

J.M. 11/11/91

**ST. PATRICK SCHOOL ENDOWMENT FUND  
OF  
ST. PATRICK'S CATHOLIC CHURCH, CHATHAM, NEW JERSEY**

**THIS INSTRUMENT** certifies as follows:

- I. THAT "The Corporation", is a religious corporation organized under N.J.S.A. 16:1-1 et seq., and is listed in the Official Catholic Directory as an agency or instrumentality of the Roman Catholic Church in the Diocese of Paterson, and accordingly is recognized as a tax-exempt organization under Section 501 (c) (3) of the United States Internal Revenue Code, as amended, contributions to which are tax deductible; and
- II. THAT at a meeting of the Board of Trustees of The Corporation held on October 21, 1991, the Board, by the affirmative vote of a majority of all the Trustees, adopted a Resolution to establish the St. Patrick School Endowment Fund of St. Patrick's Catholic Church; and
- III. THAT the action of the Trustees received the sanction of the Bishop of the Diocese of Paterson, and, therefore pursuant to the N.J.S.A. 16:15-5, became valid and effectual; and
- IV. THAT the text of the Resolution so adopted and made effectual is as follows:

## RESOLUTION

WHEREAS, The Corporation, in order to provide and foster a quality Catholic educational program, operates St. Patrick School, it is desirable that there be a permanent capital school fund for which donations and contributions may be sought from private individuals, estates, business entities, trusts, and religious and charitable organizations, and

WHEREAS, the Parish Corporation holds money it intends to be part of such a permanent capital school fund:

NOW THEREFORE, IT IS HERBY Resolved and Agreed as follows:

- I. **Endowment Fund.** The Board of Trustees of the Corporation hereby establishes the St. Patrick School Endowment Fund (hereinafter "Endowment Fund"), to be held in such title name, and to be held and administered as a fund, separate and distinct from other funds of the Parish as shall be set forth and detailed hereinafter.
- II. **Purpose.** The Endowment Fund is hereby established for the sole and exclusive benefit and support of the St. Patrick School and its religious and education purposes. The irrevocable goal and objective of the Endowment Fund is to support the operation and maintenance of St. Patrick School, Grades Pre-Kindergarten through Eighth Grade.
- III. **Principal.** The principal of the Endowment Fund is to be maintained as a permanent fund that is not to be expended, but is to be prudently invested. No distributions of income from the Endowment Fund shall be made until such time as the principal of the Endowment Fund accumulates to a \$10,000.00 fixed balance. The principal of the Endowment Fund shall not be invaded except for such extraordinary reasons and circumstances as shall be set forth hereinafter.
- IV. **Income.** The income derived from investment of the Endowment Fund principal is to be expended solely for the benefit of St. Patrick School and for no other Parish purposes. A separate recognized organization of St. Patrick's Parish can make special application for an income distribution from the Endowment Fund, in accordance with the terms and provisions set forth herein. Income in the form of interest and dividends shall be distributed on an annual basis. Income can be distributed on a more frequent basis, however, no more frequently than

quarterly distributions. Any realized capital appreciation shall be reinvested into the principal of the Fund.

V. **Trustees.** An endowment Fund Board of Trustees is hereby established, which Board of Trustees shall have moral and legal responsibility for the administration of the Endowment Fund.

**A. Number and Term.** Said Board of Trustees shall be initially comprised of six (6) members, with provisions for an increase to not greater than twelve (12) members over a three year period. New trustees shall be added at the rate of two (2) new trustees per year, each to serve two (2) year terms. Said initial six (6) trustees shall consist of the following members, with their respective terms:

Pastor of the Parish - Ex Officio and perpetual  
Principal of School - Ex Officio and perpetual  
(Past President of  
Home & School Assn.) - One Year  
(Dev. Director One  
Representative of the - Three Years  
Development Committee)  
At-Large Member - Two Years  
At-Large Member - Two Years

**B. Qualification.** The At-Large members shall be individuals who are committed to the pursuit and promotion of Catholic Education, and with the stated purpose of the Endowment Fund. The initial At-Large Trustees shall be approved upon the selection and recommendation of the development Committee. Future candidates for the Board of Trustees shall be nominated and interviewed by a Nomination Committee, to be designated by the Board of Trustees. Nominees shall be approved and appointed to the position of Trustee by a two-thirds vote of the Board of Trustees. Any deviations or actions deemed contrary to the commitment and stated purpose of the endowment Fund shall constitute grounds for removal of any Trustee, which removal shall also be by a two-thirds vote of the Board of Trustees

**C. Quorum.** Six (6) members of the Board of Trustees shall constitute a quorum for the transaction of business, with the exceptions for a unanimous mandate as set forth in Paragraphs 9C and 10 of the within agreement.

D. **Voting.** Voting shall be by simple majority, to approve transactions done in the normal course of business of the Endowment Fund. Exceptions to said voting procedure shall be the two-thirds vote as set forth in Paragraph 5B, and the unanimous mandate as set forth in Paragraphs 9C and 10 of the within agreement. In addition, any amendments to the within Endowment Fund Agreement shall be by a two-thirds vote.

E. **DUTIES.** The trustees and their successors shall, by such name of the Endowment Fund, have the power to:

Appoint such officers, agents and employees as may be required for its properties, institutions and business:

Make by-laws and rules consistent with law, for the regulation and management of its affairs, properties and institutions;

Acquire, purchase, receive, have and hold and take by devise, bequest or gift without limit, real and personal property of all kinds, including any and all forms of religious, ecclesiastical, educational and charitable institution, and the lands whereon the same are or may be erected, and any real estate suitable for any or all of said purposes, and to lease, grant, sell and dispose of all or any part of such property;

To prudently invest the principal of the Endowment Fund with duly recognized financial institutions, with the intent to realize the maximum growth for the Endowment Fund without jeopardizing the principal of the Endowment Fund, i.e., high yield but low risk investment portfolios.

F. The Board of Trustees shall meet on at least two (2) occasions annually. Additional meetings can be summoned by the President of the Endowment Fund, or by the Board of Trustees, by Notice and satisfaction of quorum requirements.

G. Additional meetings of the Board of Trustees holders shall be held upon not less than two nor more than thirty days written notice of the time, place and purposes of the meeting.

VI. **Officers.** The following officers are hereby established for the operation of the Endowment Fund:

- President - Pastor of the Parish
- Vice-President - Principal of the School
- Secretary - To be appointed by the Board of Trustees
- Treasurer - To be appointed by the Board of Trustees

A. **Duties of President.** The President shall have custody of the papers, documents, deeds, writings and book of or relating to the Endowment Fund, and may convene the trustees as occasion may require. Any and all documents, checks, negotiable instruments, etc., are to be countersigned by the President.

B. **Duties of Vice-President.** The Vice-President shall perform such duties and have such authority as from time to time may be delegated to him by the president or by the Board of Trustees. In the absence of the President or in the event of his death, inability, or refusal to act, the Vice President shall perform the duties and be vested with the authority of the President.

C. **Duties of Secretary.** The Secretary shall keep the minutes and enter the orders, acts and proceedings of the Endowment Fund in a book or other record-keeping method maintained for that purpose.

D. **Duties of Treasurer.** The Treasurer shall have custody of the funds and securities of the Endowment Fund and shall keep or cause to be kept regular books of account for the Endowment Fund. The Treasurer shall perform such other duties and possess such other powers as are incident to that office or as shall be assigned by the President or the Board of Trustees. The Treasurer shall be countersignatory on all negotiable instruments with the President of the Endowment Fund.

VII. **Reports.** The Board of Trustees shall supply an audited annual report of the Endowment Fund, indicating additions to the Fund Principal and sources thereof, changes in the Fund balance, Income earned by the Fund, application of Income, and Income Balance available for application.

VIII. **Types of Gifts.** All gifts to the Endowment Fund shall be of a nonrestricted and unencumbered basis. The following classification of gifts shall be deemed acceptable contributions to the Endowment Fund:

- (a) Cash

- (b) Unrestricted Negotiable Securities
- (c) Time Deposits
- (d) Life Insurance Proceeds

**Dissolution of the Fund.**

- A. In the event that St. Patrick School is merged or consolidated with a school of another Parish as a combined venture of two or more Parishes, the Income of the Endowment Fund shall be applied toward the proportionate share of expenses for which St. Patrick Parish is responsible in the school resulting from the merger.
- B. In the event St. Patrick School ceases to exist and St. Patrick Parish has no responsibility in the operation of any other school, the Endowment Fund Principal shall continue to be maintained by the Parish Corporation and the income derived there from shall be used for tuition aid to children of St. Patrick Parish who attend other Catholic schools and/or for programs of Religious Education conducted by St. Patrick Parish.
- C. In the event St. Patrick Parish should cease to exist and the Parish Corporation be dissolved, YET St. Patrick School continue to exist and continue in its operation, the Endowment Fund shall be either:
  - (1) Transferred to the successor corporation or entity formed to operate the St. Patrick School; or in the alternative,
  - (2) be transferred to such other Catholic educational programs in the Diocese of Paterson.

The decision as to which alternative the Endowment Fund shall take will be determined by a unanimous mandate of the Board of Trustees.

- D. In no event shall the Endowment Fund revert to the General Fund of the St. Patrick Parish Corporation; and this sub-paragraph shall be deemed an irrevocable provision of the Endowment Fund.
- X. **Invasion of Principal.** The Principal of the Endowment Fund may be invaded only under such

Endowment Fund may be invaded only under such circumstances which may endanger or imperil the very future viability and existence of St. Patrick School. Any such invasion of the Principal shall only be by unanimous mandate of the Board of Trustees. The Principal shall not be invaded for such reasons of reducing the deficit, improvements to the physical plant, or other emergencies. Any such invasion of Principal must only be as a result of an absolute "life-or-death" situation. Nothing in the within Paragraph shall be construed to deter from nor violate the very spirit, trust and intent created by the Endowment Fund.

**IN WITNESS WHEREOF**, the undersigned President of the Parish Corporation, acting on behalf of the Parish Corporation, has had the seal of the Corporation affixed to this Instrument on this            day of 1991, and by so signing, signified the approval of the Board of Trustees to the within Instrument.

ST. PATRICK'S CATHOLIC CHURCH

CHATHAM, NEW JERSEY



BY:

President

**ATTEST:**