

**FIRST UNITED METHODIST CHURCH OF ASHLAND
HERITAGE FUND BYLAWS
(May 17, 2008)**

This declaration is entered into and amended on the 17th day of May, 2008, and shall be known as the First United Methodist Church of Ashland Heritage Fund Bylaws, hereinafter referred to as the Fund, for the benefit of the programs of the First United Methodist Church of Ashland, hereinafter referred to as the "Church."

PREAMBLE

WHEREAS, since the First United Methodist Church of Ashland was built in about 1875, financial support for its operation over the years has been given to the Church in many forms and for a variety of reasons. Separate from the operating budget, there has emerged some distinctly different kinds of giving and this exists in those forms as Endowment Account, Designated Account, and the Ministry Outreach Memorial Account. To be certain that proper attention is given to such assets, this document is written to give a statement of purpose, to establish an organizational structure and to create guidelines for the handling of these important funds;

WHEREAS, the First United Methodist Church of Ashland has a living endowment of faithful members with rich gifts and varied talents;

WHEREAS, First Peter 1: 10-11 states: "As each has received a gift, employ it for another, as good stewards of God's varied grace whoever renders it by the strength which God supplies, in order that in everything God may be glorified;

WHEREAS, to enable members of the congregation to create a source of future revenue assuring the continued ministries of the First United Methodist Church of Ashland by encouraging special gifts such as lifetime gifts, memorials, bequests, and insurance proceeds:

NOW, THEREFORE, the Charge Conference declares as follows:

ARTICLE I: Name of Fund

This Fund shall be known as the First United Methodist Church of Ashland Heritage Fund Bylaws, hereinafter referred to as the Fund.

ARTICLE II: Purpose of the Fund

The purpose of this Fund is to provide for the charitable, educational, maintenance and religious opportunities of the Church additional to and apart from the general operation of the Church budget.

ARTICLE III; Definition of the Fund

There shall be **three** separate **accounts** established within the Fund, each of which will **be** subject to differing guidelines which are described below:

- A.** The first account shall be known as the Endowment Account. The primary purpose of this account shall be to provide a continuing fund from which to provide moneys for projects of such a nature as are designated by the Administrative Council or the Church. The guidelines for this account are set forth in Article V.
- B.** The second account shall be known as the Designated Memorial Account. This account shall receive those gifts that are designated by the grantor for a specific purpose. The primary purpose of this account shall be to receive, hold and apply such gifts in the manner designated by the grantor. The guidelines for this account are set forth in Article VI.
- C.** The third account shall be known as the Ministry Outreach Memorial (MOM) Account. The primary purpose of this account shall be to enable the Church's Committees to fund mission outreach projects. The guidelines for this account are set forth in Article VII.

Any gift or donation that is not specifically designated to one of the three named accounts shall be allocated to one or more of the accounts as designated by the Heritage Committee.

ARTICLE IV: COMMITTEE MEMBERS

The body charged with administering the terms of the Fund shall be known as the Heritage Committee, hereinafter referred to as the "Committee." The Committee shall consist of 7 members. The Nomination Committee of the Church shall nominate 3 at large members, who shall be approved by the Administrative Council and shall serve a staggered three-year term.

Exofficio members shall be a member of the Church in the World Committee, a Trustee, the Treasurer, and the Administrative Council (Former Administrative Board) Chairperson, along with the Pastor – voice, no vote.

The Committee shall conduct itself in the following procedural manner; the members shall elect a chairperson and a secretary. The Treasurer of the Church shall act as the treasurer of the accounts.

- (1)** The Committee shall meet at times fixed either by their own resolution or called by the chairperson, but not less than quarterly each year.
- (2)** A quorum shall consist of Four (4) voting members. An affirmative vote of a majority present and voting shall carry any resolution.

- (3) The treasurer shall maintain accounts with such financial institutions as it may, by resolution, authorize and determine. The treasurer and either the chairperson or secretary shall execute all checks and other documents transferring or spending any fund or assets in the fund. The treasurer shall maintain complete and accurate books of the accounts. The Committee shall report the financial condition of the Fund once each year to the Administrative Council. The report will include: a. contributions; b. Investment per categories; c. Annual return per category; d. Distribution of revenue; e. Reinvestment of interest, dividends and Capital Gains; f. Year-end balance.
- (4) The secretary shall maintain a complete and accurate minutes of all meetings of the Committee and supply a copy thereof to each member. No member shall engage in any self-dealing or transaction with the funds in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his/her personal interest would conflict with the interest of the fund.

ARTICLE V: ENDOWMENT ACCOUNT

The Endowment Account shall be established to receive gifts, bequest, and devises that are not designated by the grantor for a specific project or a specific purpose, excluding any incidental or pledged collection plate offerings intended for the internal operating expenses of the Church. The purpose is to establish a fund to allow members to continue their support of the Church into the future so as to be part of the fellowship of believers which ministers to the community and beyond.

- (1) The Principal of the Endowment Account shall not be spent, distributed, or invaded except upon authorization from the Administrative Council and ratified by a 75% majority of those members of the Church present at a Charge Conference of the Church; Provided, however, that the Committee may use the Principal of the fund to pay expenses necessary to maintain the assets of the fund.
- (2) The Committee shall distribute the annual income from the Endowment Account. The Committee will solicit requests from boards, committees, church staff or organizations within the Church, including advice and recommendations from the Finance Committee. An annual Endowment Account allocation will be prepared and submitted to the Administrative Council for approval and distribution according to the approved allocation.
Due to the effects of inflation and varying needs of the Church, the Council is permitted to reinvest the annual income of the Endowment Account.

ARTICLE VI: DESIGNATED MEMORIAL ACCOUNT

The Designated Memorial Account shall be established to receive gifts, memorials, bequests and devises that are designated by the grantor for a specific purpose or project. The purpose of this account is to receive, hold and invest said funds until such time as the funds are expended for the stated project or purpose.

The funds in the Designated Memorial Account shall be administered as follows:

- (1) The Heritage Committee shall pay the funds to those persons or entities as directed for the designated project or purpose.
- (2) Any income derived from the funds not needed for the designated purpose or project may be deposited and become part of the other two accounts at the direction of the Committee.
- (3) Because of the nature of the designation of the accounts, it will be necessary to establish separate record keeping for each account within the Designated Memorial Account; Provided however such accounts may be deposited into any account of the Church so long as separate records are kept for each account.
- (4) The Committee will at all times implicitly follow the instructions of the grantor of the funds to accomplish the purpose of the designated gift.

ARTICLE VII: MINISTRY OUTREACH MEMORIAL ACCOUNT

The Ministry Outreach Memorial Account, hereinafter referred to as the MOM Account, shall be established to receive gifts, memorials, bequest and devises that are designated by the grantor for mission outreach projects, including capital, material and personal.

- (1) The Committee shall distribute the annual income from the MOM Account. An allocation will be prepared and submitted to the Administrative Council for approval and distribution according to the approved allocation.
Due to the effects of inflation and varying needs of the Church, the Committee is permitted to reinvest the annual income of the MOM Account.
- (2) The annual income is to be spent for mission outreach projects by the Committee after review of proposals from the Church in the World Committee, other Church Committees and approved by the Administrative Council.
“Mission is the redemptive activity of God in the world revealed uniquely in Jesus Christ as Lord, and continued in history by the witness of the Church empowered by the Holy Spirit.”

Glory harmaraj, Ph.D

- (3) The Principal of the MOM Account shall not be spent, distributed, or invaded except upon authorization from the Administrative Council and ratified by a 75% majority of those members of the Church present at a Charge Conference of the Church; Provided, however, that the Committee may use the Principal of the fund to pay expenses necessary to maintain the assets of the fund.

ARTICLE VIII: DUTIES OF THE COMMITTEE

In administration of the Heritage Fund, the Committee shall have the following duties;

- (1) The Committee shall receive funds through gifts, memorials, bequests, endowments, wills and estates from any individual or corporation, or any other source, in cash or in other property acceptable to them. All funds and property shall be kept and maintained separate, distinct and independent from the funds and property belonging to the Church.
- (2) It will be the policy of the Committee to convert fixed assets to more liquid assets and not to attempt to manage property, which has been donated to the Fund. The liquid assets may then be invested in stocks, bonds or interest or dividend paying investments.
- (3) Funds or property left to the Fund may be accepted or rejected by the Committee if the directions of the grantor or the nature of the property do not comport with the purpose and objectives of the Fund. The Committee shall consult with the Administrative Council in making such a decision.
- (4) The Committee shall report the financial condition of the Fund at least once a year to the Administrative Council in the manner set forth above in Article 1V – 3.
- (5) The Committee shall have the authority to invest the assets of the Fund in such a prudent manner so as to preserve the fund and to provide income from the assets. The Committee does not necessarily have to make a physical segregation of the assets in order to conform to the direction of any individual donors, but, if such funds are not physically segregated, they shall establish separate accounts in their own accounting records. In other words, the Committee may commingle the various assets of the Fund and administer such assets as a single fund; so long as the Committee's records at all times accurately reflect the receipts and disbursements properly allocated to each account and the property in each account.
- (6) The Committee shall inform members of the Church of the purposes of the Fund and make annual arrangements for the education of the congregation with respect to the areas of charitable giving, wills, bequest and insurance.

- (7) The Committee will maintain a list of members and others who have indicated a desire to contribute to the Heritage Fund only if each person consents to be listed as such. The list shall be confidential and access shall be limited to members of the Committee. It shall include the intention of the potential donor as to which Account shall be designated.
- (8) The Committee shall further keep a record of the names, addresses and the manners of giving of specific funds that are received to allow the Church and the Committee to recognize such persons or entities that have provided the gifts to the Church.
- (9) The Committee is empowered only to support and benefit the First United Methodist Church of Ashland, Oregon, except insofar as other organizations may be indirectly benefited by activities or contributions made in the course of performing, aiding or promoting the activities, purposes, functions and programs of the Church; Provided, however the Administrative Council may direct the Committee to support and benefit such other organizations through its mission programs.

ARTICLE IX: POWERS OF THE COMMITTEE

That in administration of the Fund, the Committee shall have all powers and authorities necessary to carry out the purposes of the Fund, including the following powers and authorities on behalf of the Church:

- (1) To take, have, hold, sell exchange, rent, lease, transfer, convert, Invest, and in all other respects, to handle, manage and control the funds, or any part thereof, as they, in their judgment and discretion, shall deem wise and prudent.
- (2) To retain any property in the form in which it is received, if it so elects, to convert and reconvert the funds or any part thereof, into other kinds and forms of property, real or personal or mixed; and to invest or reinvest the assets, or any parts thereof, as they shall deem wise and prudent.
- (3) To receive the income, profits, rents and proceeds of the funds and to collect and provide a receipt for the same, and pay all Church and necessary expenses in connection with it.
- (4) To make, execute and deliver all instruments necessary or proper of the accomplishment of the purpose of the Fund.
- (5) To contribute, donate, support or distribute from time to time for the purpose herein stated such payments or amounts as the Administrative Council in its discretion shall direct and approve.
- (6) To determine what is Principal and income according to standard accounting procedures.
- (7) To hold investments in the name of the Fund on behalf of the Church and to sign checks and all necessary documents on behalf of the Fund and the Church in furtherance of the Fund purposes.

- (8) To employ and reasonably compensate from the Fund income professionals to assist and advise in the execution of the Fund, without liability for their omission or neglect.
- (9) In the event of catastrophe or dire emergency, upon recommendation of the Heritage Committee, and upon 75% majority vote of those present at a legally called Administrative Council meeting, the Church may borrow from the Heritage Fund Principal if such Principal is needed for the catastrophe or dire emergency in the life of the Church. Any request to change the loan to a grant must be approved by a 75% majority of those members of the Church present at an annual or special Charge Conference of the Church.
- (10) Committee Members shall not be liable for any losses, which may be incurred upon investments of the funds except the extent that such losses shall have been caused by bad faith or gross negligence of the members. No Committee Member shall be personally liable as long as he/she acts in good faith and with ordinary prudence in discharging the duties of the office. Each Committee Member shall be liable for his/her own willful misconduct or omissions in bad faith. No Committee Member shall be liable for the acts or omissions of any other Committee Member or any accountant, agent, attorney or custodian selected with reasonable care.

ARTICLE X: AMENDMENT

The terms of this Heritage Fund document shall not be altered except upon the approval vote of 75% of the members present at an annual or special Charge Conference of the Church.

ARTICLE XI: TAX EXEMPTIONS

Any gifts to the Fund, as well as any income derived there from, shall be used exclusively for the religious, charitable and educational purposes of the Church, with Section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provisions of any future United States Internal Revenue Code. This Fund is created and shall be operated exclusively for Church purposes. No part of the income or assets of the fund shall inure to the benefit of or be distributed to any member of the Committee or officer of the Church or to any other person, except that the **Committee** are authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein. No part of the activities of the Fund shall be carried on for propaganda purposes or otherwise attempt to influence legislation and it shall not be used to participate in or intervene in any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the Fund shall not carry on any activities not permitted to be carried on by an entity exempt from federal

income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue law or do an act which could render contributions to the Fund under such laws.

ARTICLE XII: TERMINATION

In the event the Fund shall be dissolved or terminated at any time, then all of the properties, moneys and assets of the Fund shall be transferred to and become property of the Church. The Fund may be terminated only upon a 75%majority vote at an annual or special called Charge Conference of the Church.

On behalf of and at the direction of the Charge Conference, we have set forth our signatures on this 18 day of May, 2008.

Pastor

Administrative Council Chair