

The FBA Foundation Board is recommending two modifications to current bylaws, to provide greater flexibility in accounting for funds available for expenditure and to provide alignment of the bylaws to current practice in utilizing the church's auditor for review purposes. Per current bylaw requirements, notice is being provided to foundation members via Beacon announcements. These bylaw revisions will be considered at the annual Foundation meeting on October 9th @ 6:00 pm.

Proposed Change #1: Intention is to provide additional flexibility in accounting for funds available for expenditure by removing the implied requirement to artificially conduct transactions to realize gains in order to designate such gains as available for expenditure.

Proposed modification to bylaw Article III (A) (a) (c) – replace ‘the net investment income’ with ‘investment growth’:

Article III (A) (a) (c) To retain under normal circumstances the principal of the Foundation intact to the fullest extent possible, and to expend ~~the net investment income~~ **investment growth** generated by such principal on a periodic basis in accordance with the purposes of the Foundation. Principal of the Foundation may be expended under special circumstances if not inconsistent with the expressed desires of the donor at the time of the donation provided the prior approval is obtained of a majority of the membership of the Corporation present and voting or represented in written proxy at a meeting of the Corporation membership following due notice. However, principal may be expended in accordance with the purposes of the Foundation without the need to obtain the approval of the Corporation membership as provided above if such expenditure is in conformity with the wishes of the donor expressed in writing at the time of the initial donation. Reasonable expenses incurred during the sale and/or purchase of a Foundation asset may in the discretion of the Directors be paid out of the principal of the asset involved without the necessity to obtain the approval of the Corporation membership as provided above.

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Proposed change #2: Intention is to update verbiage regarding selection of auditor to allow for use of the FBC Alexandria auditor without requiring approval from general membership.

Proposed modification to bylaw ARTICLE IV (2) – insert ‘the Auditor utilized by FBC Alexandria or’:

ARTICLE IV (2) An audit or review of the records and accounts of the Foundation shall be made by **the Auditor utilized by FBC Alexandria or** an Auditor who is elected by the membership of the Corporation. The audit or review shall be conducted at three year intervals or more frequently when requested by the membership of the Corporation or by the Board of Directors. The Board of Directors or the membership of Corporation shall have the power to specify that an audit instead of a review be made whenever this is desired.