

Lutheran Church of Hope Foundation of Hope Fund



Constitution and Bylaws

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Preamble

In the name of the Father, Son, and Holy Spirit. Amen

We, members of Lutheran Church of Hope, Broomfield, Colorado, desiring to establish a permanent Endowment Fund to enable a further extension of our ministries, do hereby adopt this Constitution and solemnly pledge ourselves to be governed by its provision and missions.

Chapter I - Name and Incorporation

1. The name of this fund shall be Foundation of Hope Fund (hereafter called the Fund).
2. The Fund is incorporated as a nonprofit corporation in the State of Colorado

Chapter II - Purpose of the Fund

1. The Foundation of Hope Fund is established to satisfy the requests of many people who desire to contribute to a “permanent remembrance”. It has been organized as a separate nonprofit corporation administered by its own governing Board of Governors named the Foundation of Hope Fund Board (hereafter called the Fund Board). The Fund’s finances shall be segregated from all other Lutheran Church of Hope finances.
2. The Foundation of Hope Fund provides opportunities for generous financial giving enabling the advancement and enhancement of the vision and mission of Lutheran Church of Hope beyond the general operation and maintenance ministries of Lutheran Church of Hope.
3. The Fund may receive gifts through bequests in wills, charitable remainder and other trusts, charitable gift annuities, assignments of life insurance, transfers of property (cash, stocks, bonds, real estate), memorial gifts and other gifts from individuals, partnerships, corporations, organizations, or from any other source acceptable to the Fund Board.
4. Assets of the Fund shall not be used for general operation and maintenance expenses or budget expenditures of Lutheran Church of Hope. Rather, expenditures of the Fund are envisioned as being for ministry projects or undertakings that will:
 - a. enrich, or uplift in some special way, the spiritual life of Lutheran Church of Hope,
 - b. provide worthy addition or improvement to the facilities of Lutheran Church of Hope that are beyond achievement through other channels, and
 - c. give needed assistance or support to worthy individuals, families, or Christian enterprise in critical need.
5. In support of, and consistent with, the purposes of the Fund, the Fund is authorized to expend, in each fiscal year, up to 5% (this allocation is to include operating costs including maintenance fees, services of legal or financial advisors, brokers, property managers and real estate agents) of the average fair market valuation of the Fund’s net assets (as defined by Generally Accepted Accounting Standards) for the four calendar quarters ending as of December 31. No expenditure in excess of the amount set forth in the preceding sentence shall be made without authorization of a 75% majority of the Lutheran Church of Hope congregation present and voting at a duly called meeting. Expenditures of the Fund shall be

made in accordance with the priorities established by the Fund Board in a continuing resolution. An exception to the above is restricted memorials/gifts, see paragraph 6, below.

6. The existence of the Fund shall not deprive members of Lutheran Church of Hope the privilege of allocating memorial, endowment funds, or special gifts in the name of loved ones for specific projects or purchases. The principal from these gifts shall be spent for a specific donor designated purpose.
7. Gifts received by the Fund must be consistent with the vision and mission of Lutheran Church of Hope and must be seen to have economic potential for achieving their designated purpose. The Fund Board may refuse to accept gifts that do not meet Lutheran Church of Hope mission tenets, or do not have the economic potential for achieving their designated purposes.

Chapter III - Administration of the Fund

1. The Fund Board shall be responsible for the direct administration and management of the Fund, including the promotion of the Fund, the investment of its assets, and the consideration of projects and undertakings for which expenditures may be made. Membership of the Fund Board shall consist of five members and shall be responsible to the Lutheran Church of Hope Board of Trustees. The Fund Board shall include the Lead Pastor, the congregational President Elect, and three Fund Board members at large from the congregation of Lutheran Church of Hope.
2. The Fund Board shall have all powers and authority necessary to carry out the purposes of the Fund.
3. All Fund Board members shall endeavor to maintain a high degree of communication with the Lutheran Church of Hope Board of Trustees, other organizations within Lutheran Church of Hope, and members of the congregation to nurture the vision and mission of Lutheran Church of Hope.
4. The Funds existence and purposes shall be publicized, to insure congregational members are fully aware of their opportunity to participate in the life of Lutheran Church of Hope during their life on earth and during their eternal life.
5. All gifts are received in prayerful gratitude to God, to the givers for their indication of love, commitment and loyalty to the Lord, and to the work of the church through the Fund. All gifts will be acknowledged in a personal letter by the Fund chairperson and the Lead Pastor. The Fund Board shall record these gifts in the Book of Remembrance (without dollar amounts), maintain the book, and make it available for public display. Should the donor wish to remain anonymous the recording of gifts shall be posted as such.
6. It is preferred that gifts be unrestricted in character so that distributions can be made where the greatest need arises.

7. The Fund Board shall in no event be required to make physical segregation of the assets of the Fund in order to conform to the directions of any individual donors, but shall establish a separate account in its accounting records for restricted gifts.
8. Until the Hope Foundation Fund reaches \$250,000 or more, the Fund Board is prohibited from expending or distributing any amount of the Fund's principal (except maintenance fees, services of legal or financial advisors, brokers, property managers and real estate agents) as identified in Chapter II Paragraph 5 of this Constitution.

Chapter IV - Relation to Lutheran Church of Hope and Evangelical Lutheran Church in America

The Lutheran Church of Hope congregation through its Board of Trustees has the sole authority to control the purpose and administration of the Foundation of Hope Fund. This Fund is and shall remain related to Lutheran Church of Hope or its successors. The Fund has no relationship to the Evangelical Lutheran Church in America.

Chapter V - Amendments

1. Amendments. This Constitution may be amended as follows:
 - a. Amendments to this Constitution may be proposed by at least 25 voting members of the Lutheran Church of Hope congregation, the Lutheran Church of Hope Board of Trustees, or by the Fund Board. Proposals must be filed in writing with the Fund Board not less than 60 days before formal consideration at a regular or special meeting of the Fund Board for that purpose. The Fund Board shall notify congregational members of the proposed amendments, with its recommendations. Meeting notices and meeting management shall be as provided in the Lutheran Church of Hope Constitution or as described in the Bylaws of this Fund.
 - b. Amendments shall not conflict with the laws of the United States of America or the state of Colorado; or the charters, constitution or bylaws of the Evangelical Lutheran Church in America; the Rocky Mountain Synod; or the Articles of Incorporation of this Fund.

Chapter VI - Tax Exemption

1. Any gifts given to the Fund, as well as all income derived there from, shall be used exclusively for religious, charitable and educational purposes in accordance with Section 501(c)(3) of the Internal Revenue Code. The Fund shall be operated exclusively for church purposes. No part of the income or property of this Fund shall inure to the benefit of or be distributable to any member, director or officer of the church or to any other private person, except that the Fund Board is authorized to pay reasonable compensation for services rendered. The Fund shall (a) not carry on any activities not permitted by an entity exempt from Federal income tax under Section 501 (c)(3) of the Internal Revenue Code, or (b) do any act which would render contributions to the Fund nondeductible under Section 170 (c)(2) of the Internal Revenue Code.
2. The Fund may be dissolved in accordance with the laws of the State of Colorado. Upon dissolution and after payment of all liabilities, obligations, costs and expenses incurred by

this Fund, any remaining assets shall be distributed to Lutheran Church of Hope or its successors and operated exclusively for one or more purposes described in United States Internal Revenue Code Section 170 (c)(2) and 501 (c)(3).

BYLAWS

Chapter I - Affirmation of Purpose

The Foundation of Hope Fund provides opportunities for generous financial giving enabling the advancement and enhancement of the vision and mission of Lutheran Church of Hope beyond general operation and maintenance ministries of Lutheran Church of Hope.

Chapter II - Fund Meetings

1. Fund meetings shall be held on a quarterly basis (minimum), at an announced location and date. The meeting shall be posted in at least two public services prior to its meeting. Any member of the Lutheran Church of Hope congregation is invited to attend.
2. The Fund secretary shall record all activities of each meeting; a copy of these recordings shall be maintained on file with the Fund Board. Further, a copy shall be provided to the Lutheran Church of Hope office and posted in the newsletter following the meeting. A summary of all activities shall be included in the Annual Report provided to the Lutheran Church of Hope congregation.
3. Special Fund Board meetings may be called by the Lead Pastor, the Fund Board, or Lutheran Church of Hope Board of Trustees. The call for each special meeting shall specify the purpose for which it is called. No other business shall be transacted at that time.
4. Proxy and absentee voting shall not be permitted in the conduct of Fund business.

Chapter III - Appointments to Fund Board

1. The Fund Board shall consist of five members. These five will include (a) the Lead Pastor, (b) the congregational President Elect, and (c) three members nominated by Lutheran Church of Hope Board of Trustees and ratified by the congregation at a duly called meeting.
2. None of the three nominated members may hold a current position on the Lutheran Church of Hope Congregational Council.
3. A Fund Board chairperson shall to be elected each year by Fund Board members. The chairperson is to be elected from the three individuals nominated by Lutheran Church of Hope Board of Trustees.
4. A Fund Board secretary shall be elected each year by the Fund Board members. The secretary is to be elected from the three individuals nominated by Lutheran Church of Hope Board of Trustees and may not be the same individual as the chairperson.

5. A Fund Board financial reporter shall be elected each year by the Fund Board members. The financial reporter is to be elected from the three individuals nominated by Lutheran Church of Hope Board of Trustees and may not be the same individual as the chairperson.
6. The terms of the nominated positions shall be for three years. The terms are set to insure one new member is appointed each year. In the case of a vacancy occurring, Lutheran Church of Hope Board of Trustees will appoint an individual to fill the remainder of the open term. For the initial Fund Board formation one member shall have a one-year term and one member a two-year term.

Chapter IV - Fund Board

1. All Fund Board members shall be installed by the Lead Pastor at the Sunday service following their ratification.
2. No financial transaction of the Fund can be made without a majority of the Fund Board members voting in favor of the financial transaction.
3. The Fund Board is authorized to do for the following:
 - a. To take, hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage the Fund assets, or any part thereof, as Fund Board deems appropriate within the terms of this Constitution and Bylaws.
 - b. To receive the income, profits, rents and proceeds of the Fund and pay all administrative and other expenses associated with the Fund management.
 - c. To retain any property in the form in which received, if deemed appropriate by the Fund Board.
 - d. To convert and reconvert the property (real, personal, or mixed) and to invest or reinvest the Fund assets herein, or any accounts or certificates of deposit, common or preferred stocks, bonds, debentures, mortgages, notes or other securities, investments or property whether real or personal.
 - e. To execute all instruments necessary or for the accomplishment of the purposes of the Fund, including deeds, bills of sale, transfers, leases, mortgages, assignments, conveyances, contracts, purchase agreements, waivers, releases, and settlements.
 - f. To maintain all Fund investments and properties separate, distinct and independent from those belonging to Lutheran Church of Hope.
 - g. To establish, by continuing resolution, the spending process, the priorities for expenditure and investment policies for the Fund.
 - h. To authorize Fund expenditures as provided by Chapter II, paragraph 5 of the Fund's Constitution.
 - i. To render a full and complete account of the administration of the Fund at each annual congregational meeting of Lutheran Church of Hope. This report shall be reviewed and approved by the Lutheran Church of Hope Board of Trustees prior to submission to the congregation.
4. The Fund Board shall not be liable for any losses which may be incurred upon investments of the Fund except to the extent those losses shall have been caused by bad faith or gross negligence of the Fund Board 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 Fund

Board. Each Fund Board member shall be liable only for his or her own willful misconduct or omissions in bad faith. No Fund Board member shall be liable for the acts or omissions of any other Fund Board member, or of any accountant, agent, attorney or custodian selected with reasonable care.

5. The Fund Board shall establish written procedures as may be necessary for the conduct of its business. These procedures shall to be reported immediately to the Lutheran Church of Hope Board of Trustees, and shall be listed as an addendum to the Bylaws. The Fund Board shall adopt policies to guide the expenditures of the Fund, which it may amend all within the stated purposes of the Fund. The Fund Board may enact continuing resolutions. The resolutions may not conflict with the Constitution or Bylaws of the Fund. Resolutions shall be enacted or amended by an affirmative vote of all five members of the Fund Board.
6. The Fund Board shall maintain accounts with such financial institutions as it may by resolution authorize. All checks and other documents transferring or expending any funds or assets in the Fund shall be executed by the financial reporter as authorized by the Fund Board. Financial documents and checks conveying over \$3000 shall be signed by both the chairperson and financial reporter.
7. The Fund Board may ask other members of the congregation to serve as advisory members or special subcommittee reporting to the Fund Board. The Fund Board may employ, at the expense of the Fund, such professional counseling on investments and legal matters as it deems to be in the best interest of the Fund.
8. The Fund Board (via the financial reporter) shall insure that complete and accurate books of accounts are maintained. The financial records shall be submitted to Lutheran Church of Hope treasurer annually (or upon request of this treasurer) for review and audit. The books shall be maintained per GAAP or IFRS standards and shall be audited annually according to the Lutheran Church of Hope auditing practices.
9. The chairperson, or a Fund Board member designated by the chairperson, shall preside at all Fund Board meetings.
10. Fund Board members shall not receive any compensation, but may be reimbursed for reasonably incurred expenses after Fund Board approval.
11. The Fund Board is to inform the members of Lutheran Church of Hope about the purposes of the Fund; and may periodically arrange for members to meet with professional counselors in the areas of charitable giving, wills, bequests, insurance, etc.

Chapter V - Indemnification

1. Consistent with the provisions of the laws under which the Fund is incorporated, this congregation shall adopt provisions providing indemnification for each person who, by reason of the fact that such person is or was a Fund Board member, agent, or other member of any committee of the Fund was or is threatened to be made a party to any

threatened, pending, or completed civil, criminal, administrative, arbitration, or investigative proceeding.

2. The congregation shall purchase and maintain insurance on behalf of a person who is or was a Fund Board member, agent, or other member of any committee of the Fund against any liability asserted against or incurred by the person in or arising from that capacity, whether or not this congregation would have been required to indemnify the person against any liability under the provisions of the constitution of the Fund.

Chapter VI - Parliamentary Authority

ROBERT'S RULES OF ORDER NEWLY REVISED shall be the parliamentary authority of the Fund, whenever it is applicable and not inconsistent with the laws of the State of Colorado, the Constitution and Bylaws of the Fund.

Chapter VII - Amendments

Any amendments to the Constitution or Bylaws of the Fund shall be consistent with the rules stated in Chapter 17 of the Bylaws of Lutheran Church of Hope.