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BYLAWS
of
HOLY CROSS LUTHERAN CHURCH OF LOS ALAMITOS, CALIFORNIA

* * *

ARTICLE I - Admission of New Members

- A. A child becomes a member when it is baptized under the authority of this congregation or, if baptized, when it is transferred or committed to the care of this congregation.
- B. Applicants for communicant membership presenting a letter of transfer from a recognized congregation shall, on the strength of such a letter of transfer, be accepted as a communicant member at any properly convened meeting of the Board of Elders. Applicants not affiliated with a recognized Missouri Synod Lutheran Church shall give satisfactory evidence of their qualifications for membership to the Pastor(s) and, if necessary, receive an adequate course of instruction in the Chief Parts of the Christian Doctrine comprising those set forth in Luther's Small Catechism. Having accepted the Doctrinal Standard set forth in Article III of this Constitution, and being ready to conform to the principles enunciated in Article IV of this Constitution, they shall be inducted into membership in a worship service where they will be called upon to make a public declaration of faith. Upon presentation of their name or names by the Chief Elder to the Board of Directors, they shall be accepted into membership.
- C. Voting membership shall be all communicant members of the congregation who have reached the age of 21 years or older. A copy of this Constitution and Bylaws shall be made available to all members eligible to vote.

ARTICLE II - Release and Withdrawal

- A. Members desiring a release for the purpose of joining a sister congregation shall obtain a written transfer from the Pastor(s). Releases thus issued shall be submitted by the Chief Elder to the Board of Elders for ratification.
- B. Members moving away, and thereby severing their connection with the congregation without obtaining a release, shall, after a period of six months, by authorization of the Board of Elders, be stricken from the list of membership, such action by the Chief Elder to be submitted to the Board of Directors for approval.
- C. Excommunication and Self-Exclusion. Any member, who conducts himself/herself in an un-Christian manner, either by sins of commission or by sins of omission, shall be admonished according to the Scripture. If after repeated admonition by the Pastor and the Elders he refuses to amend his/her sinful life, it shall be so reported by the Board of Elders to the Board of Directors for prayerful concern. If every avenue of regaining the member seems closed, the matter shall then be placed before the voters, and a two-thirds (2/3) vote of the voters shall be required for excommunication or self-exclusion. Excommunication or self-exclusion terminates membership, but does not deny the right to use the church facilities for worship. As soon as evidence of penitence and a desire to be received into fellowship again has been demonstrated, he/she shall be received as quickly as possible by action of the Board of Directors.
- D. Status. A person whose communicant membership has been terminated has forfeited all rights of a member of this congregation and all claims upon property of the congregation as such, or upon any part thereof, so long as he/she is not reinstated into membership.

ARTICLE III - Meeting

- A. Regular meetings of the Congregation shall be held semi-annually during the second and fourth calendar quarters. The meeting held during the second quarter, as set by the Board of Directors but preferably in May, is for the purpose of reviewing and approving an annual budget. The meeting held during the fourth quarter, as set by the Board of Directors but preferably in November, is for the purpose of the election of officers. Special meetings of the Congregation may be called by the Pastor, by the Board of Directors, or by 25 voting members upon written request to the Board of Directors. Notice of the date and written purpose of the special meeting shall be published in the bulletin on two Sundays preceding the special meeting. The business of a special meeting shall be limited to the purpose for which it was called.

- 1 B. Regular meetings of the Board of Directors shall be held at least once each month. The Pastor(s), or the Chairman of
 2 the Board, or three members of the Board may call special meetings of the Board. All Board members must be notified
 3 in writing of the special meeting and its purpose. The Agenda and Minutes of all Board Meetings shall be made
 4 available to all members of the congregation. Any member of the congregation desiring to be in attendance at Board
 5 Meetings (regular or special) may attend.
- 6 C. The quorum for any congregational meeting shall be 50 voting members. The quorum for a Board meeting shall be a
 7 majority of the duly elected or appointed members but not less than 6. Every decision by the majority voting shall be
 8 a valid act of the congregation except where the Constitution and Bylaws specify a number.
- 9 D. The order of business at Congregational meetings and at Board meetings shall be established by the Chairman of the
 10 Board. An opportunity shall be provided at each Board meeting for any voting member of the congregation to present
 11 new business. All new business shall be referred to the appropriate Director of Committee for study and
 12 recommendation before any discussion or action is taken. The rules contained in the current edition of *Robert's Rules*
 13 *of Order, Newly Revised* shall govern the Congregation in all cases to which they are applicable and in which they are
 14 not inconsistent with this Constitution and Bylaws and any special rules of order the Congregation may adopt.

15 **ARTICLE IV - Election of Officers**

16 The Board of Directors shall be elected at the Congregational meeting held during the fourth calendar quarter. The
 17 nomination committee shall select one or more candidates for each office to be filled in that year. Additional candidates may
 18 be nominated by any voting member. Term of office shall be two years. In odd numbered years, the following Directors shall
 19 be elected: Chairman, Chief Elder, Director of Property, Director of Finance, Director of Stewardship, Director of Youth,
 20 Director of Evangelism; in the even numbered years the following shall be elected: Director of Christian Education, Director
 21 of Parish Ministries, Director of Planning, Director of Ushers, Treasurer, Secretary. A Vice-Chairman shall be elected by the
 22 Board from its members the first regular Board meeting in January of each year. Candidates for office must be voting
 23 members of the congregation. Women may serve as officers and as members of all boards and committees of this
 24 congregation that do not call upon them to carry out the specific functions of the pastoral office (preaching in or serving as
 25 the leader of the public worship service, the public administration of the sacraments, and the public exercise of church
 26 discipline). Accordingly, a woman shall not serve as Pastor(s) of this congregation or as Chief Elder, or as Chairman or Vice-
 27 Chairman of the congregation, or as a member of the Board of Elders. No officer, except the Treasurer and Director of
 28 Finance, may serve more than two consecutive terms in office. Spouses shall not serve simultaneously on the Board of
 29 Directors. In case of a vacancy, the Board shall appoint a replacement to serve the remainder of the term.

30 **ARTICLE V - Removal from Office**

31 Any officer or director may be requested to resign by a two-thirds (2/3) majority ballot vote of the congregation for defection
 32 in doctrine, conduct unbecoming a leader in the church, prolonged incapacity, or neglect of his/her duties. A move to
 33 request such resignation must first be considered by the Board of Directors who shall appoint two or more of its members
 34 to consult with the person in question. If no satisfactory solution has been achieved, a special meeting of the Board of
 35 Directors shall be held, at which all parties shall be heard. Upon recommendation of a two-thirds (2/3) majority ballot vote
 36 of the members of the Board of Directors, the matter shall be presented at a special meeting of the congregation. If the
 37 officer or director refuses to comply with the congregation's request for his/her resignation, the Board of Directors shall
 38 declare his/her office vacant.

39 **ARTICLE VI - The Board of Directors**

40 The following elected Directors shall constitute the Board of Directors of the congregation:

- | | |
|---------------------------------------|----------------------------------|
| 41 1. Chairman | 8. Director of Parish Ministries |
| 42 2. Chief Elder | 9. Director of Planning |
| 43 3. Director of Property | 10. Director of Ushers |
| 44 4. Director of Finance | 11. Director of Evangelism |
| 45 5. Director of Stewardship | 12. Secretary |
| 46 6. Director of Christian Education | 13. Treasurer |
| 47 7. Director of Youth | |

1 The Board of Directors with the approval of the Congregation may establish additional Directorships as they are needed
2 for the fulfillment of the work of the Church. Commissions of sufficient size to carry on the work of each office shall be
3 selected by each Director with the guidance and approval of the Board of Directors. The Pastor(s) of the congregation shall
4 be an ex-officio member of the Board of Directors.

5 **ARTICLE VII - Standing Rules and Policies**

- 6 A. The Board of Directors shall adopt Standing Rules and Policies to accomplish the Congregation’s purpose(s). The
7 Standing Rules and Policies will include specific duties of each Board and its Commission.
- 8 B. The Standing Rules and Policies may be established or amended or rescinded by majority vote at any regular or special
9 meeting of the Board of Directors, or at any regular or special meeting of the Congregation.
- 10 C. Copies of the Standing Rules and Policies shall be made available on demand to all members of the Congregation.

11 **ARTICLE VIII - Committees**

- 12 A. **STANDING COMMITTEES.** The chairman shall appoint with the approval of the Board of Directors, an Auditing
13 Committee, whose duty it shall be to audit the books of the Treasurers of all organizations with the church at least once each
14 year, making a written report to the Board of Directors prior to the November meeting. A nominating committee consisting
15 of one Pastor, Chairman of the Board and two other voting members of the congregation shall be appointed by the Board
16 of Directors each year to present candidates for the electoral meeting in May and to assist in enlisting members for the
17 various commissions.
- 18 B. **SPECIAL COMMITTEES.** The Board of Directors may appoint special committees as may be needed for the proper
19 and expedient conduct of the business of the church.

20 **ARTICLE IX- Amendments**

21 Any proposed amendment to, alteration of, or repeal from these Bylaws shall be presented at two consecutive regular
22 and/or special meetings of the congregation duly announced as provided in the Bylaws. The proposed amendments,
23 alteration or repeal shall be adopted only after two-thirds (2/3) of the voters present at such a meeting shall have cast their
24 vote in favor of the same.

25 **ARTICLE X - Financial Authority Amendment**

- 26 The objective of this amendment is to set the financial authority of individual directors and the Board of Directors as a body
- 27 A. Each Director shall have the authority to make single expenditures of up to \$500 for budgeted items without
28 consulting the Board, provided the total expenditures do not exceed the approved budget category. Any single
29 expenditure in excess of \$500, or any expenditure in excess of budgeted funds requires the approval of the Board
30 of Directors.
 - 31 B. The Board of Directors may authorize the expenditure of funds for budgeted items in any amount, or for any single
32 non-budgeted item up to \$10,000, provided such expenditures are not expected to result in total budget year
33 expenses in excess of the budget year income. The Board will obtain approval from the congregation for any
34 expenditure in excess of these limits.

35 **Article XI - The Holy Cross Lutheran Church and School Endowment Fund Amendment**

36 The objective of this amendment is to set forth the terms and conditions of the Fund. Included in this amendment are two
37 appendices relating to the terms and conditions.

38 **I NAME AND GENERAL PURPOSE**

- 39 A. The Congregation shall have an Endowment Fund. This fund shall be called the Holy Cross Lutheran Church
40 and School Endowment Fund. It shall be one of the funds of this congregation.
- 41 B. This fund’s purpose shall be to receive gifts and bequests and to use them for the further growth of our church,
42 the mission and the ministry of Holy Cross Lutheran Church and School and The Lutheran Church—Missouri
43 Synod, its districts, seminaries, colleges, institutions, or agencies.

1 **I ENDOWMENT FUND GOVERNING BOARD AND DUTIES**

2 A. The endowment fund shall be promoted and managed by the Holy Cross Lutheran Church and School
3 Endowment Fund Committee. The Holy Cross Lutheran Church and School Endowment Fund Committee shall
4 consist of the following members:

- 5 1. The Chairman of the Congregation, ex-officio and voting member;
- 6 2. Pastor of the Congregation, ex-officio and voting member;
- 7 3. The Treasurer, Director of Planning, and Director of Stewardship, permanent members;
- 8 4. Additional elected members as deemed necessary by the Board of Directors.

9 B. The Endowment Fund Committee members shall be voting members of Holy Cross Lutheran Church and
10 School.

11 In the event of a vacancy on the committee, the Board of Directors shall, at its next regular meeting, upon the
12 recommendation of the existing committee, appoint a member to fill the vacancy.

13 C. The Endowment Fund Committee shall meet at least quarterly to receive and administer gifts to the fund, make
14 plans for fund distributions and make plans to promote the fund.

15 The committee shall organize itself with a chairperson, secretary, and a financial secretary.

16 The chairperson shall preside at all meetings of the committee.

17 The financial secretary shall assist the treasurer of the congregation in maintaining complete and accurate books
18 of accounts in the endowment fund.

19 The endowment fund records shall be audited annually at the same time as the records of the treasurer of the
20 congregation are audited, in time so that such audit report will be on file at the time of the annual meeting of the
21 congregation.

22 The secretary shall maintain complete and accurate minutes of all meetings of the committee and supply a copy
23 thereof to each member after each meeting. Each member shall keep a complete copy of minutes to be
24 delivered to his or her successor.

25 D. The treasurer of the congregation shall be responsible for receipts by and disbursements from the fund, shall
26 maintain complete and accurate books of account and shall provide, at least annually, a written financial report
27 of the fund to the congregation.

28 E. The Endowment Fund Committee shall maintain accounts with any of the following financial institutions as it may
29 determine and authorize by resolution:

- 30 1. Local Banks and Savings and Loans
- 31 2. LCMS Foundation, St. Louis, MO
- 32 3. Lutheran Church Extension Fund, St. Louis, MO
- 33 4. Thrivent
- 34 5. Any other financial institution approved by the Board of Directors.

35 F. A corporate fidelity bond, in a principal amount to be determined from time to time by the Endowment Fund
36 Committee, shall cover the treasurer of the congregation, at the expense of the fund. The treasurer and the
37 chairperson of the congregation shall execute all checks and other documents transferring or expending any
38 funds or assets in the fund.

39 G. No member of the Endowment Fund Committee shall engage in any self-dealing or transactions with the fund
40 in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which
41 their personal interests would conflict with the interest of the fund.

42 H. The Endowment Fund Committee shall adopt means for acknowledging the receipt of gifts and contributions
43 in a manner that will permit the donor to claim federal income, gift and estate tax charitable contribution
44 deductions.

- 1 I. All funds and property shall be kept and maintained separate, distinct and independent from the funds and
2 property otherwise belonging to Holy Cross Lutheran Church and School. The congregation shall not be
3 allowed to borrow against the endowment fund or use the fund as collateral for a loan except by a 2/3 approval
4 from the congregation.
- 5 J. The Endowment Fund Committee is to inform the members of the congregation of the purpose of the fund, and
6 may periodically arrange for members of the congregation to meet with the Lutheran Church Missouri Synod
7 Foundation Gift Planning Counselor and other professional counselors in the area of charitable giving, wills,
8 bequests, insurance, etc.

9 **III DURATION**

10 The Holy Cross Lutheran Church and School Endowment Fund shall continue in existence and be used as
11 hereinabove provided, so long as Holy Cross Lutheran Church and School shall continue to exist. If Holy Cross
12 Lutheran Church and School should cease to exist, then the assets constituting the fund when Holy Cross Lutheran
13 Church and School ceases to exist shall become the property of the Pacific Southwest District or its successor. If no
14 successor district exists, then it shall become property of The Lutheran Church—Missouri Synod Foundation. In all
15 events, the successor must qualify as an exempt organization under the Internal Revenue Code.

16 **IV TYPES OF GIFTS ACCEPTED**

- 17 A. How to Contribute to the Fund. Individuals who desire to support the Fund should designate that their gift is to:
18 "Holy Cross Lutheran Church and School, for the Holy Cross Lutheran Church and School Endowment Fund."

19 These designations will ensure that gifts will be administered according to the terms of the Fund, whether they
20 are made during an individual's life, or made following the death through a bequest or gift in a will, or trust, or
21 through a beneficiary designation of some or all of the proceeds of a life insurance policy, annuity, or retirement
22 plan.

23 The Endowment Fund Committee shall adopt procedures for review and acceptance of the assets that a donor
24 desires to give. Gifts of cash or publicly traded securities will almost always be acceptable. However, gifts of
25 operating businesses, partial interests in property, gifts encumbered by debt, gifts of property which may have
26 title or environmental problems, or gifts of property which may not be marketable within a reasonable time
27 considering the expense of owning the property may not be acceptable. In addition, certain types of property
28 may cause adverse federal or state income tax problems for the endowment and may not be acceptable.

29 If the Endowment Fund Committee determines that an asset, which a donor desires to give to the Fund, is not
30 acceptable, it will immediately explain the reasons to the donor with any suggestions or alternatives for making
31 the asset acceptable. If the donor requests, the Endowment Fund Committee shall forward a summary of the
32 gift, and its concerns, to the Board of Directors for review.

33 Some property may cause unexpected tax or other consequences to the donor. The congregation is not
34 responsible for advising donors of the tax or other consequences of any gift. Donors are advised to consult with
35 their own attorney, tax advisor and other professional advisors about the consequences of a gift in their
36 circumstances. This Endowment Fund will abide by the requirements of the Internal Revenue Code and its
37 regulations.

- 38 B. The Holy Cross Lutheran Church and School Endowment Fund shall accept two types of gifts described as
39 follows:

- 40 1. Unrestricted Gifts – These gifts as additions to the principal of the Fund may be used for the purposes,
41 projects and programs recommended through the discretion of the Endowment Fund Committee to the
42 Board of Directors and approved by a simple majority of the congregation. The distributions from these
43 unrestricted gifts shall be for the purposes set forth in Section I. B. of this agreement for the further growth
44 of our church, the mission, and the ministry of Holy Cross Lutheran Church and School. None of the income
45 or principal of the Fund shall be used for the congregation's operational budget.

46 At least annually, the Endowment Fund Committee shall make distribution recommendations to the Board
47 of Directors, as described in section VI, for approval by the congregation from these unrestricted funds.

- 48 2. Congregational Restricted Funds – There are certain areas within the Endowment Fund that donors may
49 designate their gift for. These congregational controlled gift areas allow for the distributions from these gifts

1 to be used for specific missions and ministries of the congregation. The approved areas for this Endowment
2 Fund are described in Appendix A to this agreement.

3 Individuals who desire to support the Endowment Fund should designate their gift to Holy Cross Lutheran
4 Church and School, for the Holy Cross Lutheran Church and School Endowment Fund and is designated
5 for the Congregational Restricted Fund category known as _____. (List or name as many
6 as desired – See Appendix A.)

7 At least annually, the Endowment Fund Committee shall make distribution recommendations to the Board
8 of Directors, as described in section VI, for approval by the congregation from these congregationally
9 restricted funds.

10 The Holy Cross Lutheran Church and School Endowment Fund is not able to individually manage donor-
11 restricted gifts for the congregation due to the complex nature of administration. Donor restricted gifts for
12 the congregation may be made using the format and requirements set forth in Appendix B. An LCMS
13 Foundation Gift Planning Counselor will help process these restricted gifts.

14 V FISCAL YEAR

- 15 A. For tax, accounting, distribution or other purposes, the fiscal year of Holy Cross Lutheran Church and School
16 shall be the fiscal year of the Fund.
- 17 B. Within two (2) months after the close of each of the Fund's fiscal years, and at other time(s) as is deemed
18 convenient, an itemized, written statement should be prepared. It must accurately reflect the position of the
19 Fund's income and corpus accounts as of a date reasonably close to the date the statement should be
20 submitted, and should indicate the receipts, disbursements and changes therein since the Fund's inception or
21 the previous accounting, as the case may be. The statement should then be submitted to the voter's assembly.

22 VI DISTRIBUTIONS TO SUPPORT THE PURPOSE OF THE ENDOWMENT FUND

- 23 A. The Endowment Fund Committee shall be responsible for distribution of the amounts from the unrestricted
24 portion of the Endowment Fund and the congregationally restricted portion of the Endowment Fund.
- 25 B. The distributions from the Endowment Fund for the purposes described within this agreement shall be
26 determined by the Endowment Fund Committee who will make their recommendations to the Board of Directors
27 for approval by a simple majority of the Congregation at a regularly scheduled meeting.
- 28 1. It is the intention of the Holy Cross Lutheran Church and School Endowment Fund to distribute the greater
29 of the net income earned or a percentage of the fair market value of the Endowment Fund unrestricted and
30 congregationally restricted assets as valued on July 1 of each year. If the Endowment Fund Committee
31 wishes to use the percentage methodology outlined above, it shall make a recommendation to the Board
32 of Directors for approval.
- 33 2. Should the Endowment Fund Committee be required to change the distribution intent described herein,
34 the Endowment Fund Committee may adopt such distribution guidelines subject to applicable laws and
35 authorization by the Congregation as provided for in Section VIII of the Amendment to this agreement.
- 36 C. Available funds from unrestricted assets of the Endowment Fund. Requests for distributions of unrestricted
37 funds as described in VI (B) (1), may be submitted to the Endowment Fund Committee by congregational
38 members, committees or boards within the congregation seeking resources for a project within the mission and
39 purpose of the Endowment Fund. The request should follow the distribution guidelines and criteria established
40 by the Endowment Fund Committee.
- 41 D. Available Funds from Congregationally Restricted Assets of the Endowment Fund. Generally these distributions,
42 as described in VI (B) (2), will be directed by the Endowment Fund Committee to the appropriate areas within the
43 congregation for projects or budgets for each of the restricted categories set forth in Appendix A allowing that
44 congregational area to determine the spending of the distribution amounts. However, other requests may be
45 submitted to the Endowment Fund committee by congregational members, committees or boards within the
46 congregation or outside the congregation seeking resources for a project or purpose described within the
47 categories set forth in Appendix A.
- 48 E. It is recommended that the Endowment Fund Committee create distribution guidelines and spending priorities

1 in conjunction with the Board of Directors for proper management of Fund distributions to support the mission
2 and purposes of the Holy Cross Lutheran Church and School Endowment Fund.

3 VII POWERS

4 The Endowment Fund Committee shall have the following powers and authority:

5 A. Sales and Distribution. To sell all or any part of the property of whatsoever kind which at any time may constitute
6 a part of any trust within the Endowment Fund that may hereby be established, at such times, for cash or on
7 credit, with or without security, in such manner and at such prices, either at public or private sale, which shall seem
8 advisable and proper, and to execute good and sufficient deeds and bills of sale thereof.

9 B. Leases. To lease all or any property held by the Endowment Fund Committee and fix the duration of the term,
10 irrespective of the provisions of any statute or of the termination of any trust; to mortgage, pledge, collect,
11 convert, redeem, exchange or otherwise dispose of any securities or other property at any time held by the
12 Endowment Fund Committee.

13 C. Investment. To change investments and properties and to invest and reinvest all or any part of the corpus of any
14 trust hereby established in such securities, investments, or other property, which seems advisable and proper
15 without restrictions as to investments that are otherwise imposed by the laws of the State of California. The
16 Church shall be guided by its concept of the policy of a prudent investor whose investment purpose includes
17 both income and capital appreciation and shall not otherwise be restricted by any law, rule or custom (i) requiring
18 safety of corpus as a primary consideration, (ii) regarding investment in income producing property, or (iii)
19 requiring diversification of investments.

20 It is recommended that the Endowment Fund Committee adopts and implements an Investment Policy for the
21 Holy Cross Lutheran Church and School Endowment Fund to provide consistency and oversight for the assets
22 of the Endowment Fund.

23 D. Retention of Assets. To retain in the Endowment Fund Committee's absolute discretion and for such period of
24 time as shall seem advisable, any and all investments and other properties transferred to the Endowment, without
25 liability for any loss incurred by reason of the retention of such investments or properties.

26 E. Dealing with Securities. To enforce any bonds, mortgages or other obligations or liens held hereunder; to vote
27 personally or by proxy any shares of stock which may at any time be held by the Endowment Fund Committee
28 hereunder, and similarly to exercise by attorney any rights appurtenant to any other securities or other property
29 at any time held by the Endowment Fund Committee hereunder; to consent to the reorganization, consolidation,
30 merger, liquidation, readjustment of, or other change in any corporation, company or association, or to the sale
31 or lease of the property thereof or any part thereof, any of the securities or other property of which may at the time
32 be held hereunder, and to do any act or exercise any power with reference thereto that may be legally exercised
33 by any person owning similar property in his/her own right, including the exercise of options, deposit, or
34 exchange of securities, entrance into voting trusts, making of agreements or subscriptions which the
35 Endowment Fund Committee deem necessary or advisable in connection therewith, all without applying to any
36 court for permission so to do, and to hold and redeem or sell or otherwise dispose of any securities of other
37 property which may be acquired; to cause to be registered in the Fund's name, or in the name of a nominee or
38 nominees, without qualification or description, any securities at any time held in any trust hereby established.

39 F. Deposits. To invest the Endowment property in accordance with the prudent investor standard, including the
40 power to invest in commercial and savings accounts, money market certificates and funds, cash management
41 accounts, any kind of property or any kind of interest therein (whether real or personal, tangible or intangible,
42 and/or domestic or foreign) including, but not limited to, real estate, oil, gas, and other natural resources,
43 common and preferred stocks, bonds, U.S. governmental obligations, mutual funds, mutual funds which are
44 under the management or control of the corporate fiduciary (and its affiliated entities), notes, debentures, and
45 common trust funds, including the power to deposit cash funds of the Fund in the commercial or savings
46 departments of the corporate fiduciary (if any) or of any other bank or trust company or in any other depository.

47 G. Borrowing. To borrow money, whether to pay taxes, exercise subscription rights and options, pay assessments,
48 or to accomplish any other purposes of any nature incidental to the administration of any fund hereby
49 established, and to pledge any securities or other property held by the Endowment Fund Committee as security
50 therefore.

- H. Principal and Income. To allocate to principal and not to income all dividends paid in stock of the paying corporation and all subscription rights, and except as otherwise expressly provided for herein, to allocate other receipts and disbursements between principal and income in accordance with sound principles of accounting.
- I. Division of Property. The Endowment Fund assets may be pooled and allocated for investment purposes to allow for ease of administration. To divide the Endowment Fund, determining values and designating particular assets for the categories of gifts received by the Fund, to assign like or unlike properties to different categories, to create or hold undivided interests in any property of the Endowment Fund, and to make distributions and payments in cash or in kind or in both.
- J. Delegation of Authority. To delegate authority to agents or proxies for the administration of the Endowment Fund, with liability only for reasonable care in the selection, conferring on such delegates both administrative and discretionary powers and duties, and paying them reasonable compensation from the Endowment Fund. Any fiduciary hereunder shall not be prohibited by such fiduciary capacity from being employed by or compensated from the Endowment Fund or by any business in which the Endowment Fund is interested. The Endowment Fund Committee may employ, at the expense of the Fund, attorneys, investment counsel, brokers, custodians of assets, and other agents and employees.
- K. Execution of Instruments. In connection with the exercise of the powers granted herein, to execute all deeds, mortgages, notes, leases, security agreements, bills of sale, contracts, and all other instruments in writing which the Endowment Fund Committee shall deem necessary and proper.
- L. General Powers. To enter upon such contracts and agreements, and to make such compromises or settlements or debts, claims, or controversies as the Endowment Fund Committee may deem necessary or advisable; to submit to arbitration any matter or difference; to perform all other acts which are deemed necessary or advisable for the complete administration of the Fund, including the exercise of all powers provided by applicable law.
- M. The Endowment Committee may protect the Fund and its property by insurance against damage, loss or liability.
- N. The Endowment Committee may establish checking account(s) in which cash may be deposited to income and/or corpus.
- O. All powers and authorities of the Endowment Fund Committee stated herein shall, except as expressly delegated to the Congregation, be exercised by the Board of Directors.
- P. The Endowment Fund Committee may establish Subcommittees for its responsibilities in managing the Fund, and may seek the assistance of volunteers with the skills needed to carry out the purposes of the Fund. Subcommittees may include, but not be limited to Investments, Acceptance of Assets, Acceptance of Restrictions, Receipts, Priorities, Distributions, Reports and Publicity.

VIII AMENDMENTS

Any amendment to this Agreement (as defined by Article XI) that will change, alter or amend the purposes for which the Fund is established shall be adopted only if approved by a two-thirds (2/3) majority of the voting members present at a duly called and constituted meeting of the congregation.

1 **APPENDIX A**

2
3 The congregationally restricted funds of the Holy Cross Lutheran Church Endowment Fund shall maintain these
4 categories:

- 5 I. Opportunities within our Congregation – The distributions from this Fund may be used for any of the following
6 areas within the congregation that the donor selects. The descriptions following the categories are for illustration
7 purposes and may not describe all possible used for distributions within the categories.
- 8 1. Education – Special projects to support the local Christian education programs. (Example: VBS, Sunday
9 School, Mid-week, Confirmation, Adult Classes).
 - 10 2. Scholarships – Scholarships to students going into full-time church work as Pastors, Teachers, DCE. Priority
11 will be given in the following order: 1) Home, 2) Circuit, 3) District, 4) Synod.
 - 12 3. Building and Grounds Improvement – Special projects locally to improve and repair church facilities.
13 (Example: painting, remodeling, new furnaces, landscaping).
 - 14 4. Lutheran Day School and/or Preschool – Special projects to support our congregation’s day school and/or
15 preschool. (Example: computers, new desks, and teacher continuing education).
 - 16 5. Family Counseling – Special gifts to aid families in our congregation with the cost of Christian counseling.
17 (Examples: Lutheran Family Service, marriage, drug and alcohol dependency, family).
 - 18 6. Youth Programs – Special projects to support our congregation’s youth ministry programs. (Examples: youth
19 retreats, counselor training, youth gathering scholarships, summer camp scholarships).
 - 20 7. Building Fund – Income and/or principal used for new building projects or property acquisition. The Church
21 Council may recommend that the principal be used on some type of a matching basis with the members of
22 the congregation. This may help the congregation to have a feeling of ownership of the project.
 - 23 8. Church Music – Special gifts to support the congregation’s music program. (Examples: choir robes, purchase
24 music, repair organ, special music programs).
 - 25 9. Evangelism – Special projects for programs to reach the unchurched in our community. (Examples: radio,
26 TV, newspaper, training for evangelism).
 - 27 10. Technology – Special projects of electronic or other technological opportunities as they become available.
28 (Examples: additions to sound system, audio-visual equipment, office machines, computers, etc.).
- 29 II. Mission and Ministry/Opportunities Outside Our Congregation – The distribution from this Fund shall be used
30 for grants to specific mission and ministry projects outside of our congregation. (Examples: grants to world
31 mission projects, mission projects in the Missouri District, grants to LCMS colleges, seminaries, and LCMS
32 affiliated ministries).

1 **APPENDIX B**

2
3 **The _____ Designated Fund**
4 (name of family)
5 **Holy Cross Lutheran Church**
6 **DESIGNATED FUND AGREEMENT**
7

8 In thanksgiving to God for the gift of life, and for the providential blessings which have sustained me/us; and in
9 thanksgiving to God for His grace in giving me/us His Son Jesus Christ to die and pay the penalty for my/our sins; and in
10 thanksgiving to God for the gifts of nurture and love through the church where I/we have shared faith and fellowship,

11 I/We the undersigned, subject to the special terms and conditions herein set forth establish the
12 _____ Designated fund (hereinafter referred to as "the Fund"). The Fund is intended as an
13 expression of my/our thanksgiving and stewardship with the prayer that the Lord's work will be strengthened and
14 extended throughout the world.

15 THIS AGREEMENT is made by and between _____ of _____, **STATE** (hereinafter referred
16 to as the "Donor/s"), and Holy Cross Lutheran Church.

- 17 1. This Fund is established as a separate fund of the Holy Cross Lutheran Church Endowment Fund on the
18 _____ day of _____, 20____. It is agreed that the Donor/s or any other person or
19 persons may, at any time hereafter, during life, by Will, or by otherwise, transfer money or property to Holy
20 Cross Lutheran Church to be added to the Fund. The Fund shall be managed according to the Bylaws of the
21 Holy Cross Lutheran Church Endowment Fund.
- 22 2. The principal of the Fund shall be kept in tact and the annual net income from the Fund shall be distributed as
23 outlined below.
- 24 3. The annual net income of the Fund is to be used for:

25 _____
26 This Fund is dedicated to the glory of the Triune God, Father, Son, and Holy Spirit, Amen.

27
28 This Fund agreement is executed this _____ day of _____, 20____.

29
30 _____
31 Donor Donor

32
33 Acknowledgment of this Agreement By: _____
34 Holy Cross Lutheran Church
35