

Big Beaver United Methodist Church

Planned Giving Committee

By-Laws and Procedures

ARTICLE I

NAME

The name of this committee shall be the Big Beaver United Methodist Church Planned Giving Committee.

ARTICLE II

PURPOSE

The responsibility for the investment of funds through the Endowment Fund (the "Fund") is vested solely in the Planned Giving Committee, (the "Committee") a subcommittee of the Board of Trustees of Big Beaver United Methodist Church. The Fund is intended and is established for the following purposes: (i) assuring the permanent endowment of financial support for the church as provided in ¶ 2533 of the 2004 Book of Discipline of the United Methodist Church ("Discipline"); (ii) providing members and friends of Big Beaver United Methodist Church the opportunity to make a wide variety of gifts to the church with the knowledge that these gifts will be used by the church in harmony with the goals of the church; and (iii) acting as a living memorial to those the church has served and those who served the church.

ARTICLE III

ADMINISTRATION

The Fund shall be administered by the Big Beaver United Methodist Church Planned Giving Committee. All gifts received for the Fund shall be invested, and only the income from the investments of the Fund shall be available for disbursement. In the event of a church emergency, unrestricted income from the Fund may be used subject to the approval of a Church Conference. A minimum of 15% of the church membership must be present at such Church Conference and there must be at least a 90% affirmative vote approving the use of the monies.

ARTICLE IV

PERMITTED INVESTMENTS

The Fund shall be designed to offer a portfolio balanced through a diversified group of quality securities and other forms of investments consistent with the social principles of the United Methodist Church in a manner in conformity with the standards of Michigan law pertaining to fiduciary investments, being MCL 700.1501, et seq. commonly known as the "prudent man investment rule, which reads, in part, as follows:

"A fiduciary shall invest and manage assets held in a fiduciary capacity as a prudent investor would, taking into account the purposes, terms,

distribution requirements expressed in the governing instrument, and other circumstances of the fiduciary estate. To satisfy this standard, the fiduciary must exercise reasonable care, skill and caution”.

-and-

A fiduciary should use the..... “judgment and care under the circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their affairs, not in regard to speculation but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of their capital”.

All investments will be in marketable securities subject to the following guidelines:

- A. Certificates of Deposit limited to those issued by banks and other financial institutions having total assets in excess of \$ 1 billion dollars having federally insured deposit insurance;
- B. U.S. Treasury Securities, or U.S. Treasury guaranteed obligations;
- C. Equity investments are limited to issues traded on one of the major stock exchanges or the over-the-counter market but only those issues with sufficient marketability to permit orderly liquidation of the position;
- D. Fixed income securities rated no lower than A.

In making investments, favorable consideration should be given to securities of corporations which supply good and services which are not inconsistent with ARTICLE V below and whose activities include constructive steps in regards to:

- 1. pollution and other ecological factors;
- 2. equal opportunity, fair employment and equitable conditions of work;
- 3. the reduction or elimination of oppressive social practices, racial discrimination and/or intolerance; and
- 4. promoting or encouraging the Social Principles, 2005, as may be hereafter amended, adopted by the last General Conference of the United Methodist Church.

ARTICLE V DISCOURAGED INVESTMENTS

Investments are discouraged in the securities of any corporation, if at the time of investment or thereafter, such corporation shall engage in, as its principal business, or receive a substantial portion of its income from:

- 1. the promotion, manufacture and/or sale or operation of gambling equipment;
- 2. the promotion, manufacture and/or sale of alcoholic beverages;
- 3. the promotion, manufacture and/or sale of tobacco products;
- 4. the promotion, manufacture and/or sale of armaments;
- 5. the production, distribution, promotion, sale and/or broadcast of pornography.

ARTICLE VI

COMMITTEE MEMBERSHIP

- A. The membership of the Committee, except for the pastor, shall be members of the Big Beaver United Methodist Church.
- B. There shall be five voting members on the Committee as follows:
 - 1. A member of the Stewardship Committee to be designated by the Stewardship committee.
 - 2. A member of the Church Board of Trustees to be designated by the Board of Trustees.
 - 3. Three members-at-large from the Church membership to be nominated by the Committee on Lay Leadership and elected at the annual Church Conference.
- C. The following three individuals shall serve as ex-officio members of the board with voice, but no vote:
 - 1. The Pastor;
 - 2. The Lay Leader; and
 - 3. The Church Treasurer
- D. The term of office for the three members-at-large shall be for three years. Initially the three members-at-large will be elected for one, two, and three year terms, thereby providing for the election of 1 committee member-at-large every year thereafter.
- E. The unexpired term of a member-at-large shall be filled by the Administrative Council upon recommendation of the Committee on Lay Leadership, until the next Church Conference.
- F. Each of the five members of the Committee is entitled to one vote and shall have the right to do so either in person or by written proxy, provided that no such written proxy shall be valid after the expiration of one (1) month from its day of execution. A quorum as defined in ARTICLE VIII (E) below must be present to conduct a vote.
- G. No member of the Committee shall be liable for the debts, obligations or performance of the Fund.

ARTICLE VII

OFFICERS

- A. The officers of the Committee shall be a Chairperson, a Secretary and a Treasurer.
- B. The officers' terms shall be for one year and shall start at the beginning of the Committee's fiscal year.
- C. The officers shall be elected by the Committee at its annual meeting. Officers may succeed themselves, provided that no officer shall remain in the same capacity and/or title for a period of time exceeding six (6) years.

- D. The Chairperson shall be the principal officer of the Committee and shall, subject to the control of the Committee have general supervision, direction and control of the business and officers of the committee. He or she shall preside at all meetings of the Committee.
- E. The Secretary shall keep the minutes of all meetings of the Committee (unless the Chairperson appoints a recording secretary for such meetings) and shall be the custodian of the Fund records other than the financial records. The Secretary shall preside at meetings in the absence of the Chairperson.

ARTICLE VIII

COMMITTEE MEETINGS

- A. An annual meeting shall be held in January of each year at such time and place as selected by the Pastor for the purpose of electing officers, reviewing investment objectives and performance, and the transaction of such business as may properly come before the Committee.
- B. Meetings shall be held quarterly beginning with the annual meeting in January.
- C. The chairperson may call special meetings, and shall call special meetings upon the request of two members of the Committee.
- D. The chairperson shall endeavor to give written notice of all meetings not less than 10 days prior to such meeting.
- E. A majority of the voting members shall constitute a quorum for the transaction of business.
- F. All procedural questions raised at meetings of the members shall be governed by Robert's Rules of Order.
- G. A set of minutes, describing decisions made and action taken, will be prepared and distributed to each Committee member within fifteen days following each meeting. The minutes shall be reviewed, corrected if necessary, and approved at the next Committee meeting.

ARTICLE IX

ESTABLISHMENT OF FUND

An Endowment Fund shall be established to account for gifts received from members and friends of Big Beaver United Methodist Church. This Fund shall record all endowment gifts. An account shall be established to record earnings from the Endowment Fund investments and the distributions of such earnings.

ARTICLE X

INVESTMENTS AND INCOME

- A. The primary objectives of investments are as follows:
1. Providing for the conservation of principal;
 2. Providing for a regular and reasonable income; and
 3. Providing for a portion of the annual income accrued to be returned to the principal for reinvestment.
- B. Subject to ARTICLE III above, no disbursements from the Fund shall be made until the total principal is greater than \$100,000.00 Dollars.
- C. Income from the Fund, subject to Charge Conference instructions to the contrary, shall be distributed according to the following formula:
- (i) 20% of the annual income accrued shall be returned to the corpus of the Fund for reinvestment to assure continued growth of the Fund; and
 - (ii) 40% may be distributed to the Trustees for approved maintenance projects or capital improvements to the facility; and
 - (iii) 25% may be made available for approved programs, ministries, and training experiences to benefit the local church and its ministry to the community; and
 - (iv) 15% may be designated for approved mission projects beyond the local church.

ARTICLE XI

ACCEPTANCE OF GIFTS

Upon notification of an Endowment gift, the Committee will meet to review the stipulations and restrictions of the gift, if any. After appropriate study, a recommendation will be made to the Board of Trustees with respect to the acceptance or rejection of any or all gifts. The acceptance of real property or non-liquid personal property shall require the approval of the Administrative Council.

ARTICLE XII

COMMITTEE RESPONSIBILITIES

- A. The committee shall promote the Big Beaver United Methodist Church Endowment Fund through the following activities:
1. Provide information about the Fund to local attorneys and estate planners who may be advising members and friends of Big Beaver United Methodist Church;

2. Provide information programs at least annually to members and friends of Big Beaver United Methodist Church. These programs should include information about wills, trusts, bequests and the Fund;
3. Prepare bulletin and newsletter announcements and appropriate brochures for distribution to Big Beaver United Methodist Church members and friends;

B. The Committee shall be responsible for the following fiscal matters:

1. Establish the appropriate bank accounts;
2. Establish and manage the Fund's investment accounts;
3. Prepare an annual report of the Fund to the Church conference regarding the status of the Fund;
4. Assist the Church Treasurer in the preparation and filing of any required reports and/or tax returns with State and Federal Government and/or the United Methodist Church.
5. Cause to be conducted an annual audit of the Fund to assure proper stewardship.
6. When monies for disbursement are available, the Committee will annually inform the Board of Trustees, the Pastor, Church Treasurer and the Stewardship Committee prior to the preparation of next year's budget and invite them to create proposals for the Fund's use to the Board of Trustees, which shall be responsible for the expenditure of available monies.
7. The Committee may use the appropriate District Conference Foundation or other unpaid professional help to advise and consult with the Committee on the investment and management of the Fund. Consideration shall be given to the placement of funds with the conference or area United Methodist Foundation for administration and investment.

ARTICLE XIII

INDEMNIFICATION

Big Beaver United Methodist Church shall indemnify any officer or chairperson who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suite or proceeding, by reason of the fact that he or she is or was a chairperson or officer of the Committee against expenses (including attorney fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by him or her in connection with such action, suit or proceeding, to the fullest extent permitted by law. The foregoing rights of indemnification shall not be exclusive of any rights to which any person may otherwise be entitled as a matter of law.

ARTICLE XIV

AMENDMENTS TO FUND BY-LAWS AND PROCEDURES

Amendments to the Fund by-laws and procedures may be made with three positive votes of the five member Committee, and shall be subject to the approval of the Board of Trustees and the Administrative Council.

ARTICLE XV

DISCONTINUATION OR ABANDONMENT

In the event of the discontinuation or abandonment of Big Beaver United Methodist Church, the assets of the Big Beaver United Methodist Church Endowment Fund, shall pass to and become the property of the Detroit Conference of the United Methodist Church (2004 Discipline, ¶ 2548.5 & 2548.6) or such other conference within whose jurisdiction Big Beaver United Methodist Church is then located at the time of discontinuance or abandonment.

Presented to and accepted by Administrative Council on 09-18-06