

**Endowment Fund Decree**  
Amended 2-29-2009 and 8-11-2010

THIS DECREE made this fifth day of May, 1992, by the Bishop of the Catholic Diocese of Madison, a Vicar General of said Diocese appointed by said Bishop, the pastor of Immaculate Heart of Mary Parish of Monona and the lay officers of Immaculate Heart of Mary of Monona (hereinafter referred to as Directors) who hereby declare and agree that they have received this day the sum of \$32,000.00 and that they will hold and manage the same, and any additions to it, in the matter set forth herein.

WHEREAS, there is a continuing need to provide additional support for the operation, maintenance, capital requirements and continued existence of Immaculate Heart of Mary Endowment Fund;

WHEREAS, individuals, firms and other entities have indicated a willingness and desire to contribute funds to support Immaculate Heart of Mary Endowment Fund for the purposes stated above;

NOW, THEREFORE, there is hereby established an Endowment Fund for this purpose to be known as "Immaculate Heart of Mary Endowment Fund" (herein referred to as Fund) to be administered pursuant to the following provisions:

**I. NAME OF FUND**

The name of this Fund shall be Immaculate Heart of Mary Endowment Fund. So far as practical, the Directors shall conduct the activities of the Fund in that name.

**II. PURPOSES OF FUND**

- A. To support and assist Immaculate Heart of Mary Parish in its religious education mission by providing supplemental funding of programs and services;
- B. To operate exclusively for religious education purposes, except as designated in Section C. below, within the meaning of Section 501©(3) of the Internal Revenue Code of 1954, as amended;
- C. While the primary purpose of this Endowment is support for religious education, it is recognized that donors may wish to make contributions for other worthwhile purposes. Within this Endowment fund structure, contributions can be accepted and segregated for other purposes acceptable to the Board of Directors.
- D. To receive any real property or tangible or intangible personal property including money, by gift, grant, devise or bequest from any individual, foundation, corporation, either private or public, or governmental instrumentality for the purpose or purposes set forth herein and to administer such property for such purpose or purposes;

- E. To carry out the work of the Fund in accordance with the policies and guidelines established by the Catholic Diocese of Madison, Wisconsin and Monona Parish of Immaculate Heart of Mary.

### **III DIRECTORS**

- A. The Directors shall be the persons filling the offices of Bishop of the Diocese of Madison; Pastor of Immaculate Heart of Mary Parish of Monona and at least two of the lay officers of Immaculate Heart of Mary parish, and their successors, from time to time, in said offices.
- B. The Officers of the Directors shall be as follows:
1. Chairman. The Chairman shall be the Bishop of the Diocese of Madison.
  2. Vice Chairman. The Vice Chairman shall be the Pastor of Immaculate Heart of Mary Parish.
  3. Treasurer/Trustee. The Endowment Fund Treasurer/Trustee shall be the Treasurer/Trustee of the Parish Corporation.
  4. Secretary. The Endowment Fund Secretary shall be the Secretary/Trustee of the Parish Corporation.
- C. Duties of Officers:
1. Chairman:  
The Chairman, or in his absence the Vice Chairman, shall preside at all the meetings of the Board of Directors.
  2. Vice Chairman:  
The Vice Chairman, in the absence of the Chairman, shall preside at meetings of the Board of Directors. In the absence of the Treasurer/Trustee, the Vice Chairman may sign in the name of the Fund for the Treasurer/Trustee.
  3. Treasurer/Trustee:  
The Treasurer/Trustee shall sign or authorize the signing, in the name of the Fund, of all contracts, bonds, deeds, mortgages, securities and other instruments and shall sign and endorse or authorize the signing or endorsing for the Fund in the transaction of its business, checks drafts, notes and bills of exchange. The Treasurer/Trustee shall arrange for the custody of the Fund's assets; for deposit and withdrawal of funds; for the preparation of the annual financial statement; and for keeping of appropriate accounting records of the Fund's income and expenditures, assets and liabilities.
  4. Secretary:  
The Secretary shall have the responsibility to maintain accurate records, books, papers and documents of the Fund. Said reports shall be maintained at the rectory and open to examination at the rectory by any Director upon reasonable notice to the Secretary. The Secretary shall keep the minutes of all meetings of the Directors.

D. Number of Directors

The number of Directors serving on the Endowment Fund Board shall not exceed eight (8) members, nor less than three (3) members.

E. Other Board Members

1. Chairman of the Finance Council – Any duly recognized Chairman of Finance Council will be an Endowment Fund Director.
2. Other members to be appointed by the Pastor as required.

**IV. ADDITIONAL GIFTS/ENDOWMENT FUND ASSETS**

Persons may, from time to time, make additional gifts of money or property to the Directors to become part of the Fund. The Directors are hereby empowered to receive any real property or tangible or intangible personal property including money, whether by gift, grant, devise or bequest from any individual, foundation, corporation, either public or private, or governmental instrumentality when given for any of the purposes set forth in Article II hereof.

**V. MANAGEMENT OF ENDOWMENT FUND AND INCOME**

The Directors shall hold the Endowment Fund and its assets and may, in their sole discretion, invest it or parts of it in securities, real estate or other investments which are permitted under the laws of the State of Wisconsin and pursuant to the Canon Law of the Roman Catholic Church. All investments shall be made in accordance with the investment guidelines promulgated by the Diocese of Madison or, in the absence of diocesan guidelines, in accordance with guidelines adopted by the Board of Directors.

The Directors shall ensure that a distinction is maintained between the principal of the Fund and the earnings of the Fund. The Directors shall, in their sole discretion, retain the cash and collect the income, and they shall from time to time, and in such manner as, in their sole discretion, they may deem proper, devote and apply the income of the Fund exclusively to the uses and purposes described above. The Directors may seek and consider advice with regard to Fund management and distribution.

**VI. RESTRICTIONS ON USE OF FUND ASSETS AND PROPERTY**

The intent of the Fund is to be an irrevocable Fund and that only the income of the Fund is to be used and distributed. The principal of the Fund shall be used only in the extreme circumstance of Parish closing as defined in Section XIV and XV.

The Fund and the income thereof shall be devoted exclusively to the purposes described in Article II. No part of the income or net earnings of said Fund shall inure to the benefit of, or be distributable to, any of the Directors or any private individuals, except that reasonable compensation may be paid for services rendered to or for the Fund in the furtherance of its nonprofit purposes and for reasonable and necessary expenses incurred in connection with the administration of this Fund.

No part of the activities of the Fund shall intentionally be used to influence legislation. No activity of the Fund shall involve participation in or intervention in any political campaign (including the publication or distribution of statements) on behalf of or in opposition to any candidate for public office.

Notwithstanding any other provision of this Endowment Fund Decree, the Fund shall neither have nor exercise any power, nor shall it engage, directly or indirectly, in any activities not permitted to be conducted or carried on by an organization exempt from Federal income taxation described in Section 501 ©(3) of the Internal Revenue Code of 1954, as amended, or by any organization, contributions to which are deductible under Section 170 ©(2) of the Internal Revenue Code, as amended, nor shall the Fund engage in any acts of failures to act which will cause the taxes described in Section 4941 through 4945 of the Internal Revenue Code of 1954, as amended, to be levied upon the Fund.

## **VII. ACTION OF DIRECTORS**

Except as otherwise provided herein, the Directors shall act by a vote of a majority of those present at any given time and any instrument required to be executed by this Fund shall be valid if executed in the name of this Fund by such a majority of the Directors present. All actions of the Directors shall be taken either by resolution at a meeting or by written record without a meeting. The Directors shall maintain written records of all the formal transactions and activities of the Fund, including minutes of the meetings of the Directors and the recommendations of the investment advisors.

## **VIII. MEETING OF DIRECTORS**

The annual meeting of the Directors shall be held during the month of February each year or at such other time during the year as the Chairman shall designate.

- A. A written notice specifying the date, time and place shall be given to each Director at least ten (10) days before the date of the annual meeting. The business to be transacted at any special meeting shall be confined to the purpose or purposes stated in the notice for the meeting and the matters related thereto.
- B. Special meetings of the Directors may be called by the Vice Chairman and shall be called by the Vice Chairman at the request of a majority of the Directors. A meeting shall be considered valid if a minimum of three (3) Directors are present or a majority of Directors, whichever is more.

## **IX. REIMBURSEMENT AND COMPENSATION OF DIRECTORS**

Directors may be reimbursed from the Fund for all expenses reasonable incurred by them in the administration of the Fund. The Directors shall serve without compensation.

## **X. ACCOUNTING**

\*\*Annually, the financial transactions of the Endowment Fund shall be reviewed by a committee appointed by the Parish Council consisting of one member of the council and a person, preferably a parishioner, who shall be qualified in the field of accounting. Said committee shall report to the Parish Council, the Finance Council, and the Endowment Board as to the consistency of such transactions with the intents and specifications of the Fund Decree and sound accounting policies. Neither member of the committee shall be a member of either the Finance Council or the Endowment Board. Every other year, an agreed-upon procedures review shall be made of the accounts of the Fund by an independent auditor, and a copy of the report shall be submitted to the Finance Officer of the Catholic Diocese of Madison. Copies of any reports or audits conducted pursuant to this section shall be submitted to the Finance Officer of the Catholic Diocese of Madison.\*\*

Notwithstanding any provisions set forth in this Decree, the Fund becomes and remains an integral part of Immaculate Heart of Mary Parish, subject to the use restrictions, and shall bear the federal identification number of the Parish.

## **XI. POWERS AND DUTIES OF DIRECTORS**

In operating and administering the Fund, the Directors shall, subject to and consistent with the provisions of this Decree, have the power and/or duty:

- A. To establish the policies and rules pursuant to which this fund is to be operated and administered and in accordance with the policies and guidelines established by the Catholic Diocese of Madison, except where otherwise provided;
- B. To administer the Fund in accordance with the provisions of this decree;
- C. To receive and collect all contributions and donations made to the Fund;
- D. To reject or refuse to accept any contributions and donations made to the Fund;
- E. To invest and reinvest the principal and income of the Fund. The Directors may determine that certain levels in principal be reached before expenditures may be made;
- F. To obtain the assistance of advisors with reference to investments, reinvestments and disbursements, whether such advisors are individuals, corporations or other legal entities, with the understanding that the Directors shall at all times have ultimate authority and power over investments, reinvestments and distribution of funds. Investments shall be made in accordance with the investment policy approved by the Board of Directors in the absence of diocesan guidelines and shall reflect corporate responsibility;
- G. To sell, lease, exchange, convey, transfer, mortgage, pledge or dispose of any property, at any time, belonging to said Fund subject to the written approval of said Directors;
- H. To retain, manage, operate repair and improve any property by the Fund;
- I. To make, effectuate and deliver any and all deeds, assignments, documents, transfers or written instruments consistent with the policies and practices of the Catholic

- Diocese of Madison which may be necessary or appropriate to carrying out the purposes and powers granted herein;
- J. To pay and provide for the payment of all reasonable expenses incurred in the administration of this Fund, to include, but not be limited to, expenses for the employment of administrative, legal, expert and clerical assistance, the cost for insurance on real property and personal property; and required tax payments.
  - K. To deposit any and all funds received by the Fund in such financial institutions as the Directors may designate for that purpose;
  - L. To interpret and update the terms and provisions of this Decree and any other supplementary and ambulatory documents. The interpretation adopted by the Directors in good faith shall be binding upon all donors, tones and participants or other persons who may be involved with or affected by this Decree;
  - M. To perform and do any and all such actions or things as may be properly incidental to exercising the powers, rights, duties and responsibilities of the Directors.
  - N. The Directors shall manage, operate and administer this Fund in accord with the Canon Law of the Roman Catholic Church and in accord with local legislation and policies of the Diocese of Madison.
  - O. To, from time to time and in such moments as in their discretion they shall deem proper, subject to the restrictions and limitations provided herein, apply and distribute the Fund exclusively for the purposes set forth in Article II, hereof.

## **XII. INDEMNIFICATION**

The Directors shall be chargeable with acting in good faith and exercising reasonable care and diligence in carrying out the provisions of this Fund.

Immaculate Heart of Mary Endowment Fund hereby indemnifies its Board of Directors against personal liability and the costs of litigation resulting from their breach of, or failure to perform any duty resulting solely from his or her status as a Director of the Fund, except that this indemnification shall not apply in the following situations:

- A. A willful failure to deal fairly with the Fund or its members in connection with the matter in which the Director has a material conflict of interest.
- B. A violation of criminal law, unless the Director had reasonable cause to believe his or her conduct was lawful or not reasonable cause to believe his or her conduct was unlawful.
- C. A transaction from which the Director derived an improper personal profit
- D. Willful misconduct.

In connection with the administration and duties of the such Directors, the Directors may be bonded and the cost of any premiums shall be deemed a reasonable and necessary expense of the Fund.

## **XIII. NONALIENATION OF FUNDS**

No individual, foundation, corporation, either public or private, whether in the classification of donor or donee, or anyone claiming by or through the, or any other person, foundation, corporation, either public or private, except the Directors, shall have the right, title or interest in

or to the Fund or any part thereof. Title to all of the money, property and income paid into or acquired by or according to the Fund shall be vested in and remain exclusively in the Directors, and it is the intention that his Fund shall be immobilized pursuant to Canon Law, and that no benefits or monies payable from the Fund shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge by anyone other than the Directors, and any attempt by anyone other than the Directors to so anticipate, alienate, sell, transfer, assign, pledge, encumber or charge same shall be void.

#### **XIV. IRREVOCABLE FUND**

This Endowment Fund Decree shall immobilize the capital of this Fund. Disbursement of the principal may only occur under the Dissolution provisions in Section XV.

#### **XV. DISSOLUTION**

If, for any reason whatsoever, it becomes impractical or impossible to carry out the purposes set forth in the Endowment Fund Decree, as determined in the discretion of the Directors, then and in that event the Directors are hereby empowered to disburse the funds for religious education purposes or for which the original contribution was granted.

#### **XVI. APPLICABLE LAW**

This Endowment Fund Decree is accepted by the Directors and is to be governed in all respects by the laws of the State of Wisconsin and by the Code of Canon Law of the Roman Catholic Church.

\*\*Section X amended 2-29-2009 and 8-11-2010