

First Presbyterian Church of Lincoln, Nebraska

Foundation Policies and Procedures

Preamble

Christian stewardship is the awareness that everything we have is a gift from God. We are absolute owners of nothing. Rather, we are stewards of all we receive, and we must use such resources wisely in our life-long calling of service in the Kingdom of God. Stewardship may be expressed in short-term and long-term ways. When we understand our Christian identity to include being stewards of the gifts of God, this heightens our awareness of our responsibility to respond to God joyously and generously.

Purpose

The First Presbyterian Church Foundation (“Foundation”) is established to offer members and friends of First Presbyterian Church (“Church”) the opportunity to leave a legacy of faith for future generations. It is intended to enhance the Church’s ministry and witness to the love of God in Jesus Christ. It is separate from the annual appeal for general worship offerings, specific-purpose offerings, and capital or building funds appeals. The Foundation seeks to attract a full range of giving options, including cash, securities, real and personal property, life insurance, and life income plans (annuities, trusts, pooled funds, etc.).

The Foundation is a separate 501(c)(3) corporation and although the members of the Church’s congregation are also members of the Foundation, the Session of the Church has no authority over the Foundation. The Foundation is governed by its own elected board. At the request of the Session of the Church, the Foundation may manage the investment of the funds of the Church.

I. Gifts

- A. General.** The Foundation is authorized to receive, to accept, to transfer gifts by way of donation, gift, bequest, memorial, or devise, which gifts to be held, invested, and distributed in accordance with the provisions herein. However, the Foundation may decline acceptance of any gift, and no donation of any kind shall be accepted if it is conditioned or restricted in such a way that will require the disposition of its income or its principal in a manner that is contrary to the mission of the Church. Unless otherwise restricted in the language of the gift or by any written agreement between a donor and the Foundation, the word “income” as used in these Policies and Procedures shall be defined to include all interest, dividends, other distributions, and the appreciation in value of the investments held by the Corporation. December 31, 2011, was used as the cutoff date for purposes of determining the principal balance of Unrestricted Funds and all Restricted Funds (the “Book Value”). The increase in value of the Restricted Funds after December 31, 2011 (excluding any gifts received after December 31, 2011) will

be considered Income. The Treasurer shall compute the Book Value and provide the computation that will be included in the minutes of the Foundation.

B. Unrestricted Gifts. Unrestricted gifts made to the Foundation may be added to, and merged with, other unrestricted gifts held by the Foundation, and the funds and properties so merged shall be held and administered as single or multiple funds, according to the action of the Foundation. The management of our unrestricted gifts shall be included in the Foundation's reports to Session. Gifts to the Foundation which are not restricted by the donor for a special purpose shall be placed in the Foundation General Unrestricted Fund, the principal of which shall not be expended without approval of a majority of the members of the Foundation present at any regular or special meeting.

C. Restricted Gifts. A gift, bequest, devise, interest in trust or property of any kind may be transferred to the Foundation for a restricted purpose subject to acceptance by the Foundation. The Foundation may accept a gift for any purpose which is generally in keeping with the mission of the Church and in keeping with the religious and charitable purposes of the Presbyterian Church (U.S.A.). A gift shall not be accepted which the Foundation determines does not have the economic potential to achieve its designated purpose. Restricted gifts, upon receipt, shall be maintained and administered by the Foundation in accordance with the donor's wishes. In the event that (1) an object or purpose for which a gift is accepted fails or becomes impossible of performance, or (2) upon a positive vote of a majority of the members of the Foundation Board, that an object or purpose for which a gift is made has ceased to be in keeping with the mission and purposes of the Church, then and in either event, such gift shall cease to be held for such restricted purpose and shall thereafter be held by the Foundation for unrestricted purposes.

II. Opportunities for Unrestricted Giving

The following funds are hereby established, and may be added to by gift, bequest, or devise. Additional funds for restricted purposes may be established upon recommendation of the Foundation.

- A. The General Unrestricted Fund.
- B. The Building and Major Capital Improvements Fund
- C. The Faith Formation Fund
- D. The Worship and Music Ministry Fund
- E. The Justice and Mission Fund

III. Named Funds

Funds may be named for persons and established upon recommendation of the Foundation,

provided the gift shall be in an amount of not less than \$50,000.00, shall have the permission of the donor or legal representative, shall state the purpose clearly, and shall meet the criteria for restricted gifts if it is to be a restricted fund.

IV. Investments

- A. Objectives.** The Foundation shall establish long-term financial objectives for each fund created by these Policies and Procedures. Objectives shall align with the Foundation's Investment Policy Statement of June 22, 2017, or as amended.

- B. Professional Advice.** The Foundation may use the services of registered investment advisors, certified public accountants, attorneys, the Presbyterian Church (U.S.A.) Foundation, and others, in the administration of the Foundation.

- C. Commingling of Principal.** The Foundation may, but need not, commingle the principal of funds for the purpose of securing a higher rate of return; provided, however, that accurate records are kept by the Foundation of the amounts of principal and accrued interest of each of the funds, and that the approved restrictions as to use of funds is respected.

- D. Accrual of Income.** The income from all funds may be permitted to accumulate from year to year, according to the fund objectives, current needs, and per action of the Foundation.

- E. Year end.** The fiscal year end for all funds of the Foundation shall be December 31st.

V. Distributions

- A. All Requests for Distributions to Come From the Session.** Any requests for funds from the Foundation shall be submitted to the Stewardship and Finance Committee for their recommendation, sent to the Session for approval, and then forwarded to the Foundation for distribution.

- B. Annual Percentage.** The Foundation shall designate annually an amount or percentage of the income to be made available from the Foundation to the Session for the use of the Church (or as may be permitted by the language of the donor of a restricted account) based upon the Foundation's investment policy. Any income designated to and not distributed to the Church shall be held by the Foundation pending further request from the Session to the Foundation.

- C. Distribution of Income.** Any interest or other income from unrestricted, or restricted,

funds may be expended by the Foundation according to the provisions and objectives of each fund. Any interest or other income which is unexpended as of the end of the fiscal year, following the fiscal year in which it was received, shall be added to the principal and made a part thereof, unless Foundation acts to accrue income according to the long-term objective of the fund.

VI. Financial Reports

- A. Financial Reports.** The Foundation shall provide its minutes and quarterly financial reports to Session.

- B. Foundation Report to Congregation.** The Foundation shall make an annual summary report to the members of the Church congregation regarding the financial status of the Foundation, its funds, and shall invite additional participation by generous and visionary members and friends of the Church.

- C. Annual Audit.** An Annual Financial Report shall be provided to Session by the Foundation's investment firm.

VII. Amendment and Irrevocability

This document may be amended at any time by the Board of Directors of the Foundation, upon a majority vote of the Board members present at a meeting where amendment of the Policies and Procedures has been stated as part of the prior released agenda. Notwithstanding, no such amendment shall permit any part of the Foundation to be held, administered, or distributed for any purpose other than to expand and/or sustain the mission and ministries of the Church or the Presbyterian Church (U.S.A.). No such amendment or other action shall result in the termination of the Foundation as constituted herein. No such amendment or action shall be made retroactively.

VIII. Longevity of the Foundation

It is important to understand that the Foundation is a separate legal entity, incorporated under the laws of the State of Nebraska. While incorporated and established for the benefit of the Church, it is a totally separate corporation, with different officers and bylaws. All members of the Church are members of the Foundation. If the time ever comes to dissolve the Foundation, different options would be presented to the members of the congregation, and they would determine by majority vote of the members present at any regular meeting, or at a special meeting of the members, provided notice of the proposed amendment be contained in the notice of such special meeting.

These Policies and Procedures were adopted by the Foundation on ____ day of _____2024.