

Minutes  
Special Meeting of the Leadership Council of  
Mt. Auburn Church, Inc.  
11-27-22

Members Present: Rev. Jeff Buck, Mark Rich, Mike Womack, Jeff Wright, Valerie Blessing, Kathy Heistand, John Thompson, Phil Howard, Anne Atzinger, and Rick Allison.

The meeting was held in Pastor Jeff's office. Council Chair Mark Rich called the meeting to order at about 10:10 am. He stated that the only item on the agenda for this special meeting is the approval of a Permanent Endowment Fund Charter for our new legal entity, Mt. Auburn Church, Inc.

Mike Womack explained the purpose of the proposed new charter is to create a financial vehicle to receive the funds we will transfer to it from the current Mt. Auburn UMC Endowment at the Special Called Charge Conference tomorrow night (Nov. 28).

Finance Chair, Jeff Wright, made the following motion:

"I move that the Leadership Council, in our capacity as the Board of Directors of Mt. Auburn Church, Inc., adopt the Permanent Endowment Charter previously distributed to the Leadership Council and attached to these minutes for the purposes stated in the Charter."

Valerie Blessing seconded the motion.

There was no discussion.

A vote was taken, and the motion passed unanimously.

Mark Rich closed the meeting at approximately 10:15 am.

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## Permanent Endowment Fund Charter

Established November 27, 2022

### Section 1: The Purpose

Mt. Auburn Church, Inc. was created to receive the assets of Mount Auburn United Methodist Church. The Permanent Endowment Fund of Mt. Auburn Church, Inc. ("Mount Auburn Church"), Greenwood, Indiana referred to in this document as the "Endowment Fund", is established for the purpose of:

- receiving the assets of the Permanent Endowment Fund of Mount Auburn United Methodist Church, and
- providing members and friends of Mount Auburn Church the opportunity to make charitable gifts to Mount Auburn Church that will become a permanent endowment of financial support and a living memorial. The Mount Auburn Church Endowment Fund ("Endowment Fund") is intended for purposes that are not a part of the church's established programs which are funded through the annual operating budget of the church and the regular giving of its members.

### Section 2: Administration

The Endowment Fund will be administered by the Endowment Fund Committee of Mount Auburn Church, hereinafter in this document referred to as the "Committee", under authority granted by the Charge Conference.

The members of the Committee shall include the Pastor, the Chairperson of the Committee on Finance, and at-large members numbering not more than twelve (12) and not less than three (3). The at-large members of the Committee shall be nominated by the Committee on Nominations and Personnel and shall be elected by the Charge Conference. The at-large members of the Committee shall be divided into three classes and will serve for staggered three-year terms, or until their successors have been elected. The Committee shall be a sub-committee of the Leadership Council.

The Chairperson of the Committee shall be nominated by the Committee on Nominations and Personnel from the at-large committee membership and shall be elected by the Charge Conference. The Committee shall elect a Secretary and such other officers and sub-committees as it deems necessary or prudent.

The Committee shall cooperate with the Leadership Council in assuring that an annual audit process consistent with the audit practice of Mount Auburn Church is followed. The Committee shall make a full report no less frequently than once each year to the Leadership Council.

### Section 3: Required Identification of Gifts to the Endowment Fund

Gifts to Mount Auburn Church shall be added to the Endowment Fund only if so specified by the donor at the time of the gift or if so directed by will or other gift document (such as a revocable or irrevocable trust). Gifts to Mount Auburn Church specified to be used for "endowment purposes", for "addition to the permanent fund", or using words of similar import shall be construed to be specified for addition to the Endowment Fund.

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In addition, surplus funds of Mount Auburn Church may be added to the Endowment Fund, if approved by a majority vote of a duly announced Charge Conference, at which a quorum is present, on recommendation of the Committee, and the Leadership Council of Mount Auburn Church.

## Section 4: Investment of Endowment Funds

The Endowment Fund's investment objectives are:

1. Conservation of principal for the effective maintenance of purchasing power.
2. Net earnings\* at a reasonable rate.
3. Growth of income and principle over and above that necessary to offset rises in the cost of living.

\*Net earnings mean gross earnings minus all expenses over a specific period of time. Net earnings can be positive or negative.

All gifts received by the Endowment Fund shall be invested through the establishment of one or more accounts with the United Methodist Foundation of Indiana, the United Methodist Loan and Savings Ministry of Indiana, or the Johnson County Community Foundation, with the investment approval of the Endowment Committee, or with one or more federally insured financial institutions.

The specific purpose of each account authorized by the Committee shall be stated in order to fulfill the wishes of the donor and thereby to segregate and maintain gifts for their stated purposes.

## Section 5: Change in Investment Policy

Any transfer of the Endowment Fund assets for investment with another financial institution, other than the United Methodist Foundation of Indiana, must be approved by a majority vote of a duly announced Charge Conference, at which a quorum is present, on recommendation of the Committee, and the Leadership Council of Mount Auburn Church.

## Section 6: Limitation on use of Historical Dollar Value

The objectives of the Endowment Fund are to conserve the historical dollar value and make use of only the net earnings from the Endowment Fund. Any part of historical dollar value may be withdrawn only in extreme and overwhelming circumstances, bordering on the survival of Mount Auburn Church itself. Any withdrawal of historical dollar value must be approved by a two-thirds (2/3) vote of the Charge Conference of Mount Auburn Church at which a quorum is present. Historical dollar value means the value in dollars of a fund at the time it became a fund plus each subsequent donation to the fund at the time it is made.

## Section 7: Distribution of Endowment Net Earnings

The net earnings of the Endowment Fund shall be distributed by the Committee as directed by the donors at the time of their gift or as directed by will or other gift document if such direction is in conformity with the general purposes set forth herein. If the use of the gift is undesignated, the net earnings shall be directed by the Leadership Council upon recommendation of the Finance Committee. Net earnings from designated gifts shall be directed to the designated purpose(s).

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## Section 8: Gifts to the Endowment Fund

Gifts to the Endowment Fund shall be classified by the Committee as "designated" or "undesignated" and then assigned to one of the following categories:

1. **Mission Fund** (for mission in and beyond the local church and community)
2. **Building Fund** (for maintenance, care, improvements, and construction of physical facilities)
3. **General Fund** (for special needs and ministries determined by the Leadership Council upon the recommendation of the Committee)
4. **Boy Scout Fund** (for special needs of the Boy Scout Troop and/or the Cub Scout Pack sponsored by Mount Auburn Church)

Undesignated gifts to the Endowment Fund shall be assigned to the undesignated fund. Net earnings from designated gifts shall be directed to the designated purpose(s).

**Additional categories may be established upon the recommendation of the committee by a majority vote of the Charge Conference, at which a quorum is present. No additional categories shall be submitted to the Charge Conference unless the additional fund will have an initial capitalization of at least Twenty-Five Thousand Dollars (\$25,000).**

The Committee shall have the authority and responsibility to accept or reject any and all gifts to the Endowment Fund in keeping with the authority granted by the Charge Conference.

All provisions of the Endowment Fund as to investment of funds and limitation of use of net earnings shall be applicable to both designated and undesignated gifts, and all gifts made to the Endowment Fund shall be accepted subject to the terms and limitations set forth in this document. Endowment donors shall be encouraged to make a gift of at least \$10,000.

## Section 9: Liability of Committee and Leadership Council members

No member of the Leadership Council of Mount Auburn Church or of the Committee shall be personally liable for any action made or omission with respect to the Endowment Fund, unless the action made or omission would violate the standard of care governing directors of Indiana not-for-profit corporations, Indiana Code 23-17-13-1 through 23-17-13-4.

## Section 10: Indemnification of Committee and Leadership Council members

The Endowment Fund shall indemnify the members of the Board of Trustees and the Committee for liabilities and expenses incurred in the administration of the Endowment Fund to the fullest extent authorized by Ind. Code 23-17-16-1 through 23-17-16-5.

## Section 11: Merger, consolidation, or dissolution of Mount Auburn Church

If at any time Mount Auburn Church is lawfully merged or consolidated with any other church, all the provisions hereof in respect to the Endowment Fund shall be deemed to have been made on behalf of the merged or consolidated church which shall be obligated to administer the same in all respects and in accordance with the terms thereto. If Mount Auburn Church should ever be dissolved without any lawful successor thereto, the Endowment Fund, including both principal

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and earnings to date, shall be transferred or conveyed to one or more corporations, societies, or organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, and are engaged in activities substantially similar to those of Mount Auburn Church. This distribution shall be done pursuant to a plan by the Leadership Council.

## Section 12: Amendments

Amendments to the Endowment Fund may be made only by two-thirds (2/3) vote at a duly announced Charge Conference of Mount Auburn Church at which a quorum is present.

## Section 13: Severability

If any provisions or any application of any provisions of the Endowment Fund shall be held or deemed to be or shall be illegal, inoperative, or unenforceable, the same shall not affect any other provisions or any application of any provisions herein contained or render the same invalid, inoperative, or unenforceable.

----- THERE ARE NO OTHER SECTIONS TO THIS CHARTER -----

## Certification

Having been duly approved by the Board of Directors of Mount Auburn Church (the "Leadership Council") at a meeting of the Leadership Council on November 27, 2022, this Permanent Endowment Fund Charter of Mount Auburn Church, is effective immediately.



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Mark Rich, Chair



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Melissa Truelove, Recording Secretary