

Trinity Evangelical Lutheran Church of Prince George's County Church Constitution By-Law Number IV - Designated Funds

Designated Funds shall be used to identify financial resources collected and subsequently disbursed for the purpose of effecting extraordinary projects, benevolent pursuits, special missions, and expenditures that are not characteristically incorporated in the Church's annual budget.

(A) Establishing Designated Funds

Designated Funds for any purpose shall be established by a majority vote of the Trinity Evangelical Lutheran Church Council. No fund shall be considered an authorized Designated Fund of the church until the Church Council has voted upon and affirmed that a Designated Fund has been established.

Once a Designated Fund has been established, the Church Council shall ensure that appropriate announcements are made in order to inform the congregation that the Designated Fund has been authorized. The announcements shall include an explanation of the purpose of the Fund, as well as any pertinent details such as a desired financial goal, the period of time that funds will be collected, the means by which congregation members may contribute to the Fund, and whether excess collected funds will be applied toward a secondary purpose. If a secondary application is declared for the use of excess collected funds, the declared secondary application shall be closely related to the original purpose of the Designated Fund.

In order to accommodate special objectives and permit a Designated Fund to remain active for a prolonged time period, the Church Council may elect to extend beyond two years the condition that determines when a Fund is considered idle and obsolete under By-Law Section (D). If the Church Council determines to extend the two year condition for any specific Designated Fund, the Council will denote at the time that the Designated Fund is established, the applicable time period by which that specific Fund will be measured in order to consider the Fund idle and obsolete under Section (D). All other provisions of Section (D) will apply to the specific fund.

No Designated Fund will be established without a time period by which the Fund will be measured in order to determine when the Fund is considered idle and obsolete under By-Law Section (D). All provisions of Section (D) will apply to any Designated Fund that is not specifically excepted by the Church Council acting under the preceding paragraph.

(B) Congregation Offerings

By-Law Section (A) stipulates that Trinity Evangelical Lutheran Church congregation members will be notified regarding the means by which offerings may be made to an established Designated Fund. Congregation members recognize that a financial offering presented to the church that is denoted for a purpose other than that of an established Designated Fund is not guaranteed to be utilized for the denoted purpose. If the Church receives any such offerings, the Financial Secretary or Church Treasurer will advise the Church Council of the offering and its requested purpose. The Church Council will consider the denoted purpose only as a proposal, and will deliberate the merit of establishing a Designated Fund for the denoted purpose. However, the Church Council is not bound to authorize or establish a Designated Fund, and congregation members acknowledge that they surrender control over the use of funds offered to the church.

Financial offerings presented to the Church as memorials shall be applied toward obtaining articles that are dedicated to enriching Trinity's worship services. Examples of these articles include furnishings and textiles for the altar, chancel, or nave, communion service ware, altar books, lectionaries, pew Bibles, and hymnals.

(C) Excess Collected Funds

In order that the congregation remains faithful to its stewardship of God's resources, any funds remaining at the conclusion of the event(s) for which a Designated Fund was established will be dispensed in the following manner:

- 1) Remaining funds will be applied toward any specific secondary purpose that was declared at the time that the Designated Fund was established.
- 2) If no specific secondary purpose was previously declared, remaining funds will be transferred to Trinity's Special Missions Designated Fund, and will be offered to the current calendar quarter's designated mission.
- 3) If Trinity does not have a Special Missions Designated Fund at the time that remaining funds are dispensed, remaining funds will be transferred to Trinity's Mission Family Designated Fund.
- 4) If Trinity does not have a Mission Family Designated Fund at the time that remaining funds are dispensed, remaining funds will be transferred to Trinity's Needy Family Designated Fund.
- 5) If Trinity does not have a Needy Family Designated Fund at the time that remaining funds are dispensed, remaining funds will be delivered 50% to the Lutheran Mission Society and 50% to the Bowie Food Pantry.

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- 6) If the Lutheran Mission Society and/or the Bowie Food Pantry are not legitimate entities at the time that remaining funds are dispensed, the Church Council shall designate a charitable entity to receive the remaining funds.

(D) Idle / Obsolete Funds

In order that the congregation remains faithful to its stewardship of God's resources, any Designated Fund that remains idle of financial activity for a period of two consecutive calendar years will be considered obsolete, and the residual balance of the Fund will be dispensed in accord with the schedule provided in By-Law Section (C). Financial activity will be considered idle, if for the two-year period, there are no expenditures from the Designated Fund to provide evidence that the Trinity congregation still considers the Fund's purpose to be a resolute endeavor.

After appropriate review of the financial records and at least thirty days prior to a Designated Fund becoming obsolete, the Church Treasurer shall advise the Church Council of the Fund's impending obsolete status.

The following process may be effected in order to extend for an additional two years the duration of an otherwise obsolete Fund:

- 1) The Church Council recommends to a meeting of the Voter's Assembly that the duration of the applicable Fund be extended, citing that the Fund will otherwise be discontinued and dispensed as an obsolete fund under By-Law Section (D).
- 2) A vote for or against the Council's recommendation to extend the Fund is requested at the same Voter's Assembly meeting.
- 3) A two-thirds (2/3) majority of the registered voters attending the Voter's Assembly meeting vote in the affirmative to extend the duration of the Fund.

(E) Record Keeping

Designated Fund offerings shall be recorded on the weekly Offering Tally prepared by the offering counters, with appropriate notation to identify the Designated Fund. The Financial Secretary shall be responsible for recording Designated Fund offerings to congregation members' offering records. The Church Treasurer shall record Designated Fund offerings and expenditures to the general ledger, in accounts that provide for the Treasurer to effectively identify specific Fund transactions. The Church Treasurer shall provide a schedule of active Designated Funds and their respective balances at regularly scheduled Church Council meetings and Voter's Assembly meetings.

(F) Existing Designated Funds

Any funds existing on Trinity Lutheran Church's financial records that are classified as "Designated Funds" at the time that the Voter's Assembly adopts this By-Law shall be considered to be Designated Funds authorized by the Church Council as stipulated in By-Law Section (A).

For the purpose of dating and evaluating Existing Designated Funds under the idle and obsolete funds rules provided in By-Law Section (D), each Existing Designated Fund shall be regarded as a new fund on the date that the Voter's Assembly officially adopts the By-Law. For each Existing Designated Fund, the "idle of financial activity for a period of two consecutive calendar years" condition in Section (D) shall be calculated beginning with the date that the Voter's Assembly officially adopts the By-Law.