

**BYLAWS OF THE
CHAMPAIGN-URBANA JEWISH
ENDOWMENT FOUNDATION**

Approved by the Board of Directors of the
Champaign-Urbana Jewish Endowment Foundation
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I. INTRODUCTION

A. Preface. The Champaign-Urbana Jewish Endowment Foundation (hereafter, Endowment Foundation) is dedicated to enhancing and preserving the quality of Jewish life in our community by establishing and maintaining a secure financial base for the wide range of programs and services designated by its individual funds. In order to secure the long-term support of Jewish organizations and the Jewish community in Champaign-Urbana, the Endowment Foundation was established to receive, hold, invest and manage contributions to it and shall utilize the earnings therefrom (or the corpus when deemed necessary and permitted under the terms of any fund agreements) within the express limitations set forth in these bylaws.

B. Relationship to Federation. The Endowment Foundation shall be a subsidiary of the Champaign-Urbana Jewish Federation (hereafter, CUJF). It shall be responsible for funds received on account of type, manner or specific purposes of an endowment nature as distinguished from those generally collected for annual Federation campaigns.

C. Uses of Funds. The Endowment Foundation shall directly and indirectly advance the interests of the local, national, and international Jewish communities in the following specific ways as determined at the discretion of and by the Board of Directors of the Endowment Foundation, provided that no use conflicts with the Articles of Incorporation and Bylaws and inherent character of CUJF:

1. by providing a vehicle through which donors may express their philanthropic endeavors;
2. by providing financial support for local Jewish institutions and programs;
3. by creating new services and facilities and expanding or enriching existing services and facilities;
4. by providing seed money to fulfill the purposes set forth in these Bylaws;
5. by making contributions or loans toward capital fund expenditures;
6. by providing for special projects beyond operating fund capabilities;
7. by providing a source for scholarships and loans for Jewish educational and Jewish communal activities;
8. by providing funds for emergency needs of the local, national and international Jewish communities; and
9. by providing funds for such purposes and needs determined by the Board of Directors of the Endowment Foundation.

II. TYPE OF FUNDS

Funds and assets to be received into the Endowment Foundation shall fall into four (4) broad categories. The Board of Directors may establish other categories of funds as it deems necessary.

A. A Named Restricted Fund. A Named Restricted Fund may be established, provided that it satisfies conditions set forth by the Board, and further provided that it does not conflict with the express or implied purposes of CUJF. A Named Restricted Fund may be for:

1. a specific beneficiary or group of beneficiaries;
2. a specific purpose or set of purposes;
3. a particular field of interest;

B. A Named Unrestricted Fund. A Named Unrestricted Fund may be established, provided that it satisfies minimum funding conditions set forth by the Board, and further provided that it comes to the Endowment Foundation with no limitations imposed by the Donor.

C. Quasi Endowment Fund. A Named Restricted Fund or a Named Unrestricted Fund in which the donor specifies that principal as well as earnings may be expended pursuant to the donor's guidelines. A quasi-endowment fund is established with the intent that its principal is to remain inviolate and in perpetuity; however, the Endowment Foundation has the authority to expend all or any portion of the principal which it deems advisable for the purposes set forth by the donor in the quasi-endowment fund agreement.

D. CUJEF General Endowment Fund. A gift of any amount which shall not bear a specific name and which carries no limitations imposed thereon by the Donor.

III. TYPE OF GIFTS

Gifts to the Endowment Fund may be of any of the following types (e.g., personal property such as, but not limited to, cash, stocks, bonds, and so forth):

- A. irrevocable inter vivos gifts or testamentary transfers;
- B. inter vivos gifts of insurance policies;
- C. being named as the beneficiary of an insurance policy;
- D. being named as the beneficiary in a Charitable Trust (Unitrust or Annuity trust);
- E. inter vivos gift of a Charitable Annuity;
- F. Such other form of assets approved by the Board consistent with these Bylaws and consistent with the purposes and Bylaws of CUJF.

IV. ADMINISTRATION OF THE ENDOWMENT FOUNDATION

A. Board of Directors. The CUJF delegates the administration of the Endowment Foundation to the Endowment Foundation Board of Directors, whose chairperson or Co-Chairpersons and members shall be appointed by the president of the CUJF with the approval of the CUJF Board of Directors. Directors' terms shall start at the beginning of the fiscal year on July 1. In case of a vacancy caused by the death, resignation or removal of a Director, the president of the CUJF, with the approval of the CUJF Board of Directors, may appoint a replacement director at any of its regular or special meetings. The CUJF Executive Director and the president of CUJF (or the president's designee) shall serve as ex officio members of the

CUJEF. Any organization that is the main beneficiary of more than one third of the total assets in the CUJEF investment pool during a given fiscal year may also appoint up to two persons to serve as ex officio members of the CUJEF Board during that fiscal year, who shall be the President and Treasurer of such organization or their designees.

B. Members. The Endowment Board shall consist of not fewer than eight (8) and not more than fifteen (15) members.

C. Term of Service

1. Term of Service. The term of service for each Director (other than ex officio directors) shall be for three (3) years. No Director may serve for more than two (2) consecutive terms, except for a newly appointed Endowment Board Chairperson or the immediate past Endowment Board Chairperson, who may serve one (1) additional term for a maximum of three (3) consecutive terms, and ex officio directors, who may serve indefinitely.

2. Transition Rule. Notwithstanding the foregoing, in order to ensure continuity in the Endowment Foundation's operations, no more than one-third of the non-ex officio directors shall be replaced each year. To ensure a smooth transition, the term of all Endowment Foundation Directors (other than ex-officio directors) who have served more than two consecutive terms shall end on June 30, 2015, except that the President of the CUJF, with the approval of the CUJF Board of Directors, shall appoint such number of the retiring directors to terms of one (1) year or two (2) years so that no more than one-third of the Endowment Foundation Board shall leave the Board during any fiscal year over the three (3) fiscal year period beginning on July 1, 2015.

D. Meetings and Minutes. The Endowment Board shall hold a regular meeting quarterly. Special meetings may be convened with notice of at least seven (7) days to all Directors. Minutes shall be prepared for all meetings and shall be preserved in the records of the CUJF.

E. Quorum and Voting. The presence of a simple majority of Directors at a duly authorized Endowment Foundation Board meeting shall constitute a quorum. Each director shall be entitled to one (1) vote. Each decision of the Board shall require the approval of a simple majority of Directors who are present and voting.

F. Unanimous Written Action. Any action required or permitted to be taken at a meeting of the Endowment Board (or any committee thereof) may be taken by a written action signed by all of the Directors. Such written action is effective when signed by all of the Directors (including by email votes), unless a different effective time is provided in the written action. Any such consent shall have the same effect as a unanimous vote of the Directors.

G. Rules and Procedures. The Endowment Foundation may adopt such rules and procedures as may be necessary or convenient to carry out its purposes.

H. Committees. The Chairperson, with the approval of the Board, may appoint a Chairperson and Committee members to each of the following committees. In lieu of appointing one or more of the committees, the functions of a non-appointed committee, or committees, shall be retained and exercised by the entire Board of Directors.

1. Professional Advisory: The Professional Advisory Committee shall be responsible for making proper professional counseling and advice available to the Endowment Foundation Board, to each sub-committee and to donors so as to protect the integrity and viability of the Endowment Foundation as a qualified public charity and to encourage its growth and proper application. The Professional Advisory Committee shall be responsible for sponsoring educational tax and estate planning seminars or related functions for donors and potential donors, and for professional advisors.

2. Investment: The Investment Committee shall be responsible for the investment of the Foundation's assets within the limitations of these Bylaws and such rules and regulations as may be adopted by the Endowment Foundation Board relative to permitted investments.

a. Standard of Investment: The Investment Committee shall follow the rule that a prudent fiduciary is under a duty to use due care and skill in the selection of investments with a view to the safety of the principal and to securing reasonable earnings.

b. Co-Mingling and Retention of Assets: Assets of the Endowment Foundation, whether allocated to a specific fund or the Endowment Foundation itself, are intended to be segregated although such funds may be co-mingled with other assets of the Endowment Foundation for investment purposes. In no way shall such co-mingled funds be subject to any of the liabilities of the CUJF or of any agency or entity that has contributed assets to the Endowment Foundation. The Investment Committee may dispose of any asset received by it, or may retain assets in the form in which contributed or acquired.

c. Professional Assistance: With the consent of the Chairperson and the concurrence of a majority of the members of the Endowment Foundation Board present at any regularly scheduled meeting, the Investment Committee may employ corporate fiduciaries and/or professional investment counselors. The Investment Committee may rely on the written advice of legal counsel in this regard.

3. Development and Marketing Committee: The Development and Marketing Committee shall be responsible for developing programs that promote and advance the purposes of the Endowment Foundation. They shall continuously consider methods of identifying and approaching potential donors.

4. Distribution Committee: The Distribution Committee shall make recommendations to the Endowment Foundation Board in matters concerning the distribution of income and/or principal from any Unrestricted Fund.

V. ACCEPTANCE, REJECTION, OR MODIFICATION OF GIFTS

A. Routine Acceptance or Rejection of Gifts. The Endowment Foundation may routinely accept tendered contributions of cash and readily marketable securities from individuals, private foundations or other donors. The Endowment Foundation shall not accept any gift which would place the Foundation in an unrelated business as defined by the U.S. Internal Revenue Code.

B. Modification of Gifts. No contribution, gift, or donation given to any Endowment Fund shall be modified in any manner by a donor. The Board shall have the power to modify a contribution, gift, or donation only when the intent or method of effectuating a contribution, gift, or donation is rendered impossible, or when administration of a contribution, gift, or donation is extremely burdensome to the Foundation. The Board shall also have the power to modify a Named Restricted Fund at the request of the donor named in the document establishing such fund, if the specified purposes of the fund are too limited to achieve the donor's objectives. This provision allowing a donor to request changes is limited to "purpose" type funds, and it would not generally allow the Board to change the beneficiary of a fund established for the benefit of a specified organization. A modification shall be as limited as possible to effectuate a contribution, gift, or donation, or to remove the extreme burden to the Foundation.

C. Consideration of Other Gifts. Tendered contributions that are not routinely accepted by the Endowment Foundation may be referred to a regular or special meeting of the Endowment Foundation Board for an acceptance or rejection decision. The notice of that meeting shall include such data and information as may be helpful to members of the Endowment Foundation Board.

D. Legal Conveyance and Title. Any gift to the Endowment Foundation shall be accompanied by such instrument of conveyance or transfer and any other documentation requested by the Endowment Foundation. Title may be held in the name of a nominee or a title-holding entity as authorized by law.

E. Gift Acknowledgment. The Endowment Foundation shall provide an acknowledgment of gifts received by the Endowment Foundation to the donor in accordance with rules of the Internal Revenue Service.

F. Donor Responsibility. Each donor shall remain responsible for his or her obligations, including the valuation of gifts and the payment of any taxes related to such gift or encumbrances on such gifts except encumbrances placed on the property by the Endowment Foundation, if any.

VI. DISTRIBUTION OF INCOME AND CORPUS

A. Distributions from Unrestricted Funds. The Distribution Committee shall recommend to the Endowment Foundation Board the distribution of income and/or principal from any unrestricted fund. The Distribution Committee shall, from time to time, recommend to the Endowment Foundation Board standards for distribution.

B. Limitation on Distribution. Distributions from Endowment funds must meet the following basic standards. All distribution of Endowment Foundation assets must be in furtherance of the charitable, educational and /or religious purposes of the CUJF and must be consistent with the purposes set forth in these Bylaws. To effectuate the above purposes, distribution may only be made as follows:

1. To an ultimate recipient of the grant that is either:
 - A. The vendor of goods or services directly related to the furtherance of the above purposes,
 - B. The intended beneficiary of the grant, in the case of an organization, or
 - C. The intended individual beneficiary of the grant, except that if the individual beneficiary is a minor, the grant may be made to a parent or guardian of the intended beneficiary.
 - i. Notwithstanding the foregoing, no individual grant may be made from an endowment fund to either a substantial contributor to that fund, nor to any person who is related to a substantial contributor to such fund. A person shall be considered a “substantial contributor” to an endowment fund if the total contributions made to that endowment fund by such person and his or her spouse, ancestors and descendants have exceed \$5,000.00.

2. The Professional Advisory Committee shall have the duty to review:
 - A. Any distribution of Endowment Foundation assets to recipients other than to tax exempt organizations, and
 - B. The creation of new designated funds to determine if the fund purposes are consistent with Federation and Endowment Foundation purposes and within any Federation or Endowment Foundation limitations.

C. Distribution of Funds. No distribution from the General Unrestricted Fund may be made unless first recommended by two-thirds (2/3) of the members of the Board present and voting. Distribution from other Endowment Funds must meet the requirements for distribution stated in the agreement that established the fund.

D. Distributions May Not Discharge Personal Obligations. The Endowment Foundation, as a public charity, may not make any distribution in discharge of the personal obligation or charitable pledge of any person.

VII. FISCAL AND ADMINISTRATIVE MATTERS

A. Fiscal Year. The fiscal year of the Endowment Foundation and of each fund shall end on June 30 of each year.

B. Quarterly Reports. Quarterly financial reports on all Funds will be prepared for the Endowment Foundation Board.

C. Annual Reports. CUJEF shall prepare an Annual Endowment Foundation Report.

D. Interpretation and Procedures. These Bylaws shall be interpreted by the Board in a manner that is consistent with the purposes of the Endowment Foundation and the CUJF.

E. Exculpation; Indemnification of Directors. The directors of the Endowment Foundation shall have no personal liability whatsoever for obligations of the Endowment Foundation. The Endowment Foundation may indemnify the directors of the Endowment Foundation from and against any loss, cost, expense, liability, or action arising by reason of the fact that he or she acted in such capacity, to the fullest extent permitted by Illinois law.

F. Administrative Expenses. The Endowment Foundation shall pay all its administrative expenses through fees and charges to the various Funds and the General Unrestricted Fund.

G. Amendments to the Bylaws. These Bylaws may be amended from time to time by action of the Board of Directors of the Endowment Foundation Board and Board of Directors of CUJF for the purpose of conforming to the requirements of the law, or to achieve economical operation of the Endowment Foundation, or to effectuate the purposes of the Endowment Foundation. An amendment shall require no less than a vote by two-thirds (2/3) of the total membership of the Board of the Endowment Foundation. Said amendment shall also require approval by the Board of CUJF in a manner that conforms to the bylaws of CUJF.