

**ARTICLE VIII
WEST VALLEY PRESBYTERIAN CHURCH FOUNDATION**

Section 1 NAME AND FISCAL YEAR

There shall be established as a part of this Church and under its corporate structure a unit which shall be known as the WEST VALLEY PRESBYTERIAN CHURCH FOUNDATION, hereinafter referred to as the Foundation. The fiscal year of the Foundation shall be January through December.

Section 2 PURPOSE

Section 2-a The purposes for which the Foundation is established are (a) to accumulate and manage specially contributed gifts as endowments or other types of funds to support the needs of the West Valley Presbyterian Church in perpetuity, (b) to challenge the people of God with the privilege of responsible Christian stewardship of money, (c) to acknowledge and thank donors, and (d) to familiarize Covenant Partners with methods for giving bequests, annuities, endowments and other gifts, beyond current tithes and offerings.

Section 2-b A specially contributed gift to the West Valley Presbyterian Church (WVPC) Foundation is defined as a voluntary transfer of assets (whether real, personal, stocks, bonds, or other financial instruments) by a donor (or group of donors) to effect a charitable purpose. These Foundation gifts are not the same as regular giving by Covenant Partners and other friends of the congregation in the form of tithes, offerings, and periodic gifts to support the individual departments of the Church such as Buildings and Grounds, Christian Education, etc, which are not received by the Foundation. Rents and facilities use fees are not gifts, and are not received by the Foundation. Gifts to the Foundation shall be managed by its Board of Managers according to the policies spelled out in the Bylaws.

Section 3 THE BOARD OF MANAGERS

Section 3-a There shall be a Board of Managers ("BOM") consisting of seven (7) who shall conduct, manage, and control the affairs and business of the Foundation; and make rules and regulations therefore not inconsistent with the law, the Articles of Incorporation and By-Laws of the West Valley Presbyterian Church. The Board shall at all times be subject to the review and oversight of the Session of West Valley Presbyterian Church.

Section 3-b The Board shall nominate one of their managers to serve as a member of the Commission for Administration, or other administrative committee as designated by Session.

Section 4 MEMBERSHIP

Section 4-a The BOM shall select their own successors who must be active Covenant Partners of West Valley Presbyterian Church.

Section 4-b At no time may more than two (2) members of the Session also be managers of the BOM.

Section 4-c The Pastor/Head of Staff shall be an ex-officio member of the BOM.

Section 4-d Managers shall not be "disqualified persons in control" as defined by the Internal Revenue Code.

Section 5 TERM OF OFFICE

Section 5-a The initial term of office of each manager of this BOM shall be for five (5) years. The term will expire at the end of fifth (5th) calendar year of the expiring term. Successors for managers whose term of office expires at the end of the calendar year shall be elected at the last meeting of the BOM in the calendar year .

Section 5-b A manager may be elected to succeed himself in office, for a term not less than one (1) year and not more than five (5) years but shall not serve more than ten (10) years consecutively. A manager may be returned to office after the expiration of one year.

Section 5-c A manager may be removed from office, by the vote of a majority of the entire BOM and approval of the Session.

Section 5-d All elections of the BOM shall be subject to the approval of Session.

Section 6 QUORUM

A majority of the members of the Board of Managers shall constitute a quorum for the transaction of business.

Section 7 VOTING AND VACANCIES

Each manager of the BOM shall be entitled to one vote. A vacancy because of death, resignation, removal, disqualification or otherwise, shall be filled by an election held by the remaining managers of the BOM. A successor manager so elected shall serve out the term of the predecessor, and be eligible for election for a subsequent term or terms, as long as the total number of years served does not exceed ten (10) years.

Section 8 POWERS AND DUTIES

Section 8-a Notwithstanding the powers and duties granted to the Board of Trustees and corporate Board of Directors under Article III of these By-Laws, there shall be granted to the BOM the following powers and duties relating to the Foundation under their control:

1. To receive property by devise or bequest, and otherwise acquire, invest, and hold property, real and personal, including stocks, bonds, and all other securities, and assets, other than annual tithes, offerings, and in-kind items meant to benefit the physical operation of WVPC and/or a particular program of WVPC.
2. To acknowledge and thank donors and families for gifts, bequests, or devises, to record memorial and honorary gifts in Memorial Book, to provide an official receipt for gifts as guided by IRS requirements, and to notify Session and head of staff of significant gifts that require additional acknowledgement and celebration.
3. To reject any offering which carries restrictions for its use such that the use is contrary to Christian moral and ethical principles, or that its use is restricted only for the benefit of certain persons and not for the benefit of the entire Church, or that the gift or its use would place a burden upon the resources of the Church.
4. To act as trustee under any Foundation agreement incidental to the principal objects of this Corporation, and to receive, hold and administer and expend funds and property subject to such agreements.
5. To convey, exchange, lease, mortgage, encumber, transfer upon trust, or otherwise dispose of all property, real or personal, in accordance with or incidental to any Foundation Agreement.
6. To do all other acts necessary or expedient for the administration and management of the Foundation funds, including establishing a minimum amount needed to create a new endowment, at least annually.

Section 8-b Funds and other donations received by a church department other than tithes, offerings, rent and associated security deposits, refunds, program fees and revenue from sales, will be considered to be gifts, and an appropriate church department will notify the Foundation of the receipt of such funds so that they can be recorded in the Foundation's records and to ensure acknowledgement of the gift is forwarded to the donor.

Section 9 LIABILITY OF MANAGERS

No person who is now or who later becomes a manager of the BOM shall be personally liable to creditors for any indebtedness or liability in connection with the management of the Foundation funds, and any and all creditors shall look only to the assets of this corporation for payment. The Corporation shall not allow any manager of the BOM to be personally liable for such liabilities.

Section 10 MEETINGS

Section 10-a Meetings of the BOM shall be held quarterly.

Section 10-b In the fourth quarter of each calendar year, the BOM shall convene for the purpose of organization of officers, election of managers, to fill terms expiring at the end of the calendar year, and the regular transaction of business.

Section 10-c Special Meetings may be called at any time by the President of the BOM or by a majority of the managers of the BOM for any purpose. Notice of regular meetings and special meetings shall be given in writing at least five (5) days in advance.

Section 11 COMPENSATION

The BOM shall receive no compensation for their services as managers. No transactions by the Board of Managers shall be made which can directly or indirectly inure to the personal gain of any manager or the immediate family thereof.

Section 12 OFFICERS

Section 12-a The officers of the Foundation shall consist of a President, Vice President, Secretary, Treasurer, and Acknowledgement Coordinator. In the first meeting of the BOM convened in the calendar year, these officers shall be elected by the BOM and shall hold office until the first meeting of the next calendar year. Officers may be re-elected without restriction, subject to the limitations of their respective terms.

Section 12-b Subject to the control of the Board of Managers, the President shall have general supervision, direction and control of the business affairs of the Foundation. The President shall preside at all meetings of the Board of Managers and shall have such powers and duties as may be prescribed from time to time by the Board of Managers. A written annual report shall be prepared and submitted to the Congregation two weeks in advance of its Congregational Annual Meeting providing full disclosure of assets, liabilities, investments and earnings of the Foundation funds for the previous calendar year. Additionally a verbal report can be given at the Annual Congregational Meeting.

Section 12-c The Vice President shall be vested with all powers, and required to perform all the duties of the President in the absence of the President.

Section 12-d The Secretary shall attend all meetings of the BOM and keep a record of the proceedings of such meetings. The Secretary shall, together with the President, sign and execute all contracts and agreements authorized by the BOM.

Section 12-e The Treasurer shall have custody of the funds of the Foundation and shall keep full and accurate records of the receipts and disbursements therefore. The Treasurer shall deposit or have deposited in a separate account all monies and other valuable effects in the name of the Foundation. Such depositories shall be named by the BOM.

Section 12-f The Acknowledgement Coordinator shall send acknowledgements thanking donors for their gifts, maintain the Gifts and Memorial Book, send official receipts for tax purposes for each gift received by the Foundation, and inform Session and Head of Staff (or other program managers) of significant gifts that should be acknowledged and celebrated by WVPC covenant partners.

Section 13 ALLOCATION OF MONIES TO ENDOWMENT OR SUPPORT FUNDS AND DISPOSITION OF PRINCIPAL AND INCOME

Section 13-a Subject to the limitations outlined in Section 8, the Foundation shall accept specially presented gifts such as memorials, whether received as cash, stocks, bonds, bequests or devises, or other assets real and personal, to ensure timely acknowledgement and prudent management.

Section 13-b Funds managed by the Foundation include:

- (i) The Support Fund: Receives non-endowment gifts to be acknowledged and directed to the appropriate Church program. In addition, the annual interest on the Support Fund shall be allocated to support the operation of the Foundation.
- (ii) The Christian Education Fund: Interest on this fund shall be used to support children and youth ministries, especially in ways that promote access and participation of the young in WVPC activities, but not excluding support of program costs (e.g. curriculum purchases, teacher training). The BOM will determine the amount and proportion of the previous year's interest at its first meeting of the calendar year; any remaining interest shall be reinvested into the principal. The Christian Education elder shall be informed of the funds available for that calendar year; any unused funds shall be re-invested in the principal at the end of the calendar year.

- (iii) The VBS Fund: Interest on this fund shall be used to support the Vacation Bible School program, especially in ways that promote access to and participation in VBS programs, but not excluding support of the program costs (eg. Curriculum purchases, teacher training).
- (iv) The FirstFruits Fund: Receives undesignated gifts from memorials and other occasions honoring events in the life of the congregation and its covenant partners. The earned income shall be available support the mission of West Valley Presbyterian Church, “To know Christ and to make Him known,” and prioritizes capital improvements. However, notwithstanding anything in this document to the contrary, the income on the invested monies in the FirstFruits Endowment Fund shall not be used for general operating expenses as defined by the annual church budget (e.g., salaries, utilities, taxes).

Section 13-c At the discretion of the BOM, the Foundation may accept donations to be used for purposes specified by the donor so long as such purposes are compatible with the purposes of this Foundation and the West Valley Presbyterian Church, and do not place undue burden or cost of management upon the Church. Such gifts shall flow through the Support Fund to the appropriate Church program, or be added to an existing endowment, or used to create a new endowment (provided the minimum amount for endowment funds set annually by the BOM is met).

Section 13-d The Session, as the controlling body for the administration of church programs, is the agency which may request expenditure of available funds, subject to review by the Board of Managers to determine that the expenditure is consistent with the terms of this paragraph and will not jeopardize the trust of fiduciary relationship with any donor, or cause a serious loss of funds or investments adverse to the overall purposes of these Foundation funds.

Section 14 VOTING OF SECURITIES

The President or the Vice President and the Secretary, or other officer as the Board of Managers may select for that purpose, are authorized to vote, represent, and exercise on behalf of this Corporation all rights incident to any and all voting securities of any other corporation standing in the name of this Corporation. The authority granted in the By-Laws to the officers in person or by any person authorized so to do by proxy or power of attorney duly executed by the officers.

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