the FUND.
10. 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, with subsequent execution by the delegated member of the COMMITTEE.

III. Policies Regarding Gifts and Bequests

1. The minimum amount required to establish a separately named or restricted endowment fund is \$50,000.
2. Gift acceptance will conform to the Gift Acceptance Policy of the SYNOD except as otherwise directed in these bylaws.

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On October 20, 2018 the Synod Council adopted a gift acceptance policy which included the following provisions.

- It is the general policy of the Synod Council that all undesignated gifts received will be designated to the Central States Synod Mission Endowment Fund.
- The Synod Council retains the discretionary authority to designate a portion or the entirety of a gift to other areas of need within the synod aside from the Central States Synod Mission Endowment Fund.

IV. Investment Policy

1. The COMMITTEE chair, the treasurer, and an additional member of the COMMITTEE shall be the Fund Investment Committee. The treasurer shall be responsible for executing any investment decisions made by the Fund Investment Committee.
2. The Fund Investment Committee shall be responsible for identifying investment alternatives, reviewing and recommending appropriate investments and for providing ongoing oversight of all investments. Investment recommendations made by this committee will be approved by the COMMITTEE. The Fund Investment Committee shall also be responsible for ensuring that these policies are consistent with the FUND's financial goals and objectives.
3. Investments will be made for the purpose of supporting the missions for which they have been designated while ensuring sustainability of the funds. The assets will be invested with the care, skill, and diligence that a prudent person acting in this capacity would undertake.

V. Distribution of Earnings

1. Income from the FUND shall be distributed annually and at such other times as deemed necessary or feasible by the COMMITTEE within the restrictions in place regarding individual funds at the time of the distribution, in order to accomplish the mission of the Central States Synod.
2. 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 funding available, or if in the judgment of the COMMITTEE total annual disbursement of income is not recommended.
3. Care will be taken to ensure the sustainability of normal distributions using as guidance the most current recommended default distribution rate of by the ELCA Foundation.

VI. Distribution of Principal

1. When, in the opinion of the Executive Committee of the Synod, circumstances are so dire and of such an emergency nature that the future of the SYNOD is at stake, and that the only recourse seems to be the use of the FUND principal, the Executive Committee may make such a

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request to the COMMITTEE who may, upon a two-thirds majority vote, recommend such authorizing action to the Executive Committee of Synod Council.

2. It is expected that any funds used in such a situation by the SYNOD will be replenished when adequate funds in the SYNOD are available.

VII. Disposition or Transfer of Fund

1. In the event the SYNOD ceases to exist either through merger or dissolution, it is logical to assume this FUND will receive no further contributions and disposition or transfer of the FUND would be appropriate. Such disposition or transfer shall be accomplished by the COMMITTEE in accordance with the FUND's stated purposes, considering transfer if that seems appropriate in light of the future status of the SYNOD or complete disposition if the SYNOD would cease to exist. The receiving organization(s) shall be in keeping with the Restated Articles of Incorporation of the ELCA, Article 13.

VIII. Statement of Operation

1. The COMMITTEE shall adopt a Statement of Operation that is separate from these bylaws. The Statement of Operation will outline the procedures the COMMITTEE will implement in order to carry out its responsibilities according to the policies in these bylaws. The Statement of Operation will be subordinate to these bylaws and any conflict between the two documents will be governed by the bylaws. The Statement of Operation will be maintained by the COMMITTEE with the statement and any amendments provided to the Synod Council for information and review.

IX. Amendments to the Bylaws

1. Any amendment that will change, alter or amend the purposes for which the FUND is established or any other changes in the provisions of this document may be adopted by a 2/3 majority of the Synod Council at any Council meeting having on its agenda an amendment of the fund purpose.