

## **BY-LAWS**

### ***NEW ORLEANS BAPTIST THEOLOGICAL SEMINARY FOUNDATION***

#### **ARTICLE I MEMBERSHIP**

Membership of the New Orleans Baptist Seminary Foundation (hereinafter sometimes called "Foundation") shall consist of not less than nine (9) nor more than two hundred (200) members as may be fixed from time to time by the Seminary Trustees. The members of this Foundation shall also be the Directors thereof, so that the number of Members shall also be the number of Directors. Hereafter, all Members shall be elected by the Board of Trustees of the New Orleans Baptist Theological Seminary for regular terms or to fill vacancies as the case may be, and the admission of a person either as a Member or as a Director shall constitute his election as both a member and as a Director. When a person ceases to be a Member or ceases to be a Director he shall no longer be either a Member or a Director. Members shall be elected for the same term as Directors, i.e. lifetime. The Members and Directors will accordingly always be the same persons, and such Membership will continue until their successors are duly elected.

#### **ARTICLE II ANNUAL MEETING**

The annual meeting of the Foundation shall be held during the month of March each year.

#### **ARTICLE III OFFICERS**

The officers of the Foundation shall consist of a President, Vice-President, Recording Secretary, Executive Secretary, and Treasurer. The officers shall be elected by the Board of Directors, and the President, Vice-President and Recording Secretary shall be Members of the Board. The Board of Directors shall elect as Executive Secretary of the Foundation the Vice-President for Development of the New Orleans Baptist Theological Seminary and shall elect as Treasurer the Business Manager of the New Orleans Baptist Theological Seminary, provided it is practical for these persons to serve in these respective capacities.

**ARTICLE IV**  
**DUTIES OF OFFICERS**

**Section 1 – President**

The President shall preside over all meetings of the Directors, shall be their official spokesman, and perform such other duties as ordinarily pertain to that office.

**Section 2 – Vice-President**

The Vice-President shall act for the President in his absence or incapacity.

**Section 3 – Recording Secretary**

The Recording Secretary shall keep a record of all meetings of the Directors and minutes of the proceedings, and shall perform such duties as ordinarily pertain to that office.

**Section 4 – Executive Secretary**

The Executive Secretary shall assist the President and the Board of Directors in carrying out the purposes of this Foundation.

**Section 5 – Treasurer**

The Treasurer shall have custody of the funds, securities, and the property of the Foundation, subject to the provisions hereof, and to such regulations as shall from time to time be prescribed by the Directors, and shall deposit all funds and securities in such banks and with such fiduciaries as may from time to time be designated by the Directors. Said funds may be withdrawn only upon draft or order signed by the Treasurer and countersigned by the President or the Executive Secretary. Funds set aside for current expenses may be drawn on order of the Treasurer and countersigned by any other person designated by the Board of Directors.

The Treasurer shall be responsible for accurate accounting to the Board of Directors for all funds and securities in his custody and may be bonded in such amount as determined by the Board of Directors.

**Section 6 – Board of Directors**

- a. The Board of Directors shall meet and organize as soon as practicable after the Articles of Incorporation have been filed. After the organization,

the Board shall hold annual meetings, and such other meetings as it may desire, at such time and place as may be selected by it.

- b. Called meetings shall be held upon the call of the President, or upon the call of three members of the Board of Directors; and the President or Secretary shall give sufficient notice of the time and place thereof.
- c. The Board of Directors may, at any meeting, appoint such Committee or Committees and delegate to it, or to them, such authority as may be deemed advisable, so long as the same shall be within their authority and discretion.
- d. A quorum of the Board of Directors shall consist of a simple majority of the duly elected and qualified members, and all matters properly coming before them shall be determined by a majority vote of those present.
- e. The Board of Directors shall have and exercise full authority with reference to the investment, re-investment and administration of the principal of all funds and property devised, bequeathed, given or transferred to the Foundation, as well as the investment, re-investment and administration of all funds and property committed to it for such purposes as agent or as trustee by the New Orleans Baptist Theological Seminary, and shall have authority to execute proper transfers, assignments, contracts, deeds, releases, receipts, acquittances, and any and all instruments that may be necessary in the administration of the property and assets of the Foundation, or in its capacity as agent or trustee, and the purchaser or transferee of the property, real or personal, notes, bonds, or securities shall not be required to look to the application of proceeds so long as such instrument or instruments so delivered to him or them, is executed by the President or Vice-President of the Board of Directors, and in the case of real estate, attested by the Secretary and upon proper resolution of the Board of Directors.

## **ARTICLE V**

### **AGENTS**

The Board of Directors may select and appoint fiduciaries and fiscal agents to be given custody of all or any part of the properties of the Foundation and other properties administered by it, and they may be authorized to make alter investments of the Foundation committed to their custody, and to keep the financial books of the Foundation so committed to their custody and to make such accounting to the Board of Trustees of the New Orleans Baptist Theological Seminary as it shall require. The Board of Directors may require bond of its fiduciaries and fiscal agents with such corporate surety as it deems advisable.

**ARTICLE VI**  
**AUDITS**

The books of the Foundation and of its fiscal agents shall be audited at least annually by an auditor appointed by the Board of Directors of this Foundation and a certified statement of the auditor showing the investments held by the Foundation, the amount of income during the year, the purposes for which the income has been applied, shall be made.

**ARTICLE VII**  
**AMENDMENTS**

These By-Laws may be amended by a two-thirds vote of the Board of Directors present and voting at any meeting of the Foundation, notice in writing having been given by the Secretary of this Foundation ten days prior to the meeting. Said notice to set forth the purposes of the meeting.

**ARTICLE VIII**  
**MANAGEMENT OF AFFAIRS OF FOUNDATION**  
**SUBJECT TO BUSINESS AND FINANCIAL PLAN CONVENTION**

The management of the affairs of the Foundation shall be subject to the Business and Financial Plan of the Southern Baptist Convention, copy of which Business and Financial Plan, marked "Exhibit A-1" is attached hereto.

"Exhibit A" consisting of Articles I to VIII, inclusive, of the By-Laws of the New Orleans Baptist Seminary Foundation.

## BUSINESS AND FINANCIAL PLAN

### I. Convention Budget

Each agency of the Convention shall submit to the Executive Committee for its approval (1) an itemized estimate of its receipts for the next fiscal year, and (2) an itemized estimate of its expenditures for next fiscal year according to the rule set forth below (See Section II-3) for making operating budgets.

The Executive Committee shall present to the Convention a budget, which budget shall consist of all the budgets of all the agencies which have been submitted to the Executive Committee and reviewed by it and recommend the amount of Convention funds to be allocated to each cause or agency.

### II. Operating Budgets

#### 1. *Convention Operating Budget*

The Executive Committee shall recommend to the Convention an operating budget which shall include all expenses of the Convention and its agencies and committees included in the Convention Operating Budget. The Executive Committee shall also recommend to the Convention the source of these funds.

#### 2. *Agencies Not Sharing in Table of Percentages*

The agencies of the Convention not sharing in the table of percentages for distribution of funds shall be provided for as follows:

- (1) Expenses of Commissions and Standing Committees.—The Executive

Committee shall recommend to the Convention, after a personal conference or correspondence with the chairman of the commissions and standing committees, a sum of money to be appropriated to each of them for the Convention year.

(2) Expenses of Special Committees.—(a) The expenses incurred by special committees appointed by the Convention to perform duties connected with one or more agencies of the Convention shall be borne by the agency or agencies concerned on a basis pro rata to receipts unless the expenses are otherwise specifically provided. (b) The expenses incurred by special committees which do not directly concern any of the agencies of the Convention shall be paid out of the Convention Operating Budget. Unless the amount of expenses is fixed by the Convention, the Executive Committee must agree to the amount to be expended before such expenditure is incurred. (c) Itemized accounts of expenses of members of such committees shall be required and approved by the chairman before the same shall be paid.

### 3. Agencies Sharing in the Direct Allocation

The agencies of the Convention sharing in the direct allocation for the distribution of funds shall make their operating budgets in the following manner:

(1) The current operating budget of the agencies of the Convention shall be made on the basis of the current distributable operating allocation, plus any other anticipated receipts which can be substantiated by previous experience, not including wills, bequests, and special gifts for specific purposes, and any debt incurred within the current year shall become a preferred item in the budget of the Convention year immediately following.

(2) In making the annual appropriations on the basis set forth, a contingent item shall be set up in the budget according to the needs of the agency.

(3) It is understood that an agency may borrow money for seasonable needs, provided, however, that such borrowing shall not exceed the amount of its budget allowance remaining at the time of borrowing, and provided further that if an emergency should arise additional money may be borrowed on the approval of the Executive Committee of the Convention.

### III. Convention Year

The financial affairs of the Convention and all its agencies, except seminaries, shall be operated on the fiscal year beginning January 1 and closing December 31. The seminaries owned and operated under the authority of the Convention shall use the fiscal year beginning August 1 and closing July 31. The Sunday School Board, which does not participate in the distribution of Cooperative Program funds, and the Southern Baptist Hospital, shall operate on a fiscal year beginning October 1 and closing September 30.

### IV. The Disbursing Agency

By agreement all sums collected in the states for the causes fostered by this Convention will be forwarded monthly by each state office to the Executive Committee of this Convention, which shall act as the disbursing agent of this Convention. The Executive Committee shall remit weekly to each of the agencies of the Convention the funds, distributable and designated, belonging to each agency. The first distribution in each month shall be on the seventh day of the month, or the nearest working day thereafter. The Executive Committee shall make monthly reports of receipts by states, and of disbursements by agencies, and shall forward each month copies of these reports to the executives of the agencies of the Convention, to the state offices, and to the denominational papers.

### V. Distribution of Cooperative Program Receipts

In order that the financial plans and purposes of the Convention may operate successfully, the Convention appeals to its constituents to give to the whole Cooperative Program, and to recognize the wisdom and right of the Convention to distribute its receipts from the Cooperative Program, this assuring an equitable distribution among the agencies of the Convention.

### VI. Special Solicitations

Any special financial campaign by an agency for budget needs, endowment, building, equipment, or other purposes shall first receive the endorsement and

approval of the Convention or of its Executive Committee. Neither shall any agency approach individuals or groups for special solicitations on behalf of the agency without approval of the Convention or its Executive Committee. This does not apply to the Lottie Moon or Annie Armstrong offerings, nor is it to be construed as prohibiting any agency from approaching individuals for gifts for capital needs including endowments, and such approach to an individual is to be made only by personal contact or personal correspondence.

#### VII. Designated Gifts

The Convention binds itself and its agencies faithfully to apply and use all such gifts as designed by the donor.

#### VIII. Trust Funds

Each agency of the Convention is hereby instructed and ordered to keep all trust funds and designated gifts (for they are trust funds) sacred to the trust and designation; that they be kept separate from all other funds of such agency; that they are not to be used even temporarily for any other purpose than the purpose specified; and that such funds shall not hereafter be invested in the securities of any denominational body or agency.

#### IX. Gift Annuity Agreements

All agencies of this Convention writing gift annuity agreements in the future, and also the Convention itself through its Executive Committee, shall enter into contractual agreement with the Southern Baptist Foundation or the Relief and Annuity Board of the Southern Baptist Convention to fund by pooling the annuity portion of all such gift annuity agreements provided, however, that this requirement shall not apply to gifts of property, real or personal, the income of which is to go to the donor without further or additional obligation on the part of the agency accepting the gift. The mortality, interest and expense rates used as the basis of determining the amounts required to fund the annuity portion of such gift annuity agreements, and the maximum gift annuity rates of the Southern Baptist Foundation and the Relief and Annuity Board of the Southern Baptist Convention shall always be the same.

#### X. Capital Investments

An agency or institution shall not create any liability or indebtedness except such as can and will be repaid out of its anticipated receipts for current operations within a period of three years, without the consent of the Convention or the Executive Committee. In order to obtain such approval, the agency must file a statement showing the source of such anticipated receipts.

Such consent must be likewise obtained for a purchase of properties (directly or indirectly or through ownership of controlling stock in other corporations or otherwise), subject to liens or incumbrances which cannot be repaid out of its anticipated receipts for current operations within a period of three years.

In making allocations for capital needs, priority shall be given to those projects which make the greatest contribution to advancing the overall objectives of the Southern Baptist Convention in bringing men to God through Jesus Christ.

Capital needs shall be considered as those projects which add to the long-range capital assets of the agency.

For the purpose of defining these items, they shall be considered as single projects costing more than \$5,000 and having a life span of more than five years.

Office equipment and furniture replacement shall not be considered as capital needs. For the purpose of allocations, books shall not be considered as capital needs. Loan funds for church extension shall be considered as capital funds.

For capital needs after 1968, agencies shall be expected to provide all repairs, maintenance, etc., of income-producing property out of the income. Major repairs to non income-producing property may be considered as being eligible for capital funds.

#### XI. Contingent Reserves

Each agency of this Convention shall set up as soon as possible a reserve for contingencies to provide for deficits that may occur either through decreased

receipts or through emergencies or both. The maximum amount of contingent reserve of any agency shall be determined by the agency, subject to the approval of the Convention.

## XII. Financial Reports

"1. *Audit Reports*—The agencies of the Convention shall close their books and accounts and have them audited by a certified public accountant as of the close of business on December 31 of each year, or July 31 in the case of the seminaries or in the case of the Southern Baptist Hospital, the Sunday School Board, the Stewardship Commission, and the Brotherhood Commission, September 30. The audit shall be made according to the form or forms recommended by the Executive Committee.

Each agency of the Convention shall forward a copy of its audit to the Executive Committee as soon as possible, certainly within three months after the close of the fiscal year, and each agency shall appoint a committee to study the reports of its auditor. Each annual audit shall include a statement from the certified public accountant certifying that he has handled and counted all securities held by the agency in the presence of the treasurer and one member of the board. If the securities are placed for handling with a trustee (i.e., bank, trust company, foundation, etc.), a certified statement from such trustee should be made to the accountant and be made a part of the annual audit report. The seminaries shall also submit to the Executive Committee a balance sheet as of December 31, to be used in reporting the Aggregate Assets and Liabilities of the Agencies of the Southern Baptist Convention."

### 2. *Semi-annual Reports*

Each agency shall submit a semi-annual report containing the following:

- (1) Total receipts under the following headings: (a) undesignated receipts (b) designated receipts for current and capital needs respectively (c) income from other sources.
- (2) Total expenditures under the following headings: (a) current operating budget (b) capital expenditures (c) reserve fund.

These reports must be submitted to the Executive Committee in July or in February in the case of the seminaries and cover the operations of the first six months of the fiscal year.

### 3. *Printing of Reports*

The financial report of each agency shall be printed in the *Convention Book of Reports* or the *Convention Annual*, and shall contain the following taken from its latest annual audit report:

- (1) Balance sheet
- (2) Analysis of surplus accounts
- (3) Income and expense
- (4) Classified list of investments by fund and type of investment
- (5) Receipts by states of contributions. These should show:
  - a. Cooperative receipts received through the Executive Committee
  - b. Designated receipts received through the Executive Committee
  - c. Gifts not received through Executive Committee

The Sunday School Board shall include in its annual report to the Convention information on the amount of funds transferred to each state convention during the preceding year.

## XIII. Handling of Funds

All persons who handle funds or securities of the Convention or any agency of the Convention shall be adequately bonded, such bond to be determined by the amount of funds or securities involved and approved by the Convention or its Executive Committee.

The books of all Convention agencies shall be open for inspection by Convention officers, members of boards, and other co-operating Baptists.



The securities of all Convention agencies shall be placed in a safety deposit vault or a bank or trust company for safe keeping, such securities to be deposited and withdrawn by two bonded representatives of the agency in the manner prescribed by the bank or trust company. In lieu of this plan the agencies may deposit all securities with a trust company which will receipt for and handle them and be responsible for the same.

#### XIV. New Enterprises

No new enterprise, involving expenditure of money, shall be authorized by the Convention except upon favorable action by the Convention in two succeeding annual meetings; provided, however, that this restriction shall not apply to a recommendation of an agency of the Convention concerning its own work. In the event any new hospital propositions are made, they must be considered as new enterprises of our Convention, whether money is involved at the time of the acquiring of such property or not, and must be presented to two succeeding Conventions.

#### XV. Appropriations by the Agencies

No agency shall make any appropriation to any cause or for any purpose other than for the promotion of its own work except by the approval or upon the instruction of the Convention or of the Executive Committee.

The Sunday School Board shall be required to transfer funds to the Southern Baptist Convention each year to be used as the Convention determines. The Sunday School Board shall not be permitted or required to transfer funds to other Southern Baptist Convention agencies or committees.

#### XVI. Business Procedure

As a normal operating policy, each agency of the Southern Baptist Convention shall refrain from entering any business transaction with a trustee or employee, or a business enterprise in which a trustee or employee has an interest. An exception to this policy may be made, at the discretion of the board of trustees, in any case wherein it appears that a commodity or service is unavailable on a more favorable basis from any other source, or a commodity or service, at the discretion of the board, is found to be in the best interest of the agency. Competitive bids should be taken if possible. In any case being considered for exception, the extent of the trustees' or employees' interest shall be disclosed to the entire board.

#### XVII. Professional Services

The Executive Committee at its discretion may employ an auditor to study the audited report with the auditors of the agencies in the light of Convention instructions.

The Executive Committee at its discretion may employ an engineer or architect to study proposed capital projects or maintenance of present capital assets.

#### XVIII. Publication

The plans and methods herein set forth shall be published each year in the *Convention Annual*, following the By-Laws of the Convention.

#### XIV. Amendments

This Business and Financial Plan may be altered by two-thirds of the messengers present and voting at any time except on the last day of the Convention.