

# Prospectus

## Resurrection Lutheran Church Mission Endowment Fund

"Like good stewards of the manifold grace of God, serve one another with whatever gift each of you have received." (1 Peter 4: 10)

### Endowment Fund Mission Statement

Celebrating God's love, the Resurrection Lutheran Church Mission Endowment Fund will provide opportunity for members and friends to make gifts that will provide resources for enhancing the mission of RLC beyond the capability of the annual operating budget.

### What is an Endowment?

"Endowment" is defined as "funds or property donated to an institution, individual, or group to produce income." An endowment fund is a single pool of resources set up to receive gifts. The principal of the endowment fund remains intact and is invested to earn interest and dividends. Those earnings are then used to meet its charitable goals.

### Purpose of the Endowment Fund

RLC's purpose in establishing the Fund is to encourage its members and supporters to build a growing source of revenue for RLC's growing ministries. The funds are to be used for mission and outreach, not funding the yearly operating budget. It is to strengthen the congregation in carrying out its mission:

Empowered by the Holy Spirit and through God's grace, we are a welcoming community:

Reaching out to others,  
Living in faith  
Celebrating Christ's love.

Opportunities and challenges exist in RLC's special ministries, community ministries, synod ministries, and global/church-wide ministries.

### What does the Bible teach us about Stewardship?

Your personal desire to care for family and loved ones, both in life and in death, is highly regarded by our church. It is a practice of good Christian stewardship to provide for those we love. Scripture teaches us that everything we have is entrusted to us by God. Stewardship also includes our accumulated, inherited, and appreciated resources. Just as we give of our income proportionately for the Lord's work during life, we are also encouraged to give a proportionate amount of our accumulated resources during life or at death. "We are blessed to be a blessing to others."

### Types of Gifts that can be Given

- Outright Gift. Contribution of cash, real estate stock or bonds to the RLC Mission Endowment Fund. All donors can use this method, regardless of age, size of their estate, or the amount of the gift.
- Insurance. Naming the Fund as owner, primary beneficiary, or contingent beneficiary of a new or existing insurance policy.

- Will Bequest. Designating the Fund as the primary beneficiary of the donor's estate for a percentage or for a specific amount.
- Charitable Trust. Gifts with life income retained by donor, such as charitable remainder unitrusts, annuity trust, and pooled income funds. Other trust includes charitable lead trust, life estate, and revocable living trust.

### **Designated Gifts vs. Non-Designated Gifts**

When a donor to the Fund designates that his or her gift be used for a specific purpose, the gift is called a designated gift. The wishes of a donor are to be meticulously observed, provided they are compatible with the purpose of the Fund. Because needs change, it is desirable that donors include with their gifts the option of alternative uses, or, preferably, non-designated so that they can be used where most needed.

Problems can arise when designated donations do not have the economic potential to achieve their designated purpose. For example, a donation for a new organ is received, but the full cost of the organ cannot be reasonably funded. Problems also can arise when the purpose of the donation does not reflect the needs of the congregation. For example, a substantial bequest is received to renovate the sanctuary after the congregation has voted and planned to move into a new or different building.

### **Benefits of Planned Giving**

Through planned giving, a donor can provide a legacy that will have a lasting impact on future generations. His or her family will be blessed by the witness of faith. There are benefits to giving that go beyond the personal satisfaction of helping those in need. As examples, gifts can be made that reduce a current tax burden or simplify the eventual distribution of an estate.

Outright gifts provide an immediate charitable deduction. Capital gain tax can be avoided by giving appreciated stock or real estate. When the endowment is named as a beneficiary of insurance, or various retirement plans, such as an IRA or 401(k), donor and heirs may avoid paying income and estate taxes on the assets. The gift of a home, recreational property, or farm, while continuing lifetime use of the property, can give an immediate charitable deduction for a portion of the appraised value.

### **Governance**

#### **Committee Membership.**

The Fund Committee shall consist of five (5) members, all of whom shall be voting members of Resurrection Lutheran Church. Except as herein limited, the term of each member shall be three (3) years. Upon the adoption of this prospectus by the congregation, it shall elect five (5) members to the Committee: two (2) for a term of three (3) years, two (2) for a term of two (2) years and one (1) for a term of one (1) year. Thereafter, at each annual meeting, the congregation shall elect the necessary number for a term of three (3) years. No member shall serve more than two consecutive three (3) year terms. After a lapse of one (1) year, former Committee members may be re-elected. The pastor and the president/vice president of the Church Council shall be advisory members of the Committee. The Church Council of the congregation shall nominate for the Committee and report at the annual congregational meeting in the same manner as for other offices and committees. In the event of a vacancy on the Committee the Church Council shall appoint a member to fill the vacancy until the next annual meeting of the congregation, at which time the congregation shall elect a member to fill the term of the vacancy.

Self-Dealing. No member of the Committee shall engage in any self-dealing or transactions with the Fund, where the member of the Committee has direct or indirect financial interest and shall at all times refrain from any conduct where his/her personal interests would conflict with the interests of the Fund.

Meetings. The Committee shall meet at least quarterly, or more frequently as deemed to be in the best interest of the Fund.

Quorum. A quorum shall consist of three (3) members. When only three (3) members are present a unanimous vote shall be required to carry any motion or resolution.

Officers. The Committee shall elect from its membership a chairperson, recording secretary, and financial secretary. The chairperson, or member designated by the chairperson, shall preside at all Committee meetings.

Minutes. The recording secretary of the Committee shall maintain complete and accurate minutes of all meetings and shall supply a copy thereof to each member of the Committee. Each member shall keep a complete copy of minutes to be delivered to his or her successor. The recording secretary shall also supply a copy of the minutes to the Church Council.

Reporting. The Committee shall report on a quarterly basis to the Church Council and, at each annual or duly called special meeting of the congregation, shall render a full and complete account of the administration of the Fund during the preceding year.

Advisory Considerations. The Committee may request other members of the congregation 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.

### Liability.

Members of the Committee shall not be liable for any losses that 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/she acts in good faith and with ordinary prudence. Each member shall be liable only for his/her own willful misconduct or omissions and shall not be liable for the acts or omissions of any other member.

### Management

By agreement, management of the Fund will be vested with a reputable foundation existing for this purpose. The Foundation shall have authority and discretion to invest and reinvest the assets of the Fund for maximum safe return at economical management costs. The Fund Committee will reserve the right to select another investment advisor.

The Foundation will keep records related to the administration and management of the Fund and will provide quarterly written reports on the activity of the Fund. The Foundation will assess an annual fee to satisfy the administrative costs of the Fund, typically one percent of the total assets annually.

## **Advantages of a relationship between the Fund and a foundation are:**

- The Fund Committee gains significant professional expertise at very low expense, an investment profile that is broadly diversified, and relief from substantial record keeping.
- By making the Foundation available to donors, the Committee makes it possible for them to make truly anonymous gifts, if that is their wish. Donors can work directly with the Foundation to make a gift and the Foundation will protect their identity for them.
- The Fund may have both a general endowment fund and various special purpose endowment funds. The Foundation can track these funds separately, relieving the committee of that record keeping.
- The Fund Committee gets access to charitable trust and fund arrangements that it would not be able to offer on its own without paid development staff. In addition, it has the ability to accept assets that it would find troublesome to handle on its own, like real estate. Committee members do not have to deal with the rules about charitable gift annuities or charitable remainder trusts, etc.; they and donors can call the Foundation for assistance.
- As the Committee encourages giving among the membership and friends, the Foundation would support these efforts in several ways: the Foundation would help the Committee design a promotional brochure that is tailored to their Fund; the Foundation would furnish written materials about charitable planning for newsletters or other publications; and the Foundation staff would be available to work directly with donors and their legal and tax advisors as they design a charitable gift consistent with their wishes.

## **Operation**

The Fund will make annual distributions of its income to mission projects when the market value of its funds reach \$50,000. Projects shall be selected by the Committee and approved by the Congregation.

Restricted gifts shall be accepted by vote of the congregation as recommended by the Committee, and may be distributed as designated at appropriate times after being received. In the event the Fund exceeds \$500,000 in value, the annual distributions may include up to ten percent (10%) of principal.

## **Empowerment**

The RLC Mission Endowment Fund will be established by a resolution of the congregation, defining the purpose, governance, management, and operations, as well as providing for amendment and dissolution. Amendments to the resolution document shall be approved by vote of the congregation on recommendation of the Committee.

The resolution shall also provide that, should RLC cease to exist through merger or dissolution, the disposition of funds shall be made by vote of the congregation on recommendation of the Committee and Council after appropriate consultation with legal counsel and the Bishop, Southern Ohio Synod, Evangelical Lutheran Church in America.

Endowment Development Committee

Diane Adams  
Steve Boland  
Jack Kinney  
Neil Sorum

Ed Bees  
Molly Gressly  
Dick Miller  
Pastor Harry  
Biles

Art Johnsen  
Lori Rigdon

July 30, 2003

## By Laws

### **Resurrection Lutheran Church Mission Endowment Fund**

"Like good stewards of the manifold grace of God, serve one another with whatever gift each of you have received." (1 Peter 4:10)

At its Annual Meeting on January 25, 2004, the congregation of Resurrection Lutheran Church in Lebanon, Ohio, adopted a Mission Endowment Fund with procedures and regulations as prescribed in this document, and empowered the church council to organize an Endowment Fund Ministry for the administration of the program.

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## **Governance**

**Ministry Membership.** The Fund Ministry shall consist of five (5) members, all of whom shall be voting members of Resurrection Lutheran Church. Except as herein limited, the term of each member shall be three (3) years. The congregation shall elect five (5) members to the Ministry: two (2) for a term of three (3) years, two (2) for a term of two (2) years, and one (1) for a term of one (1) year. Thereafter, at each annual meeting, the congregation shall elect the necessary number for a term of three (3) years. No member shall serve more than two consecutive three (3) year terms. After a lapse of one (1) year, former Ministry members may be re-elected. The pastor and the president/vice president of the church council shall be advisory members of the Ministry. The church council of the congregation shall nominate for the Ministry and report at the annual congregational meeting in the same manner as for other offices and

ministries. In the event of a vacancy on the Ministry, the church council shall appoint a member to fill the vacancy until the next annual meeting of the congregation, at which time the congregation shall elect a member to fill the term of the vacancy.

Self-Dealing. No member of the Ministry shall engage in any self-dealing or transactions with the Fund, where the member of the Ministry has direct or indirect financial interest, and shall at all times refrain from any conduct where his/her personal interests would conflict with the interests of the Fund.

Meetings. The Ministry shall meet at least quarterly, or more frequently as deemed to be in the best interest of the Fund.

Quorum. A quorum shall consist of three (3) members. When only three (3) members are present a unanimous vote shall be required to carry any motion or resolution.

Officers. The Ministry shall elect from its membership a chairperson, recording secretary, and financial secretary.

Minutes. The recording secretary of the Ministry shall maintain complete and accurate minutes of all meetings and shall supply a copy thereof to each member of the Ministry. Each member shall keep a complete copy of minutes to be delivered to his or her successor. The recording secretary shall also supply a copy of the minutes to the church council.

Reporting. The Ministry shall report on a quarterly basis to the church council and, at each annual or duly called special meeting of the congregation, shall render a full and complete account of the administration of the Fund during the preceding year.

Advisory Considerations. The Ministry may request other members of the congregation 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.

Liability. Members of the Ministry shall not be liable for any losses that 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/she acts in good faith and with ordinary prudence. Each member shall be liable only for his/her own willful misconduct or omissions, and shall not be liable for the acts or omissions of any other member.

Confidentiality. Members of the ministry are available to advise and assist congregational members interested in planned giving. All matters will be held in strict confidence, including donors making anonymous gifts.

## **Management**

By agreement, management of the fund will be vested with the ELCA Foundation. The Foundation shall have authority and discretion to invest and reinvest the assets of the Fund for maximum safe return at economical management costs. The Fund Ministry will reserve the right to select another investment advisor.

The Foundation will keep records related to the administration and management of the Fund and will provide quarterly written reports on the activity of the Fund. The Foundation will assess an annual fee to satisfy the administrative costs of the Fund, typically one percent of the total assets annually.

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### **Revision, Amendment, and Dissolution**

Editorial changes may be made to this document by the Fund Ministry and approved by the church council. Changes of substance shall be made by amendment as proposed by the Fund Ministry, endorsed by the church council, and approved by vote of the congregation. The adopted document and all revisions and amendments shall be dated and annotated at the end of the document as adopted, revised, and amended.

Should Resurrection Lutheran Church cease to exist through merger or dissolution, the disposition of funds shall be made by vote of the congregation on recommendation of the Ministry and the council, made after appropriate consultation with legal counsel and the Bishop, Southern Ohio Synod, Evangelical Lutheran Church in America.

Adopted: January 25, 2004

Revised: June 9, 2004

Revised: January 23, 2005