

PROPOSAL FOR CREATING A SEPARATE ORGANIZATION FOR A SELC
DISTRICT FOUNDATION

IT IS PROPOSED THAT THE BOARD OF DIRECTORS OF THE SELC DISTRICT OF THE LUTHERAN CHURCH-MISSOURI SYNOD ADOPT A RESOLUTION ESTABLISHING A FOUNDATION IN ACCORD WITH THE FOLLOWING:

I. NAME OF FOUNDATION.

THE NAME OF THE FOUNDATION SHALL BE THE SELC DISTRICT OF THE LUTHERAN CHURCH-MISSOURI SYNOD FOUNDATION (HEREINAFTER REFERRED TO AS THE FOUNDATION)

II. DATE OF CREATION.

THE DATE OF THE CREATION OF THE FOUNDATION SHALL BE THE DATE OF THE ADOPTION OF THE RESOLUTION ESTABLISHING THE FOUNDATION.

III. PURPOSE.

THE PURPOSE OF THE FOUNDATION SHALL BE TO RECEIVE GIFTS FROM ALL SOURCES, PUBLIC AND PRIVATE, INCLUDING MEMBERS OF THE SELC DISTRICT OF THE LUTHERAN CHURCH-MISSOURI SYNOD (HEREINAFTER REFERRED TO AS THE SELC DISTRICT) AND FROM CONGREGATIONS OF THE SELC DISTRICT AND TO DISTRIBUTE THE INCOME FROM THE INVESTMENT OF SUCH GIFTS AND THE PRINCIPAL OF SUCH GIFTS TO SUPPORT THE CHARITABLE PURPOSES FOR WHICH THE GIFTS ARE DESIGNATED. IN THE ABSENCE OF DESIGNATION THE INCOME AND THE PRINCIPAL OF SUCH GIFTS SHALL BE DISTRIBUTED FOR THE PURPOSE OF FULFILLING THE MISSIONS OF THE SELC DISTRICT TO SPREAD THE GOSPEL OF JESUS CHRIST AND MAKE DISCIPLES OF ALL

NATIONS. SUCH MISSIONS SHALL BE DETERMINED AND ESTABLISHED FROM TIME TO TIME BY THE BOARD OF DIRECTORS OF THE SELC DISTRICT SUBJECT TO RATIFICATION AT THE NEXT FOLLOWING CONVENTION OF THE DISTRICT BY THE DISTRICT IN CONVENTION. FAILURE TO CONSIDER SUCH RATIFICATION BY THE DISTRICT IN CONVENTION SHALL CONSTITUTE RATIFICATION. IN THE EVENT THAT THE SELC DISTRICT NO LONGER EXISTS AS A SEPARATE DISTRICT OF THE LUTHERAN CHURCH-MISSOURI SYNOD (HEREINAFTER REFERRED TO AS THE SYNOD) SYNOD, THEN THE BOARD OF DIRECTOR'S OF THE FOUNDATION SHALL DETERMINE AND ESTABLISH SUCH MISSIONS.

IV. RECEIPT OF GIFTS. ALTHOUGH THE PRIMARY PURPOSE OF THE FOUNDATION IS TO RECEIVE AND MANAGE GIFTS FROM MEMBERS AND CONGREGATIONS OF THE SELC,

GIFTS MAY BE RECEIVED FROM OTHER SOURCES AS WELL.

V. CONFLICT OF INTEREST. NO DISTRIBUTION OF INCOME OR PRINCIPAL SHALL BE AUTHORIZED BY THE FOUNDATION WHICH DIRECTLY OR INDIRECTLY BENEFITS ANY MEMBER OF THE BOARD OF DIRECTORS OF THE FOUNDATION OR ANY MEMBER OF THE BOARD OF DIRECTORS OF THE SELC DISTRICT. HOWEVER, A DISTRIBUTION OF EITHER INCOME OR PRINCIPAL FOR THE EXPRESS PURPOSE OF FULFILLING THE DESIGNATION OF A DONOR SHALL NOT BE PROHIBITED SIMPLY BECAUSE IT INCIDENTALY BENEFITS A MEMBER OF EITHER BOARD SO LONG AS THE DONOR'S PURPOSE CANNOT BE FULFILLED IN SOME OTHER MANNER. ANY DISTRIBUTION TO A CONGREGATION OF WHICH A MEMBER OF EITHER BOARD IS A MEMBER SHALL NOT BE CONSIDERED A VIOLATION OF THE PROHIBITION AGAINST

BENEFITTING A MEMBER OF EITHER BOARD SO LONG AS THAT MEMBER DOES NOT DIRECTLY BENEFIT FROM THE GIFT.

VI DISSOLUTION OF FOUNDATION.

IN THE EVENT THAT THE FOUNDATION IS DISSOLVED, THE ASSETS OF THE FOUNDATION SHALL BE DISBURSED EITHER IN ACCORD WITH DESIGNATIONS BY DONORS' OR FOR THE PURPOSE OF SUPPORTING THE MISSIONS OF THE SELC DISTRICT AS DETERMINED BY THE BOARD OF DIRECTORS OF THAT DISTRICT

VII. DISSOLUTION OF SELC DISTRICT.

IN THE EVENT THAT THE SELC DISTRICT SHALL CEASE TO EXIST AS AN INDEPENDENT DISTRICT OF SYNOD, THE FOUNDATION SHALL CONTINUE IN EXISTENCE FOR THE PURPOSE OF FULFILLING THE PURPOSE EXPRESSED BY A DONOR OR DONORS OF A DESIGNATED GIFT AND TO CONTINUE TO SUPPORT THOSE MISSIONS OF THE SELC DISTRICT PREVIOUSLY ESTABLISHED OR SUBSEQUENTLY ESTABLISHED BY THE BOARD OF DIRECTOR'S OF THE FOUNDATION.

VIII. DISSOLUTION OF FOUNDATION.

THE FOUNDATION MAY NOT BE DISSOLVED DURING THE EXISTENCE OF THE SELC DISTRICT EXCEPT BY ACTION OF THE BOARD OF DIRECTORS OF THE SELC DISTRICT. IN THE EVENT THAT THE SELC NO LONGER EXISTS AS A SEPARATE DISTRICT THE SYNOD THE FOUNDATION MAY BE DISSOLVED BY ACTION OF THE BOARD OF DIRECTORS OF THE FOUNDATION

IX. FOUNDATION BOARD AFTER DISSOLUTION OF SELC.

IN THE EVENT THAT THE SELC IS DISSOLVED OR OTHERWISE NO LONGER EXISTS AS AN INDEPENDENT DISTRICT OF THE SYNOD, THE BOARD OF DIRECTOR' OF THE FOUNDATION SHALL BE COMPOSED OF THE LAST BOARD OF DIRECTORS OF THE SELC DISTRICT. ANY VACANCY ON THE BOARD SUBSEQUENTLY OCCURING SHALL BE FILLED BY APPOINTMENT BY THE BOARD, SUCH THAT THE BOARD SHALL BE SELF PERPETUATING.

X. BOARD OF DIRECTOR'S OF FOUNDATION.

THE BOARD OF DIRECTORS OF THE FOUNDATION SHALL BE THE BOARD OF DIRECTORS OF THE SELC DISTRICT AS FROM TIME TO TIME CONSTITUTED.

XI. EXISTENCE OF FOUNDATION.

THE EXISTENCE OF THE FOUNDATION SHALL BE PERPETUAL.

XII. OFFICERS OF FOUNDATION.

THE BOARD OF DIRECTORS OF THE FOUNDATION SHALL AT ITS' INITIAL ORGANIZATIONAL MEETING ELECT THE FOLLOWING OFFICERS FROM

AMONGST THEIR MEMBERSHIP:

PRESIDENT

VICE-PRESIDENT

SECRETARY

TREASURER

CHAIRMAN OF THE FINANCE COMMITTEE SUCH ELECTED OFFICERS SHALL SERVE FOR A TERM OF THREE YEARS AND SHALL BE ELIGIBLE FOR RE-ELECTION WITHOUT RESTRICTION SO LONG AS THEY ARE MEMBERS OF THE BOARD OF DIRECTORS OF THE FOUNDATION.

XIII. TERMINATION OF MEMBERSHIP. TERMINATION OF AN OFFICERS MEMBERSHIP IN THE SELC DISTRICT SHALL TERMINATE THEIR STATUS AS AN OFFICER AND DIRECTOR OF THE FOUNDATION.

XIV. FILLING VACANCY OF ELECTED OFFICE. ANY VACANCY IN ANY ELECTED OFFICE SHALL BE FILLED BY ELECTION AT THE NEXT REGULARLY SCHEDULED MEETING OF THE FOUNDATION'S BOARD.

XV. FINANCE COMMITTEE COMPOSITION.

AT THE SUGGESTION OF THE CHAIRMAN OF THE FINANCE COMMITTEE, MEMBERS OF THE SELC DISTRICT SHALL BE APPOINTED TO THE FINANCE COMMITTEE BY THE BOARD OF DIRECTORS OF THE FOUNDATION. THAT COMMITTEE SHALL CONSIST OF NOT LESS THAN THREE NOR MORE THAN FIVE MEMBERS. AT LEAST ONE MEMBER OF THE COMMITTEE SHALL BE A ROSTERED PASTOR OF THE SYNOD OTHER THAN THE PRESIDENT OF THE FOUNDATION. THE PRESIDENT OF THE FOUNDATION SHALL SERVE ON THE FINANCE COMMITTEE AS AN EX OFFICIO MEMBER AND NEED NOT BE SUGGESTED AS A MEMBER BY THE CHAIRMAN OF THE FINANCE COMMITTEE NOR APPOINTED BY THE BOARD OF THE FOUNDATION.

XVI. FINANCE COMMITTEE RESPONSIBILITIES,

THE FINANCE COMMITTEE SHALL BE CHARGED WITH TAKING CONTROL OF ALL ASSETS OF THE FOUNDATION AND SHALL ESTABLISH INVESTMENT GUIDELINES FOR THE MANAGEMENT OF THOSE ASSETS.

XVII. BOARD OF DIRECTOR'S RESPONSIBILITIES. THE BOARD OF DIRECTORS OF THE FOUNDATION SHALL ESTABLISH GUIDELINES FOR THE ACCEPTANCE OF GIFTS TO THE FOUNDATION AND

NO GIFT SHALL BE ACCEPTED BY THE FOUNDATION EXCEPT IN STRICT ACCORD WITH THOSE GUIDELINES. ANY GIFT PROPOSED TO BE MADE ANONYMOUSLY MAY BE DECLINED ON THAT BASIS ALONE. EXCEPT THAT A GIFT FROM A MEMBER OF THE SYNOD OR FROM A CONGREGATION OF THE SYNOD MAY NOT BE DECLINED SIMPLY ON THE BASIS THAT IT IS ANONYMOUS.

XVIII. REPORT OF GIFTS AT EACH MEETING OF THE BOARD OF THE FOUNDATION THE CHAIRMAN OF THE FINANCE COMMITTEE OF THE FOUNDATION SHALL ANNOUNCE ANY PROPOSED GIFTS TO THE FOUNDATION INCLUDING THE DETAILS OF THE GIFT, THE NATURE OF THE ASSET BEING PROPOSED TO BE GIVEN AND ANY RESTRICTIONS PROPOSED TO BE PLACED ON THE GIFT OR THE UTILIZATION OF THE PRINCIPAL OF THE GIFT AND ANY INCOME DERIVED THEREFROM.

XIX. CHIEF EXECUTIVE OFFICER THE PRESIDENT OF THE FOUNDATION SHALL BE ITS' CHIEF EXECUTIVE OFFICER AND SHALL HAVE AUTHORITY OVER ALL OF THE ACTIVITIES OF THE FOUNDATION. THE PRESIDENT SHALL BE AN EX OFFICIO MEMBER OF ALL COMMITTEES OF THE FOUNDATION.. ALL CONTRACTS FOR GOODS AND SERVICES TO BE PROVIDED TO THE FOUNDATION OR ON ITS BEHALF SHALL REQUIRE

THE SIGNATURE OF THE PRESIDENT OR IN HIS OR HER ABSENCE OR UNAVAILABILITY THAT OF THE VICE-PRESIDENT OF THE BOARD OF DIRECTORS OF THE FOUNDATION. THE PRESIDENT SHALL PRESIDE OVER ALL MEETINGS OF THE BOARD OF DIRECTORS OF THE FOUNDATION. IN HIS OR HER ABSENCE OR UNAVAILABILITY, THE VICE PRESIDENT OR IN ORDER, THE SECRETARY AND THE TREASURER, MAY PRESIDE OVER THE DELIBERATIONS OF THE BOARD.

XX. REPORT TO BOARD OF SELC. THE PRESIDENT OF THE BOARD SHALL REPORT TO THE BOARD OF DIRECTOR'S OF THE SELC DISTRICT AT EACH REGULARLY SCHEDULED MEETING OF THAT BOARD. THE CONTENTS OF THAT REPORT SHALL BE THE STATUS OF THE FOUNDATIONS ASSETS AS OF A CURRENT DATE AND THAT REPORT SHALL DETAIL THE RECEIPTS AND DISBURSEMENTS OF FUNDS TO AND FROM THE FOUNDATION AND THE DONOR OR RECIPIENT EXCEPT THAT AT THE REQUEST OF A DONOR A GIFT MAY BE IDENTIFIED AS ANONYMOUS.

XXI. DUTIES OF VICE PRESIDENT.

THE VICE PRESIDENT SHALL SERVE AS A REPLACEMENT FOR THE PRESIDENT IN ANY AND ALL CIRCUMSTANCES WHERE THE PRESIDENT REQUESTS SUCH SERVICE AND SHALL BE AVAILABLE TO FUNCTION AS CHIEF EXECUTIVE OF THE FOUNDATION IF REQUESTED TO SO FUNCTION BY THE PRESIDENT.

XXII. DUTIES OF SECRETARY.

THE SECRETARY SHALL MAINTAIN A RECORD OF ALL OF THE PROCEEDINGS OF THE FOUNDATIONS BOARD OF DIRECTORS AND SHALL BE THE CUSTODIAN OF THE BOOKS AND RECORDS OF THE FOUNDATION WHICH SHALL DETAIL GIFTS TO AND FROM THE

FOUNDATION. DETAILS OF SUCH GIFTS SHALL INCLUDING THE DONOR AND THE RECIPIENT OF ANY FUNDS OR OTHER ASSETS OF THE FOUNDATION. SUCH INFORMATION MAY ONLY BE DISCLOSED TO THE BOARD OF DIRECTORS OF THE FOUNDATION AND, WHERE REQUESTED BY A DONOR, ANY GIFT MAY BE RECEIVED ANONYMOUSLY IN SUCH AN EVENT THE NAME OF THE DONOR MAY NOT BE DISCLOSED TO THE BOARD OF THE FOUNDATION.

XXIII. DUTIES OF TREASURER.

THE TREASURER SHALL MAINTAIN THE FINANCIAL BOOKS AND RECORDS OF THE FOUNDATION AND SHALL BE CHARGED WITH THE REPORTING OF RECEIPTS AND DISBURSEMENTS TO THE BOARD OF THE FOUNDATION AND TO THE APPROPRIATE GOVERNMENTAL AUTHORITIES. THE TREASURER SHALL HAVE THE RESPONSIBILITY OF PREPARING OR SEEING TO THE PREPARATION OF SUCH REPORTS AND DOCUMENTS AS RELEVANT GOVERNMENTAL AGENCIES SHALL REQUIRE. AT EACH MEETING OF THE BOARD OF DIRECTORS OF THE FOUNDATION THE TREASURER SHALL REPORT TO THE BOARD THE STATUS OF ALL INVESTMENTS AND SUCH OTHER RELEVANT INFORMATION AS SHALL BE NECESSARY TO KEEP THE BOARD PROPERLY INFORMED AS TO THE FINANCIAL STATUS OF THE FOUNDATION

XXIV. COMPENSATION TO BOARD MEMBERS AND OFFICERS. NO BOARD MEMBER OR OFFICER OF THE FOUNDATION SHALL BE COMPENSATED IN ANY MANNER FOR THEIR SERVICES TO THE FOUNDATION EXCEPT FOR THE REIMBURSEMENT OF REASONABLE EXPENSES INCURRED BY THEM IN THE PERFORMANCE OF THEIR DUTIES AS SUCH. THE BOARD OF DIRECTORS SHALL

ESTBABLISH A POLICY ON THE REIMBURSEMENT OF TRAVEL AND EXPENSES TO BOARD MEMBERS AND OFFICERS.

XXV. OFFICER'S AND DIRECTOR'S LIABILITY INSURANCE. THE FOUNDATION SHALL PROVIDE AT ITS' EXPENSE OFFICER AND DIRECTOR LIABILITY INSURANCE COVERING- ALL OFFICER'S AND DIRECTOR'S IN THEIR PERFORMANCE OF THEIR DUTIES AS SUCH.

XXVI. INDEMNITY,
THE FOUNDATION AGREES TO INDEMNIFY ANY AND ALL OFFICER'S AND DIRECTOR'S FOR ANY LIABILITY INCLUDING REASONABLE ATTORNEY'S FEES INCURRED AS A RESULT OF THE PERFORMANCE OF SUCH DUTIES SO LONG AS THEIR PERFORMANCE IS NOT NEGLIGENT.

XXVII. ANNUAL AUDIT.
THE BOOKS AND RECORDS OF THE FOUNDATION SHALL BE SUBJECT TO AN ANNUAL- AUDIT UNDER THE SUPERVISION OF THE CHIEF FINANACIAL OFFICER OF THE SELC DISTRICT.

XXVIII. FINANCE COMMITTEE DUTIES, THE FINANCE COMMITTEE SHALL ESTABLISH:
A. INVESTMENT GUIDELINES AND AUTHORITY LIMITS
B. A PROHIBITED INVESTMENTS STATEMENT.

C. RESTRICTIONS ON BORROWING AND ON MARGIN ACCOUNTS
AND

D. RESTRICTIONS ON LOANS

AND SUBMIT THE SAME FROM TIME TO TIME FOR APPROVAL BY THE
BOARD OF DIRECTORS

XXIX. TERMS STAGGERED

TERMS OF THE BOARD OF DIRECTORS SHALL BE STAGGERED SO AS TO PROVIDE
CONTINUITY.

XXX. ETHICS AND CONFLICT OF INTEREST POLICY.

THE BOARD OF DIRECTORS SHALL ESTABLISH AN ETHICS POLICY AND A CONFLICT OF
INTEREST POLICY.

XXXI. STATE OF FORMATION AND STATE LAW GOVERNING. THE
FOUNDATION SHALL BE CONSIDERED FORMED IN THE STATE OF
PENNSYLVANIA FOR PURPOSES OF ESTABLISHING LAWS DEALING
WITH LEGAL CONFLICTS