

The Permanent Endowment Fund of the International Council of Community Churches

AMENDED AND RESTATED BYLAWS

June 2020

ARTICLE I

AUTHORITY AND PURPOSE

- 1. Purpose.** The Purpose of the Fund is to enable Council members, organizations and friends to express their commitment to the Lord through gifts that will support in perpetuity the inclusive and ecumenical missions and programs of the Council according to the guidelines appearing later in this document.
- 2. Authority.** The delegates of the International Council of Community Churches having voted at the 2000 Annual Conference to pass the *Endowment Fund of the International Council of Community Churches Resolution* (the “Resolution”) in order to establish an endowment fund for the International Council of Community Churches (the “Council”) to be known as The Permanent Endowment Fund of the International Council of Community Churches (the “Fund”), have thereby authorized the creation of this document, *The Permanent Endowment Fund of the International Council of Community Churches Bylaws* (the “Bylaws”) which shall be consistent with the provisions of the Resolution unless modified by the Council’s Board of *Directors* (the “Board”) according to the terms of these Bylaws.
- 3. Nature and Scope of the Fund.** The Fund shall be a perpetual, Unrestricted Use fund that shall be kept separate and distinct from the Council’s General Fund. A committee of endowment trustees shall administer the Fund completely independent of the General Fund. The Endowment Fund Trustees are responsible for administering the Fund and the Board is responsible for determining how Fund distributions are to be spent with both responsibilities being described more fully elsewhere in these Bylaws. Once the Fund is established, all bequests, gifts, memorials, charitable remainder trusts, and non-cash gifts to the Fund that are accepted by either the Endowment Fund Trustees or the Board including such gifts made prior to the passage of these Bylaws, are to be placed into the Fund. The Fund’s fiscal year shall be the same as that of the Council’s.

ARTICLE II

DEFINITIONS

- 1. ICCC Permanent Endowment Fund:** This professionally managed fund (AKA the “ICCC Endowment Fund”, the “Endowment Fund” or the “Fund”) exists to financially support the operational activities and missions of the International Council of Community Churches.

2. **Committee:** The Endowment Trustees (see Article III – Committee Membership).
3. **Accumulated Appreciation:** The assets in the *ICCC Permanent Endowment Fund* LESS the sum of all gifts made to the Fund as of the date for which the calculation is being made.
4. **Investment Year:** A 12-month period beginning on July 1st of one calendar year and concluding at midnight on June 30th of the following calendar year.
5. **Fund Asset Value:** This value is based on the dollars of assets of the Endowment Fund as of the close of business of the New York Stock Exchange on the date for which the calculation is being made. Net Asset Value is expressed in dollars (rounded to the nearest whole dollar).
6. **Annual Accumulated Appreciation Distribution:** This is the regular, required distribution by the Fund announced each year at the end of an Investment Year, that is distributed to the Council in January of the subsequent calendar year.
7. **Extraordinary Distribution:** This is a distribution to the Council as requested by the Board, that may be necessary due to a shortfall in contributions, for whatever reason. Examples are, but not limited to, the occurrence of an event which is outside the reasonable control of the Council and which would prevent the Council from meeting its obligations, or other unusual circumstances that result in the Council's not having sufficient funding to continue normal operations, or to meet unanticipated needs. Such distribution shall first come from Accumulated Appreciation before any Principal of the Fund is distributed.
8. **Endowment Gifts Spreadsheet:** This Microsoft Excel spreadsheet which is maintained at the Council's home office by the office supervisor, records all Endowment Gifts since the Fund's inception alphabetically by donor name and by date of the gift. A copy of this spreadsheet shall also be provided to the Chair of the Endowment Trustees. Because of the privacy of the gift information in the spreadsheet, no other persons are to have access to it, including Endowment Trustees other than the Chair and members of the Board.
9. **Total Gifts:** This is the sum of all gifts made to the Endowment Fund as documented in the Endowment Gifts Spreadsheet.
10. **Investment Manager.** This is the professional investment firm used by the Endowment Trustees that determines which socially responsible stocks and bonds are to be invested in the funds it manages of which the ICCC Endowment Fund is a small subset.
11. **Holding Fund:** This is a temporary fund that is physically located outside of the Endowment Fund in the Council's primary bank. Holding Funds are maintained by the Council's home office paid staff.
12. **Depository Holding Fund:** This fund is a temporary repository for contributions to the Endowment Fund. Gifts in the Depository Holding Fund are to be deposited into the Endowment Fund on a quarterly basis with said quarters ending on March 31st, June 30th, September 30th and December 31st.

- 13. Named Fund:** This fund can be established within the Endowment Fund to memorialize or honor of an individual, couple or an organization with a minimum of \$10,000 in total gifts. There are two types of Named Funds.
- a. Memorial Named Fund:** This fund can be established to memorialize an individual, a couple or an organization. The fund, which bear the name(s) of the designated individual(s) or organization, can be created with single or multiple gifts over time totaling \$10,000 or more. Memorial Named Funds shall be separately identified by name and the amount contributed to said funds in all reports indicating the Endowment Fund's assets. The financial assets in these funds are unrestricted and are an indivisible part of the main ICCC Endowment Fund.
 - b. Legacy Named Fund:** This fund can be established to memorialize an individual, a couple or an organization with a minimum of \$25,000 in total gifts. Unlike a Memorial Named Fund, a Legacy Named Fund is physically separate from the main Endowment Fund. Legacy Named Funds shall be identified by name and the amount of their current assets in all reports indicating the Endowment Fund's current assets.
- 14. Unrestricted Use Fund:** This type of fund (AKA "Unrestricted Fund"), is for gifts where donors do not require that their gifts can only be used for any specific purpose. Donors are encouraged to make gifts to the Fund on an unrestricted basis because this gives the Council flexibility in how to use the Accumulated Appreciation to best meet the needs of the ICCC. Accumulated Appreciation distributions from an Unrestricted Fund can be used as the Council's Board deems appropriate, subject to the terms of these Bylaws.

ARTICLE III

COMMITTEE MEMBERSHIP

- 1. Committee Size.** The committee to manage the Fund shall be known as the Endowment Fund Trustees which shall be both racially and gender inclusive. The membership of the Committee shall consist of six (6) voting members (individually an "Endowment Trustee", collectively the "Endowment Trustees") and, at his sole option, the Executive Director of the Council who shall serve in an *ex officio* non-voting capacity.
- 2. Ongoing Committee Membership Selection.** The Endowment Fund Trustees shall serve "staggered" terms such that the Board shall nominate two (2) candidates for Endowment Trustees at each Annual Conference of the Council (the "Annual Conference"). The Council's voting delegates (the "Delegates") shall be able to nominate additional Endowment Trustees candidates. The candidates shall be voted upon by the Delegates to elect two (2) Endowment Trustees to serve three (3) year terms. In the event there is no Annual Conference in a given year, the Board shall make and approve such nominations at a time and in a manner that the Board determines to be appropriate.
- 3. Qualifications for Membership.** No member of the Committee can be a concurrent voting member of the Board. The Endowment Trustees' backgrounds should be consistent with the goals, objectives and

responsibilities inherent in managing the Endowment Fund. Recommended qualifications for Endowment Trustees, whether nominated by a) the Board Trustees or the Council delegates or b) appointed by the Council President or Acting President (the “President”), include investment, estate planning or sales/marketing experience.

4. **Terms of Office.** Endowment Trustees can serve no more than two (2) consecutive terms irrespective of whether those terms are full terms (three [3] years in length) or partial terms (less than three [3] years but not less than one [1] year) and irrespective of whether the Endowment Trustees are elected or appointed. Any appointment of an Endowment Trustee to serve for an unexpired term of less than one “year” as hereinafter defined is not considered to count as a “term”. After a former Endowment Trustee has served in that capacity for two (2) consecutive terms, said Endowment Trustee must remain off the Committee for a minimum period of one year with a “year” being defined as the time between end of one Annual Conference and the beginning of the next Annual Conference or 365 days, whichever is greater, before he/she can be again considered for election or appointment as an Endowment Trustee.
5. **Officers of the Committee.** A chairperson (the “Chair”) and a Secretary for the Committee shall be elected by and from the six voting Endowment Trustees. The terms of the Chair and the Secretary shall be one year. Elections for the Chair and Secretary shall take place annually so that their terms shall commence with one Annual Conference and continue until the following Annual Conference. The Secretary shall keep full and accurate accounts of the actions of the Committee and conduct necessary communications as requested.
6. **Quorum.** A minimum of four (4) Endowment Trustees participating in a scheduled meeting communicated in advance to all members of the Committee, whether that “meeting” be in person, by teleconference or via electronic media, shall constitute a quorum.
7. **Mid-term Replacement.** In event that an Endowment Trustee is unable or unwilling to complete his/her elected or appointed term he or she, where able, shall promptly notify the President in writing. Upon receipt of said written notification or other determination that an Endowment Trustee is unable to serve on the Committee, the Committee Chair will nominate an appointee to serve as a qualified replacement Endowment Trustee within thirty (30) days. The nominee must be approved by a Board vote in order for the appointment to become effective. Said appointment will be for the duration of the unexpired term of the former Endowment Trustee.
8. **Membership 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 that such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable so long as he/she acts in good faith and with ordinary prudence. Each member shall be liable only for his/her willful misconduct or omission and shall not be liable for the acts or omissions of any other member.
9. **Conflict of Interest.** No member shall engage in any self-dealing or transactions with the Fund in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his/her personal interests would conflict with the interest of the Fund. Members having an apparent conflict of interest with any matter relating to a Committee vote relating to the Fund shall not be witness to the Committee’s discussions on such matter nor shall such member(s) be permitted to vote on same.

ARTICLE IV

COMMITTEE RESPONSIBILITIES

The Committee is solely responsible for administering the Fund which administration involves, among other things, the determination of contributions to the Council and the safekeeping, management, investment and transfer of all funds and properties comprising the Fund in accordance with the provisions below of this Article. Accordingly, the Committee shall have the following responsibilities:

- 1. Meetings and Minutes.** The Committee shall meet no less than quarterly each year with one such meeting being in person at each Annual Conference and the remaining meetings being conducted via telephone, email or other suitable electronic means. Minutes for each Committee meeting shall be kept by the Committee's Secretary, distributed by the Secretary promptly to all Committee members irrespective of whether or not they attended and filed at the Council's headquarters for future reference by Endowment Trustees and, where there is a need to know, by the Board and non-Council officials. If the elected Secretary is not able to participate in a Committee meeting, the Chair shall designate one of the members present to perform the Secretary's duties. The time and date of all quarterly meetings shall be coordinated at least two weeks in advance with Committee members by the Chair.
- 2. Investment Manager Selection.** The Committee shall select and hire an experienced, reputable Investment Manager to manage the Fund in accordance with the investment policies specified in Article V of these Bylaws. The Investment Manager selected is to have a track record of successfully managing endowments for Christian organizations. The Committee is to review the investment manager's performance prior to the Board's winter and summer meetings.
- 3. Preservation of the Principal.** The Committee is responsible for using its best efforts to protect the Fund's principal against inflation and losses by ensuring that the investment policies in Article VI of these Bylaws are enforced. As part of this responsibility, the Committee is to determine the optimal mix of stocks, bonds and/or if necessary, U.S. Treasury notes during each Committee meeting. The Chair is empowered to implement changes in the investment mix based upon the recommendations of the Committee.
- 4. Encouragement of Gifts.** The Committee shall take reasonable steps to encourage gifts and bequests to the Fund in a manner that is unlikely to diminish the annual giving to the General Fund. These reasonable steps shall include but not be limited to the creation of educational and/or descriptive literature, periodically holding programs featuring planned giving experts, writing articles in *The Christian Community*, creating gift recognition programs, writing gift solicitation letters to prospective Fund donors and, where appropriate, discreetly contacting prospective donors by telephone or in person.
- 5. Acceptance of Gifts.** The Committee shall accept cash and non-cash gifts to the Fund according to the gift acceptance policies described in Article V of these Bylaws and shall insure the transfer of gifts into the Fund.
- 6. Financial Records and Reporting.** The Committee shall cause reasonable and accurate financial records of the Fund to be maintained by the Fund's professional investment manager. In addition, the Committee shall provide a) a detailed report on the Fund's performance to the Board at the Board's winter and summer

meetings and b) assist the Board in creating an annual report to the Delegates, Council members, organizations and friends with such report being included in the Annual Conference's printed program for the Delegates

- 7. Required Distributions.** At the end of each Investment Year, the Committee shall inform the Board of the estimated Accumulated Appreciation, if any, that will be available for distribution from the Fund based upon its performance as of the end of that Investment Year.
- 8. Fund Expenses.** The Committee is responsible for managing all expenses incurred in administering the Fund. Expenses are to include but not be limited to: (a) reasonable professional management fees, (b) transaction fees, (c) informational and educational expenses, (d) costs related to soliciting gifts and bequests and (e) expenses incurred in evaluating and administering non-cash gifts. Under no circumstances is an Endowment Trustee to be compensated for services rendered although reimbursement for reasonable expenses incurred in the administration of the Fund are permissible.
- 9. Use of Legal Counsel.** The Committee shall have the authority to seek the advice of legal counsel in matters coming before it with such reasonable expenses being paid for out of the Fund's Accumulated Appreciation.
- 10. Assistance to Member Churches and Centers.** The Committee is responsible for providing advice on an as-requested basis about readily available information resources to Council member churches and centers interested in establishing their own endowment funds.
- 11. Changes to the Bylaws.** From time to time, as appropriate and necessary, the Committee shall recommend to the Board that changes be made to these Bylaws. These recommended changes are to be voted upon by the Board as specified in Article IX of these Bylaws

ARTICLE V

GIFT ACCEPTANCE POLICY

- 1. Control of Gifts.** When donors make gifts to a 501(c)(3) fund such as the ICCC Permanent Endowment Fund, they give up all control of those gifts.
- 2. Nature of Gifts.** Gifts to the Fund shall be received in the following forms; liquid gifts such as cash and/or marketable securities, non-liquid gifts, such as real estate, art, gems, etc., and deferred gifts, such as life insurance, gifts by will or trust, charitable gift annuities, remainder trusts, etc.
- 3. Non-liquid Gifts.** Gifts of cash, securities and insurance are preferred but under proper conditions, non-liquid gifts of real estate, gems, art and collectibles can be accepted. All non-liquid gifts made to the Fund may be converted into cash according to the direction of the Endowment Trustees. In the event of a gift of real estate, a licensed authority must perform a Phase I environmental impact study at the expense of the donor(s) before the gift can be considered. Gifts of art, gems, collectibles and real estate must be accompanied by an appraisal conducted by an authority recognized by the U.S. Internal Revenue Service with such appraisal being paid for by the donor(s).

4. **Gift Notification and Recording.** All gifts accepted and received by the Board shall be acknowledged and recorded as follows:
 - a. Notifications of gifts to the Fund shall be sent to the Council headquarters to the attention of the Endowment Fund Trustees.
 - b. The Council's office supervisor will record the gifts and promptly notify the Endowment Trustees Chair who will arrange for the donor to receive a letter of acknowledgement and thanks on behalf of the Endowment Trustees.
5. **Gift Qualification and Acceptance Process.** It is understood that donors' gifts are intended to be used on behalf of the Council in perpetuity. Non-liquid gifts may be converted to cash for the purpose of being included in the Fund. The Board has the option to not convert an accepted non-liquid gift to cash if that gift, for example, is deemed to have considerable historical value to the Council. The Board has the sole authority to decline gifts that have excessive restrictions as well as those that represent a potential financial liability to the Council.
6. **Confidentiality.** The exact dollar amount of all donor gifts to the Fund will be kept in strict confidentiality by the Endowment Trustees and where applicable, by the Board. On occasion, donor names may be recognized organized by broad giving groups based on the dollar amount of their gifts unless a donor specifies otherwise.

ARTICLE VI

INVESTMENT OF THE ENDOWMENT FUND

Investment Policy. Investments in stocks and/or bonds shall only be made in socially responsible organizations. The Fund's investments shall be a mixture of low-risk financial instruments (such as bonds) and high yield securities (such as "blue chip" stocks). The Investment Manager is to comply with the Uniform Management of Institutional Funds Act.

ARTICLE VII

FUND DISTRIBUTIONS

1. **Annual Accumulated Appreciation Distribution:** This is equal to 10% of the Accumulated Appreciation in the Endowment Fund at the end of an Investment Year (July 1 through June 30). The distribution for a given Investment Year is to be transferred from the Endowment Fund by no later than the following January 15th.
2. **Extraordinary Distribution:** This type of distribution, as previously defined herein, is equal to the amount that may be requested by the Council to fund its operations, without which the continuing operation of the Council might otherwise be placed in jeopardy. Such distribution is subject to the condition that if such amount exceeds the total Accumulated Appreciation in the Fund as of the date of the request from the

Council, the Council must complete the process specified in **Article VIII, Protection of the Endowment Fund's Principal**, of these Bylaws before such excess amount may be distributed.

- 3. Endowment Trustees Portion:** To enable the Endowment Trustees to perform their assigned duties, including promoting awareness of the Fund, soliciting contributions, recognizing major donors and for legal and/or consulting assistance, 10% of the Annual Accumulated Appreciation Distribution will be reserved for this use by the Endowment Trustees. If the Endowment Trustees fail to use their portion of the Accumulated Appreciation Distribution before the end of the calendar year in which said distribution becomes available, the unused portion may be transferred to the General Fund as of the first business day of the following calendar year.
- 4. Utilization of Endowment Fund Disbursements:** The Board has final say in determining how, where and when Endowment Fund disbursements will be used.

ARTICLE VIII

PROTECTION OF THE ENDOWMENT FUND'S PRINCIPAL

The principal of endowment gifts is not intended to be spent. However, as the Fund is an Unrestricted Use Fund, in event of the Council facing a financial crisis, all or part of the principal may be distributed to the Council, subject to the following conditions:

1. The Council will have submitted a written, documented request for an Extraordinary Distribution, as defined herein, stating the amount required and the time-period for which the request is being made.
2. The Board will have approved the request by a three-fourth's (3/4) majority.
3. The Council will have received approval from the membership by a three-fourth's majority vote of delegates at an Annual Conference, or, if there is no Annual Conference within the period of time when such approval is necessary, by a three-fourth's majority of the member Churches and Centers voting in a manner determined by the Board.
4. The Endowment Committee will have subsequently ratified the requested distribution by a majority vote.

ARTICLE IX

BYLAWS AMENDMENTS

Any and all changes to these Bylaws must be approved according to the following process:

1. All amendments and proposed changes to these Endowment Fund Bylaws shall be communicated in writing.

2. Changes to the Bylaws are to take the form of either written Amendments thereto or, if the changes are numerous and occur throughout the Bylaws, then a Restated and Amended version of the Bylaws is an acceptable format. Said revised Bylaws shall bear the date of the last set of changes incorporated into the document.
3. Following the approval of the proposed amendments by a majority of the Endowment Committee Trustees, they shall be forwarded in writing to the Board for its approval, which shall be by a three-fourth's (3/4) majority.
4. Upon approval by the Board, it shall obtain Ratification by three-fourth's (3/4) of the delegates at the Annual Conference or if there is no Annual Conference within the period of time when such approval is necessary, the Board shall obtain Ratification by three-fourth's (3/4) of the member Churches and Centers voting in a manner determined by the Board.
5. Following the ratification of the Bylaws changes, the Board Secretary must affirm that the changes are official by signing a statement at the end of two copies of the Bylaws document with one original being retained at the Council's home office and the second being retained by the then-current Endowment Trustees Chair.
6. The Endowment Trustees are to promptly distribute the Bylaws changes to members of the Board, the Endowment Trustees, and to the Council Office. Member churches and centers are free to request a copy of the Bylaws.

ARTICLE X

MISCELLANEOUS

1. **Board Review of Fund Records.** The Board President will receive a copy of the Investment Management Organization's quarterly statements relating to the ICCC Endowment Fund.
2. **Dissolution and Merger Provisions.** If at any time the Council is merged with another organization, all terms and provisions with regard to the Fund are applicable to the new organization. In the event of the dissolution of the Council, the disposition of the assets of the Endowment Fund are to be governed by U.S. Internal Revenue regulations and in accordance with the terms of the then-current version of the Unified Prudent Management of Institutional Funds Act.
3. **Applicable Laws.** Notwithstanding the foregoing, the powers of these Bylaws shall be limited to and consistent with those powers provided under the laws of the State of Illinois and any applicable federal statutes.

Certification of Adoption

The undersigned hereby certifies that the Bylaws set forth above were adopted on July 8, 2020 by the Board of Directors of the International Council of Community Churches and on August 15, 2020 by a majority vote of the Delegates.

Abraham Wright

Council Secretary

Date: September 25, 2020