

RESTATED AND AMENDED BYLAWS OF THE BEARGRASS CHRISTIAN PERPETUAL ENDOWMENT FUND, INC.

As of 5/6/19

For the purposes of these *Bylaws*, unless noted otherwise,

- “Board of Trustees” shall mean the Board of Trustees of Beargrass Christian Perpetual Endowment Fund, Inc.
- “Endowment Fund” shall mean all funds comprising the Beargrass Christian Perpetual Endowment Fund
- “Church” shall mean Beargrass Christian Church (Disciples of Christ) Corporation
- “Official Board” shall mean the governing body of the Church
- “Fiduciary” shall mean the current custodian or investment manager of the Endowment Fund.

1. PURPOSE

The purpose of the Endowment Fund is to provide financial resources for the immediate and future mission of the Church and its witness and service to Jesus Christ from our doorsteps to the ends of the earth. The Endowment Fund is not intended to replace the faithful practice of stewardship among its members for the regular operations of the Church. It is intended to secure and support the ongoing legacy of the ministry of the Church.

2. GIFTS

The *Gifts Policy for Beargrass Christian Church (Disciples of Christ) and Beargrass Christian Perpetual Endowment Fund, Inc.*, was established by the Official Board and governs all gifts to the Church and the Endowment Fund. The Board of Trustees has the responsibility of overseeing and implementing this policy for gifts made to the Endowment Fund.

Gifts to the Endowment Fund may come in a variety of forms, including stocks, bonds, real estate, tangible property and cash.

2.1 Unrestricted Gifts. For purposes of definition, unrestricted gifts, also called outright gifts, are received with no donor requirements on how they must be used.

- a) All unrestricted bequests and gifts received in any form other than cash will be converted to cash at its fair market value as soon as reasonable prudence allows.
- b) Such gifts may come in the form of bequests, the residual value of charitable trusts and charitable gift annuities, life insurance and other such end-of-life gift instruments.
- c) All unrestricted assets received by the Endowment Fund shall be perpetually maintained and shall be subject to the distribution policy in *Bylaw 7* and the *Investment Policy* established by the Board of Trustees.

2.2 Restricted Gifts. For purposes of definition, restricted gifts are when the donor specifies:

- a) the purpose for which a gift should be used or
- b) that the gift should be held to generate income

The Board of Trustees is legally bound to use or to hold restricted gifts in accordance with the donor's instructions. Donor-restricted gifts will be held and accounted for separately from unrestricted funds in the Endowment Fund.

2.3 Gift Refusal. On some rare occasions, the Board of Trustees may want to refuse a gift or bequest to the Endowment Fund. This should be done by majority vote of the Board of Trustees.

2.4 Corpus. All gifts to the Endowment Fund, unless otherwise specified by the donor, shall be considered the corpus, and shall be perpetually maintained and shall be subject to the distribution policy in *Bylaw 7* and the *Investment Policy* established by the Board of Trustees.

3. BOARD OF TRUSTEES

3.1 Number, Election and Term.

- a) The number of Trustees constituting the Board of Trustees will be six.
- b) Each Trustee will be elected for a three-year term, coinciding with the term of the members of the Official Board. A Trustee may be re-elected, but may not serve for more than two consecutive three-year terms without sitting out at least one year.
- c) The Trustees will be elected by the Official Board as a result of the Church's standard nominating process, as each respective term expires. The terms of the Trustees will be staggered so that two of the six Trustees will be elected each year.
- d) A Trustee will accept his or her election by either indicating his or her acceptance verbally or in writing to the Official Board.
- e) The Chair and Treasurer of the Official Board and the Church's Senior Minister (or designate), will be ex officio members of the Board of Trustees without any voting rights.

3.2 Removal of a Trustee. A Trustee may be recommended to the Official Board for removal by a majority vote of the Board of Trustees based on at least one of the following criteria:

- a) Non-participation
- b) Malfeasance
- c) Moral turpitude

The Chair of the Board of Trustees will notify the Chair of the Official Board of the recommendation for removal within one week of this action by the Board of Trustees.

3.3 Vacancies. Any vacancy occurring on the Board of Trustees will be filled by a person selected by the Official Board. Upon completion of the unexpired portion of the term, that person may still be elected to two consecutive three-year terms.

3.4 Responsibilities. The responsibilities of the Trustees include:

- a) Support communication efforts to ensure that the members of the Church understand the mission and role of the Endowment Fund.
- b) Attend at least fifty percent of Endowment Fund meetings.
- c) Receive, document and preserve the original gift language of each gift.
- d) Ensure that adequate record-keeping is maintained for donor-restricted gifts and that all donor restrictions are honored.
- e) Publicize the Endowment Fund to the Church's congregation, sponsor planned giving seminars, contact prospective donors and promote other opportunities which will bring growth in the Endowment Fund.
- f) Recognize donors and honor those faithful stewards who have included the Endowment Fund in their end-of-life estate plans.
- g) Provide oversight and management of Endowment Fund assets in accordance with the *Investment Policy*, reviewing performance, rebalancing the portfolio as defined by the Statement and honoring any donor restrictions.
- h) Determine, communicate and make distributions from the Endowment Fund annually per the distribution policy outlined in *Bylaw 7*.
- i) Faithfully consider making provisions in their own financial planning to provide a gift to the Endowment Fund.

3.5 Meetings. Regular meetings of the Board of Trustees will be held at least quarterly at such times and places as may be fixed by the Board of Trustees without further notice.

Special meetings of the Board of Trustees may be called by the Chair or by not less than two Trustees. Notice of the time and place of any special meeting will be served upon each Trustee by any of the following methods: verbally, including by telephone or attempt to reach by telephone at least 48 hours in advance of the meeting; or in writing by mail, fax or e-mail sent or transmitted at least five days in advance of the meeting. Notice of any meeting will be waived by attendance, and any Trustee may waive notice of any meeting either before or after the meeting.

3.6 Quorum. A majority of the current Trustees is necessary to constitute a quorum for the transaction of business. The act of a majority of Trustees present at a meeting at which a quorum is present will be the act of the Board of Trustees.

3.7 Action Without Meeting. Any action required or permitted to be taken by the Board of Trustees at a meeting may be taken without a meeting if a written consent, setting forth the action so taken, is signed by all Trustees. Written consent can be provided electronically.

4. Officers

4.1 Term, Removal, Absence / Disability. The officers of the Endowment Fund are the Chair, the Secretary, and the Treasurer.

- a) Officers must be members of the Board of Trustees.
- b) Officers are elected by the Board of Trustees at the first meeting of the fiscal year.
- c) Each officer will be elected to a one-year term, and may be re-elected in a subsequent year or years.

- d) Any officer may be removed from office by a majority vote of the Board of Trustees and replaced by the Board of Trustees with another Trustee.
- e) In the absence or disability of the Chair, the Secretary will perform the duties and exercise the powers of the Chair, and if the Secretary is absent or disabled, the Treasurer will perform the duties and exercise the powers of the Chair.

4.2 Chair. The Chair of the Board of Trustees will be the chief executive officer of the Endowment Fund and will preside at all meetings of the Board of Trustees. The Chair will have such other powers as the Board of Trustees may assign.

4.3 Secretary. The Secretary will issue notice of all meetings for which notice is required to be given or take steps to make certain that such notice is given, keep the minutes of all meetings, keep corporate records up to date, and have such other duties as the Board of Trustees may assign.

4.4 Treasurer. The Treasurer will monitor all monies, securities and other assets of the Endowment Fund, maintaining records of all transactions and accounts, and have such other duties as the Board of Trustees may assign. Based on the approval of the Board of Trustees, the Treasurer may direct the Fiduciary to make distributions to the Church or related beneficiaries. The Treasurer or the Church Office will make deposits of gifts through the Fiduciary.

5. Authority to Execute Checks, Notes, Drafts and Contracts

5.1 Authority. Execution of checks, drafts, notes, financial instruments, contracts and financial transactions requires action by the Board of Trustees pursuant to *Bylaws 3.6 or 3.7*.

5.2 Execution. Checks, drafts, notes, financial instruments, contracts and financial transactions will be executed in writing by at least two members of the Board of Trustees, in accordance with the Board of Trustees action.

5.3 New Gift Processing. New gifts will be invested in a money market account until the Board of Trustees takes further action regarding said proceeds.

6. Corporate Records

All corporate records shall be maintained in the Church Office and in a secure offsite location, which may be cloud storage. Corporate records including meeting minutes, annual distribution records, monthly financial statements from the Fiduciary and gift records (donor info, date, amount, restrictions, etc.) may be digitized for efficiency and economy.

7. Distribution Policy

Each year a specific percentage of the market value of each fund within the Endowment Fund is eligible for distribution for ministry. The Board of Trustees will make distributions from the Endowment Fund's investments and assets as follows.

7.1 Determination of Distribution Percentage. The Board of Trustees will determine the annual distribution percentage based on the following options:

- a) The Trustees may determine the distribution percentage based on:
 1. a 36-month rolling average of the value of the investments and assets of the Endowment Fund in recognition of
 - i. shifting market conditions
 - ii. receipt of new gifts of the Endowment Fund
 2. it falling in the range of 3% to 5%.
- b) The Trustees may accept the distribution percentage recommended by the Endowment Fund's investment manager, whose formula may be based on many factors including historical asset class returns, adjustments for inflation, investment objectives, asset allocation, etc.
- c) Ideally, distributions should not be made from a fund, if the distribution will result in that fund balance falling below the corpus amount. If extreme market conditions or unforeseen circumstances cause the fund balance to dip below the corpus amount, the Board of Trustees shall develop a recovery plan over a three to five-year period to reinstate the corpus. The recovery plan should balance the need of the Church for these funds against the Trustees' fiduciary obligation to maintain the corpus. Appropriate due diligence shall be utilized by the Board of Trustees on an ongoing basis to review fund performance and ensure the successful implementation of the recovery plan.

7.2 Allocation to Beneficiaries.

- a) Distribution from donor-restricted funds will be distributed according to the donor's instructions.
- b) Distribution from the Perpetual Fund will be distributed as follows:
 1. 50% will be designated for support of the operating budget, to be used according to the recommendation of the Finance and Budget Team with the confirmation of the Official Board.
 2. 30% will be designated for retirement of outstanding debt on Church properties or for major capital improvements to Church property. If there is no debt, then these funds will be distributed to the Church's Finance and Budget Team to be used for building and maintenance.
 3. 20% will be designated for outreach causes to be determined by the Church's Outreach Mission Support Team. The Outreach Mission Support team shall report to the Official Board by December 31 of the year the funds were distributed from the Endowment Fund how the funds were dispersed.

7.3 Notification of Beneficiaries. The eligible distribution amounts will be communicated, in writing, to the designated recipients, including the Church's general operating fund. This notification process will occur by March 1 of each year. Appropriate follow-up will be performed to ensure that a decision regarding acceptance of the distribution is received from the individual, group or committee representing the recipients.

7.4 Distribution Process and Timing.

- a) Once acceptance decisions have been received regarding each fund, the distribution amounts will be disbursed to the designated recipients per *Bylaws 5 and 7* in one

installment by May 1 or in two installments by May 1 and November 1, based on cash flow considerations of the Church.

- b) If the individual, group or committee responsible for the designated recipient does not request the distribution or only elects a partial distribution by May 1, the undistributed amount will remain part of the respective fund of the Endowment Fund and will be included in the calculation and value of the investments and assets as provided in *Bylaw 7* in subsequent years.

8. Reports

The Chair of the Board of Trustees will report in writing at least semi-annually to the Chair and Treasurer of the Official Board and to the Church Office on the performance of the Endowment Fund over the period since the previous report. These reports will be as of June 30 and December 31 and will include information regarding all distributions made during the period.

9. Amendments

The *Bylaws* may be altered, amended, repealed or new ones adopted by a three-fourths majority vote of those present at the Board of Trustees meeting, assuming the presence of a quorum. Published written notice of proposed changes must be provided to the Trustees and the ex officio members at least two weeks prior to the meeting.

10. Termination

In the event that the Church should terminate its ministry or cease to be affiliated with the Christian Church (Disciples of Christ), the assets of the Endowment Fund shall be transferred to the Christian Church Foundation, Inc. of the Christian Church (Disciples of Christ) with the following instructions concerning future spending.

The perpetual nature of the Endowment Fund, as outlined in the Purpose in *Bylaw 1*, is expected to continue. The permanence of the unrestricted funds as specified in *Bylaw 2.1* and the spirit of the restrictions of the donors as specified in *Bylaw 2.2* and in corporate records are expected to continue to be honored. Based on the Distribution Policy outlined in *Bylaw 7*, the recipients of the annual distributions should fall into the following categories:

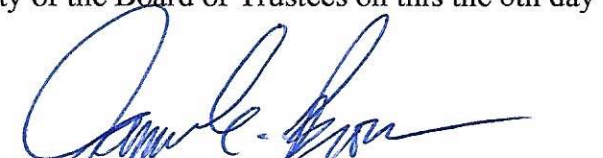
- a) One third – Local mission in the Metro Louisville area and St. Matthews neighborhoods
- b) One third – Regional (Kentucky) ministries of the Christian Church (Disciples of Christ)
- c) One third – General expression of the Church – Christian Church (Disciples of Christ)

I certify these *Bylaws* were approved by a majority of the Board of Trustees on this the 6th day of May, 2019.


Trustee, Chair


Trustee, Secretary


Trustee, Treasurer


Trustee


Trustee


Trustee