

THE

J. C. BUTTON

ENDOWMENT FOUNDATION

OF

THE RIDGEFIELD-CRYSTAL LAKE

PRESBYTERIAN CHURCH

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TABLE OF CONTENTS

Who was J. C. Button?	2
Mission Statement	2
Goal	3
Definition of Terms	3
Responsibilities	3
Organizational Structure	4
Amendments	5
Gift Acceptance Policy	5
Investment Policy	7
Distribution Policy	8
Expenses	8
Appendix A-Donor Bill of Rights	9
Appendix B- Accounts	9

WHO WAS J. C. BUTTON?

Mr. Joseph Clark Button, a faithful member of RCLPC for 72 years, joined our church in 1844. Mr. Button was an Elder who supported the church with his time and finances until the time of his death in 1916. He authored the first “The History of the Church.”

Mr. Button bequeathed \$3,000 to RCLPC at the time of his death in 1916. His generosity and good business judgment provided income to our church from 1916 to 1996.

Mr. Button was our first member to support ministries for future generations and in his honor, all charitable endowment contributions to RCLPC will be placed in The J. C. Button Endowment Foundation.

MISSION STATEMENT

The J. C. Button Endowment Foundation was created by the RCLPC Session for the purpose of providing members and friends of the church the opportunity to make

charitable contributions for the long term financial support of the church, its programs, ministries, and as a living memorial.

GOAL

The goal of The J. C. Button Endowment Foundation is to raise an initial fund of \$3,500,000 by 2021, creating a strong financial base and a more secure future for our church.

DEFINITION OF TERMS

Many terms are used throughout these By-Laws. It is important that all who read it understand the meanings of these words or phrases.

RCLPC-The acronym of The Ridgefield-Crystal Lake Presbyterian Church is used in place of the longer, formal and legal name.

FOUNDATION GROUP-The people who were selected by the Stewardship Team to initiate an endowment foundation, and develop its purpose and policies.

THE J. C. BUTTON ENDOWMENT FOUNDATION-The name of an entity created to receive, hold, and distribute gifts for The Ridgefield-Crystal Lake Presbyterian Church, also known as The Foundation. The Foundation has several named accounts.

ENDOWMENT GROUP-The people who will be charged with the administration of the policies and performance of The J. C. Button Endowment Foundation.

ENDOWED GIFTS-A gift to The Foundation from which, ordinarily, only the income is distributed. Gifts that a donor chooses to be available for use by the Session at its discretion should be made to the attention of the Church Treasurer.

DESIGNATED GIFTS-The donor may determine the purpose of the gift. The Endowment Group will be responsible for redirecting the gift if, in its best judgment, it does not anticipate the funds will be needed for the original specified purpose

RESPONSIBILITIES

The J. C. BUTTON Endowment Foundation was created by the RCLPC Session for the purpose of providing members and friends of the church the opportunity to make charitable contributions for the long term financial support of the church, its programs, ministries, and as a living memorial.

The Session is responsible for The J. C. Button Foundation, including the operation and use of the assets.

The Endowment Group is responsible for the day-to-day administration. These responsibilities include:

1. Marketing The Foundation and providing explanations of giving opportunities and methods.
2. Accepting gifts in accordance with the-By-Laws of The J. C. Button Endowment Foundation, acknowledging these gifts and assigning them to the proper accounts in accordance with the wishes of the donors.
3. Investing the assets with primary emphasis on safety of principal, income and growth.
4. Distributing assets according to the By-Laws of The J. C. Button Endowment Foundation.
5. Making reports, at least annually, of the financial results of The Foundation.
6. Arranging for an annual financial review of the operation of The ~~endowment~~-Foundation.
7. Maintaining the records necessary to properly administer the assets and distributions of The Foundation and to comply with IRS requirements.
8. Emphasizing the value of estate planning and wills for adults of all ages.

ORGANIZATIONAL STRUCTURE

The Endowment Group normally consists of seven (7) persons.

1. Four individuals from the congregation selected by the Session Nominating Committee or nominated from the floor at a congregational meeting and elected by the Congregation.
2. A member of the Session selected by the Session.
3. The Pastor
4. The Church Treasurer

The term of each member of the Endowment Group, other than the Pastor, the Treasurer, and the Session member, will be for three (3) years or fraction thereof and may be elected for a second 3-year term. Elected members may not serve more than

two (2) consecutive terms. The term of an elected member ends when a replacement is elected. There is no installation ceremony required.

The Nominating Committee will assign terms of 1, 2, or 3 years to the four (4) members initially elected by the congregation.

The Chairperson of the Endowment Group will be elected annually by the members of the Group from among the persons elected by the Congregation to serve for one year or until a replacement is elected. The Chairperson will be limited to 3 consecutive 1 year terms.

In the absence of gross negligence or fraud, no member of the Endowment Group of The Ridgefield-Crystal Lake Presbyterian Church shall be liable for any action made or omitted with respect to The J. C. Button Endowment Foundation.

A member of The J. C. Button Endowment Group is expected to maintain the highest level of public confidence and accountability. To that end, Group members will:

1. Conduct their activities in a way that does not advance or protect their own interests or the private interest of others with whom they have a relationship.
2. Conduct their activities in a manner that best promotes the interest of The J. C. Button Endowment Fund.
3. Abstain from voting on matters that may impact or protect their own interests or the private interests of others with whom they have a relationship and disclose any relationship to the Endowment Group.

AMENDMENTS

The Session may amend these By-Laws, if necessary, by a vote of 80% of the Session members.

Amendments to the By-Laws of The J. C. Endowment Foundation must be voted on and approved by the Congregation and the Corporation.

GIFT ACCEPTANCE POLICY

INTRODUCTION

The J. C. Button Endowment Foundation wishes to encourage special giving to support its mission and goals and to be able to respond quickly to gifts by prospective donors. This policy is intended to provide guidance for both donors and RCLPC representatives in the acceptance of gifts. Some gift situations can be complex and acceptances should only be made after careful consideration. Therefore, this policy requires that the Endowment Group consider the merits of each gift and its ability to further the mission of RCLPC prior to recommending that the Session or its designees accept or decline the gift.

DIRECT GIFTS

CASH OR CHECKS

1. Gifts in the form of cash shall be placed in an envelope with The J. C. Button Foundation and the donor's name written on it.
2. Checks should not be made payable to an employee, agent, or volunteer of RCLPC.
3. All checks must be made payable to The RIDGEFIELD-CRYSTAL LAKE PRESBYTERIAN CHURCH and notated for The J. C. Button Endowment Foundation.

SECURITIES

1. Gifts in the form of publicly traded securities will be recommended for acceptance by the Session if they are traded on the major stock exchanges. The disposition of the securities will be at the discretion of the Endowment Group.
2. Gifts in the form of non-publicly traded or closely held securities will be evaluated by the Endowment Group and a recommendation made to the Session for approval.

REAL PROPERTY

Gifts of real property will be evaluated by the Endowment Group and a recommendation made to the Session for their approval.

TANGIBLE PERSONAL PROPERTY

1. Gifts of tangible personal property (jewelry, artwork, collections, and other personal property) will be evaluated for salability and holding costs. An opinion of the advisability of accepting the gift will be made to the Session.
2. Gifts with an estimated value in excess of \$5,000 will require an appraisal by an appraiser acceptable to the Endowment Group at the donor's expense. The appraiser(s) shall have no business dealings or other relationship to the donor.

DEFERRED GIFTS

GENERAL POLICIES

1. RCLPC, The J. C Button Endowment Foundation, and any of their agents shall not act as a Personal Representative of a donor's estate.
2. RCLPC, The J. C, Button Endowment Foundation, and any of their agents shall not act as a Trustee or co-Trustee of a Charitable Remainder Trust.
3. Members and friends of RCLPC are encouraged to name The J. C. Button Endowment Foundation of The Ridgefield-Crystal Lake Presbyterian Church to receive all or a portion of the benefits of life insurance.
4. Gifts in the nature of Charitable Remainder Trusts, Charitable Gift Annuities, Pooled Income Funds, Life Estate Trusts, and other forms of planned giving not included in number 1,2, and 3, above, shall be referred to The Presbyterian Foundation for management for the benefit of The J. C. Button Endowment Foundation of The Ridgefield-Crystal Lake Presbyterian Church.

BEQUESTS

1. Members and friends of RCLPC are encouraged to name The J. C. Button Endowment Foundation of The Ridgefield-Crystal Lake Presbyterian Church in their wills.
2. Bequests in the nature of securities, real property and tangible personal property will be subject to the same provisions as indicated in the sections labeled SECURITIES, REAL PROPERTY, and TANGIBLE PERSONAL PROPERTY, section 1 and 2, above.
3. The Endowment Group will determine if there are any special circumstances or contingencies involved with the bequest to honor them.

PAYMENT OF FEES

1. No fees will be paid as consideration for directing a gift to RCLPC or The J. C. Button Endowment Foundation except for Session-approved fund raisers.

2. The J. C. Button Endowment Foundation will pay reasonable fees for professional services rendered in connection with the completion of a gift and with the approval of the donor.
3. The J. C. Button Endowment Foundation will be responsible for legal and advisory professional expenses of the Foundation.
4. In cases where the donor has employed persons to perform professional services in connection with the gift and asks the church to reimburse the fees involved, the donor shall be notified that the payment of such fees may reduce the income tax deduction by the amount of the fees.

INVESTMENT POLICY

1. The primary goal of The J. C. Button Endowment Foundation is the preservation and safety of the capital it holds. Income generation and growth are secondary goals.
2. All securities held must be listed on the major US exchanges. This will allow the Session or any stake-holder to readily determine the present value of the investments. The investment vehicles may include money market funds, dividend paying stock funds or exchange traded funds (ETF"s), bond funds or ETF's, international funds or ETF's, and index funds or ETF's.
3. Investments may be the listed securities of companies such as dividend paying stocks and investment grade bonds. They may also be invested in mutual funds or exchange traded funds (ETF's) of these securities, as well as US Government bills, notes, and bonds or mutual funds or ETF's of these securities. No more than 5% of The Foundation's assets may be in any one security other than U. S. Government securities.
4. Mutual fund and ETF selection will be reviewed by the Endowment Group at least annually and changed, if appropriate. Fees for mutual funds and ETF's must be taken into consideration as these can impact the performance of these instruments.
5. The Foundation will have at least one brokerage account for the purpose of holding securities it feels serve the goals listed in number 1, above.

DISTRIBUTION POLICY

The distribution of up to 70% of the prior year's income and, where appropriate, amounts from endowed principal, are intended to enhance the church's ministries and not for normal operating expenses of the church.

Each year the church will have up to 70% of The J. C. Button Endowment Foundation's investment income from the prior calendar year, for each account, available for distribution that furthers the purpose of that account. Distributions are to be coordinated by the Session. The income from the Building Account will not be included in the income available for disbursement annually.

In the event more than 70% of the prior year's investment income is needed or to distribute principal, a vote of 80% of the members of the Session is required.

If at any time The Ridgefield-Crystal Lake Presbyterian Church is lawfully merged or consolidated with any other church, all the provisions hereto in respect of The J. C. Button Endowment Foundation shall be deemed to have been made in 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 The Ridgefield-Crystal Lake Presbyterian Church should ever be dissolved without any lawful successor thereof, The J. C. Button Endowment Fund, including both principal and interest to date shall revert to the next higher council of the PCUSA.

EXPENSES

Expenses incurred by The Foundation incident to its operation will be paid from the bank account of The Foundation or from cash reserves in its brokerage account(s). Expenses incurred in managing, maintaining or operating The Foundation as a whole shall be borne by the Operating Account. If the balance in the Operating Account is not sufficient to cover such expenses, they shall be borne proportionately by all accounts of The Foundation and be a reduction of the income amounts which would otherwise be made available for distribution. Expenses incurred in managing or maintaining an investment or asset specific to one account shall be borne by that account

In the event The Foundation has insufficient funds in its accounts to pay the bills due, it may borrow funds needed from an account specified by the Session. Such borrowings should be requested by the Endowment Group, in writing, from the Session and the Session should vote to loan the money and designate the account. The Treasurer, in conjunction with an Elder appointed by the Session, will be responsible for arranging the repayment from The Foundation.

APPENDIX A

DONOR BILL OF RIGHTS

Stewardship is based on voluntary action and is a tradition of giving and sharing that enhances the quality of life. All donors to The J. C. Button Endowment Foundation have these rights:

1. To be informed of the church's mission and the way the church intends to use the donated resources.
2. To be informed of the identity of those serving on the boards of RCLPC and The J. C. Button Endowment Foundation and to expect them to exercise prudent judgment in their stewardship responsibilities. All members of the Endowment Group will be bonded.
3. To have access to The Foundation's financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive acknowledgement and recognition, when desired.
6. To be assured that information about their donation is handled with respect and with confidentiality.
7. To be assured that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the church, or hired fund raisers.
9. To feel free to ask questions when making a donation and to receive prompt and forthright answers.
- 10.** To have all information obtained from or about a donor be held in strictest confidence. The name, amount, or the conditions of any gift, shall not be made known without permission of the donor and/or beneficiary, in writing.

APPENDIX B

ACCOUNTS

The Mission Account

The Mission Account is for initiating, furthering, and expanding mission works in the local community and the world. Contributions to this account are endowed. It is intended that the principal remain in the account unless the Session determines that it is needed to accomplish the purposes of this account. Up to seventy per cent (70%) of the prior year's income from this account will be available to the Session for mission purposes. In the event more than 70% of the prior year's investment income is needed or to distribute principal, a vote of 80% of the members of the Session is required.

The Music Account

The Music Account is to support the music program for expenses that are over and above the amount budgeted by the Session. It is intended to provide funds for such things as extra musicians in support of the choir, concerts by visiting musicians, equipment and instruments, etc. Contributions to this account are endowed. It is intended that the principal remain in the account unless the Session determines that it is needed to accomplish the purposes of this account. Up to seventy per cent (70%) of the prior year's income from this account will be available to the Session for music related purposes. In the event more than 70% of the prior year's investment income is needed or to distribute principal, a vote of 80% of the members of the Session is required.

The Education Account

The Education Account is to provide educational experiences and curricula for members and friends of the church and to support community efforts to improve educational opportunities for the less advantaged. Contributions to this account are endowed. It is intended that the principal remain in the account unless the Session determines that it is needed to accomplish the purposes of this account. Up to seventy per cent (70%) of the prior year's income from this account will be available to the Session for education purposes. In the event more than 70% of the prior year's investment income is needed or to distribute principal, a vote of 80% of the members of the Session is required.

The Building Account

The Building Account is to provide funds for capital projects, including a new church building, major remodeling, repairs for energy efficiency or building preservation that exceed the capability of the Session budget, improvements to the property, and property acquisition, if that is deemed by the Board of Trustees to be in the best interest of the church. Contributions to this account are endowed. It is intended that the **principal and income will remain in the account unless** the Session determines that it is needed to accomplish the purposes of this account. Therefore, the income from this

account **will not** be made available to the Session annually. The session may draw on this account when 80% of the Session votes to do so.

The Church Life Account

The Church Life Account is to provide funds for uses not specified in other designated accounts. Uses may include major office equipment purchases or leasing, software, other system enhancements or other items to benefit church life. It is intended that the principal remain in the account unless the Session determines that it is needed to accomplish the purposes of this account. Seventy per cent (70%) of the prior year's income from this account will be available to the Session for church life related purposes. In the event more than 70% of the prior year's investment income is needed or to distribute principal, a vote of 80% of the members of the Session is required.

The Undesignated Account

The Undesignated Account will receive gifts which the donor intends to be endowed but for which the donor did not indicate a specific purpose. Contributions to this account are endowed. It is intended that the principal remain in the account. Up to seventy per cent (70%) of the prior year's income from this account will be available to the Session for transfer to the Operating Account or for expenditures related to the purposes of the Mission, Music, Education, Building, or Church Life Accounts. In the event more than 70% of the prior year's investment income is needed or to distribute principal, a vote of 80% of the members of the Session is required.

The Operating Account

The Operating Account is to provide funds for the expenses of managing, maintaining or operating The J. C. Button Endowment Foundation. **Contributions to the account are not endowed.** The Endowment Group, in discharging its responsibility for day-to-day operation of The Foundation, will draw upon the Operating Account as necessary to fund the expenses of managing, maintaining and operating The Foundation.