

Bylaws for the Waterloo GFC Scholarship Program

Effective September 1, 2009 (Name Change revised 2/16/2015)

I. WATERLOO GRACE FELLOWSHIP CHURCH of Waterloo, Iowa shall have the Waterloo GFC Scholarship Program

II. GENERAL PURPOSE

- A. The Scholarship's purpose shall be to receive, to manage and to distribute funding for Christian Higher Education scholarships.
- B. The scholarship dimension shall be primarily directed to:
 - 1. GFC Members attending GRACE College and Seminary.
- C. Both the principal and income from un-designated gifts and bequests to the Scholarship are to be used for the promotion of educational opportunities recommended by the Elder Board provided that the uses are consistent with the Statement of Purpose in the above section. The guidelines and application process shall be made available to the members of the congregation.
- D. The Elder Board alone shall be responsible for distribution of the income and/or principal of the Scholarship for the designated use. The recipient/s of any scholarship grants for the coming year will be announced at the next congregational meeting. None of the income or principal from gifts shall be distributed to the congregation's budget.
- E. Gifts and bequests to the Scholarship Program must be given with no special terms or conditions as to the use of the gift and/or of the income.

III. DURATION

The Waterloo Grace Fellowship Scholarship Program shall continue in existence and be used as herein above provided, unless earlier revoked, so long as Waterloo Grace Fellowship Church shall continue to exist. Otherwise, the Scholarship shall be dispersed as all other property of the church according to Article II, Section 4 of the Bylaws of the Church's constitution.

IV. GOVERNING BODY AND OFFICERS

A. The Elder Board:

- 1. shall promote and administer the Scholarship Program
- 2. shall establish such written rules and regulations as may be necessary for the conduct of its business.
- 3. shall adopt standards and goals to guide in the expenditure of the income from the assets and investments (Scholarship Fund), which it may amend, all within the stated purposes of the Scholarship Program. Any changes to the written rules and regulations must be reported to the congregation at the next congregational meeting.
- 4. may ask other members of the congregation to serve as advisory members.
- 5. may employ, at the expense of the Scholarship Fund income, such

professional counseling on investments fund operations and legal matters as it deems to be in the best interest of the Scholarship Program.

6. The secretary of the Elder Board shall maintain complete and accurate minutes of all the meetings of the Elder Board and supply a copy thereof to each member of the Board. Each member shall keep a complete copy of minutes to be delivered to his or her successor.
7. The chairman, or the member designated by the chairman, shall preside at all meetings of the Elder Board.
8. No member of the Elder Board shall engage in any self-dealing or transactions with the Scholarship Fund in which the member of the Board has direct or indirect financial interest and shall at all times refrain from any conduct in which his/her personal interests would conflict with the interest of the Scholarship Program.

B. The Business Commission:

1. shall manage Scholarship Program Fund.
2. may direct the assets of the Scholarship Fund be delivered to a qualified investment management institution. Any agreement entered into for the management of the Scholarship Fund shall be valid only if approved by a majority of the voting members of the Business Commission.
3. shall maintain accounts with such financial institutions as it may by resolution authorize and determine. All checks and other documents transferring or expending any funds or assets in the Scholarship Fund shall be executed by the treasurer and chairman of the Commission.
4. shall maintain complete and accurate books of account and may employ such professional help as it deems necessary in this task.
5. shall make recommendations no less often than annually for the distribution of income and principal from the Scholarship Fund, in accordance with its written policies and procedures.

V. FISCAL YEAR REPORTING

- A. For tax, accounting, distribution, or other purposes, the fiscal year of Waterloo Grace Fellowship Church shall be the Fiscal year of the Scholarship Fund.
- B. At the Annual meeting following the close of the of Scholarship Program Fund's fiscal year a written report, itemizing all transactions for the fiscal year, will be included in the GFC Annual report accurately reflecting the position of the Scholarship Fund's income and corpus accounts.

VI. DUTIES

- A. The Elder Board shall, at least annually, render a full and complete account of the administration of the Scholarship Fund during the preceding year to the congregation.
- B. Gifts and contributions from any individual, family, firm or corporation, in money, in securities, or in any other form of property, including, by way of explanation and not in limitation, direct gifts for the purpose of the Scholarship Program, gifts in memory

- of any deceased person or in appreciation or recognition of any living person, gifts in the form of a devise or bequest under will or trust instrument, and gifts or proceeds or portions of proceeds of insurance, annuity, or Scholarship policies or contracts, may be received by the Scholarship Program at any time.
- C. The means for formally acknowledging the receipt of each "completed gift" and contribution shall be established and a copy of the receipt maintained in the permanent records, including a designation of the value ascribed to each gift.
 - D. All funds and property in the Scholarship Program shall be kept and maintained separate, distinct and independent from the funds and property otherwise belonging to the church. However, the Business Commission shall in no event be required to make physical segregation of the assets of the Scholarship Fund in order to conform to the directions of any individual donors, but may establish separate accounts in its accounting records.
 - E. The Elder Board is to inform the members of the congregation at least annually of the purpose of the Scholarship Program, and may periodically encourage members of the congregation to meet with professional counselors in the areas of charitable giving, wills, bequests, insurance, etc.
 - F. All new members of the Elder Board are to receive a copy of the Scholarship Program Bylaws in order to become acquainted with the function and purposes of the Scholarship Program.

VII. POWERS

The provisions of this Article shall govern the management of the Scholarship Program:

- A. The property constituting the corpus of the Scholarship Program shall be invested and reinvested in any kind of property, (whether real or personal, tangible or intangible), including, but not limited to, securities, real estate, and/or accounts or certificates of banks or other lending institutions, and each investment shall be managed and protected in accordance with the principles herein established. In exercising the authority granted in this Section, the decisions with respect to investment shall be guided by the concept of a "Prudent Investor" whose investment purpose includes both income and capital appreciation and shall not otherwise be restricted by any law, rule or custom (i) requiring safety of corpus as a primary consideration, (ii) regarding investment in income producing property, or (iii) requiring diversification of investments. In amplification, but not limitation, of the foregoing, authority is granted:
 - 1. To sell, option, exchange, redeem or convert any property interests; and to rent or lease property of the Scholarship Program;
 - 2. To exercise all rights and privileges accruing to a holder of securities, including all voting, conversion, subscription, and preemptive rights; to deposit any securities with, delegate discretionary power to, and participate, cooperate and contract with, as a member or otherwise, any protective committee or security holders; and to effectuate any merger, consolidation, dissolution, reorganization or financial adjustment of the issuer of any securities and/or any transfer, demise, or encumbrance of any of its

- properties;
3. To manage any real property owned, leased or otherwise held by the Scholarship Fund; to erect, repair, remodel, reconstruct, demolish or remove buildings or other improvements on it; to partition or subdivide it; to dedicate all or any part of it to public or semi-public use, and to grant easement or other charges with respect to it;
 4. To abandon any property interest deemed worthless or of insignificant value;
 5. To foreclose any mortgage, lien, or other encumbrance, and to purchase the encumbered property, whether through foreclosure or private arrangement;
 6. To establish and maintain, out of income, depreciation, depletion and/or amortization reserves;
 7. To maintain a portion or all of the property constituting the Scholarship Program in liquid or nearly liquid form, even though little or no income is earned thereon;
- B. Without limiting the authority otherwise conferred, the additional authority is hereby granted to be exercised as is believed to be in the best interest of the Scholarship Program:
1. To accept and receipt for any inter vivo, testamentary or other transfer of property to the Scholarship Fund;
 2. To hold property, and to negotiate and execute documents on behalf of the Scholarship Fund;
 3. To allocate between income and corpus in equitable proportions, any money or other property received, and any loss or expenditure incurred;
 4. To vote, or refrain from voting, securities having voting privileges, and to give any type of proxy (with or without directions) to vote the same;
 5. To make division and distribution of property held in the Scholarship Program (whenever directed to do so) either in kind or in cash, or partly in kind and partly in cash and for such purpose to set values upon any property of the Scholarship Fund;
 6. To protect the Scholarship Program and its property by insurance against damage, loss or liability;
 7. To establish checking account(s) in which may be deposited income and/or corpus cash; and
 8. To employ, at the expense of the Scholarship Fund, attorneys, investment counsel, brokers, custodians of assets, and other agents and employees.

VIII. AMENDMENTS

Any amendment which will change, alter or amend these Bylaws shall be adopted only if approved in accordance with the constitution and bylaws of Waterloo Grace Fellowship Church.

*Revised 2/16/2015 to reflect name change from Grace Brethren Church to Grace Fellowship Church and GBC to GFC