

Endowment Policy

As referenced in Article VIII of the UUCM Bylaws

1. GENERAL

1. Definitions

1. The Endowment (“Endowment”) is defined as money or securities given to the Congregation for designated purposes or to provide income for the support of the Congregation. Memorial gifts and bequests are considered part of the Endowment unless the grantors explicitly state otherwise. Member pledges are not part of the Endowment. In case of ambiguity as to whether a gift should be considered part of the Endowment, the Church Council (“Council”, as defined in the UUCM Bylaws), guided by recommendations of the Trustees of the Endowment and the Finance Committee (as defined in the UUCM Bylaws), shall decide the issue.
2. Endowment Funds: Comprised of the General Fund and Building Fund, maintained in one investment account i.e. Endowment Invested Assets. The share of each is reported monthly by the Trustees.
3. Building Fund Principal: The market value of the Endowments Invested Assets, prorated to the share attributable to the Building Fund.
4. General Fund Principal: The market value of the Endowments Invested Assets, prorated to the share attributable to the General Fund
5. Benefactor: Any Person or Organization who gives money or property to support the UUCM Endowment.
6. Terms shall be defined in this document or in the UUCM Bylaws.

2. Purpose

1. The purpose of the Endowment is to furnish a stable financial base that will provide for a continuing Unitarian Universalist presence in the Milford area.

2. The purpose of the Endowment Policy (“Policy”) is to define the composition and election of the Trustees of the Endowment (“Trustees”), guide the Trustees in their management of the Endowment, and guide the Unitarian Universalist Congregation in Milford (“Congregation” or “UUCM”) in its use of the Endowment.

3. The Trustees of the Endowment

1. The Trustees shall consist of five members of the Congregation: three elected members, the President of the Church Council, and the Chair of the Finance Committee. A minister shall be an ex-officio member without vote.
 1. The Congregational Development Committee will nominate one Trustee of the Endowment for the coming year. Election of Trustees will take place, by vote, at the annual business meeting of the Congregation, in accordance with Article III of the UUCM By-Laws.

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2. The terms of the elected Trustees shall be staggered, as determined by the Congregational Development Committee, so that only one Trustee shall be elected each year.
 3. The elected Trustees may serve two consecutive three-year terms. Upon the expiration of a full year after leaving office, a former Trustee may be elected again. An appointment of a Trustee to fill a vacancy shall not count as a term unless the length of the appointment is more than one year.
 4. A vacancy that occurs midterm shall be filled by vote of the Council for the remainder of the term of the vacated position.
 5. The Chair of the Trustees shall be selected by the Trustees.
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2. The mission of the Trustees shall be, in the following order of priority:
 1. To maximize the growth of the Endowment, while minimizing risk.
 2. To encourage the Congregation to give, bequest, and otherwise support the Endowment.
 3. To recommend policy concerning the Endowment to the Council.
 4. To provide advice and consultation during development of the annual budget, with the specific objective of being responsive to current fiscal needs of the Congregation while continuing to support healthy fiscal policy.
 5. To invest when possible within socially responsible guidelines.
 3. The Trustees are empowered to hold, sell, exchange, transfer, convert, invest, and, in all other respects, manage and control the assets of the Endowment, consistent with the terms described herein.
 1. The Trustees shall meet at least quarterly to review the Endowment portfolio, to discuss any potential changes to the Endowment, and to vote on any proposed changes.
 2. A quorum shall consist of three Trustees and a quorum must participate in any vote taken. A majority of the Trustees (three) shall carry any motion.
 4. The Trustees shall generate/maintain the following records and reports:
 1. A permanent record of all gifts (and any restrictions), bequests, and other Endowment assets and all provisions relating to them.
 2. A written status report on the Endowment twice yearly to the Council and the Finance Committee, and a written annual report to the Congregation for the end of the year business meeting.
 5. The Trustees may request that other members of the Congregation serve as advisory members and, at the expense of the Endowment funds, may provide

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for such professional counseling on investments or legal matters as they deem to be in the best interest of the Endowment.

6. Trustees shall not be liable for any losses that may be incurred upon the investments of the assets of the Endowment except to the extent that such loss shall have been caused by a breach of the duty of loyalty, bad faith or gross negligence. Each Trustee shall be liable for only her or his own willful misconduct or omissions and shall not be liable for the acts or omissions of any other Trustee. No Trustee shall engage in any self-dealing or transactions with the Endowment in which the Trustee has direct or indirect financial interest and shall at all times refrain from any conduct in which her or his personal interests would conflict with the interest of the Endowment.

2.ENDOWMENT FUNDS

1. Two Endowment Funds

- 1.The Endowment shall be composed of two funds, the General Fund and the Building Fund. The Trustees shall separately account for the two funds as well as recording gifts to and distributions from each fund.
- 2.All assets of the Endowment shall be held in the name of the Congregation.

2. Gifts

- 1.Gifts and bequests to the Endowment may be designated to either the General Fund or the Building Fund. Undesignated gifts shall be deposited to the General Fund.

3. Endowment Income

1. All Endowment Income shall be retained and reinvested except as noted below.

3. GENERAL FUND

1. Purpose

- 1.The General Fund may be used for any purpose to further the work of the church.

2. Distributions

- 1.Distributions from the General Fund shall conform to the following rules:
 - 1.The General Fund shall be used only by a two-thirds vote of the members present at a business meeting of the Congregation in accordance with Article III of the UUCM By-Laws. Until such time as the General Fund is twice the operating budget for the year that the distribution will be taken, these distributions shall be in the form of a loan. When the General Fund reaches twice the operating budget, the distribution may be in the form of a loan or not.
 - 2.Annually, up to 4% of the prior 4 quarters average of the General Fund Principal, can be withdrawn in support of the Operating Budget. The final amount will be determined by the Church Council

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upon the recommendation of the Finance Committee and the Trustees, and subject to the Congregation's approval of the annual operating budget. This amount would not be considered a loan.

1. The Trustees will gradually incorporate a 12 quarter average, with October 1, 2017, as the starting point.

4. BUILDING FUND

1. Purpose

1. The Building Fund shall be used only to pay for major expenditures or additions or improvement, maintenance or repair projects related to the buildings and real property of UUCM, including the grounds, landscaping, and equipment. These expenditures shall be of such a magnitude that they (singularly or combined) cannot be covered by the operating budget.

2. Growth of the Building Fund

1. Gifts may be made directly to the Building Fund,
2. When feasible, the Operating Budget should contain a line item with monies to be deposited to the Building Fund, subject to the Congregation's approval of the annual Operating Budget,
3. An excess in the Operating Budget at year-end may be deposited into the General Fund or the Building Fund.

3. Distributions

1. Distributions from the Building Fund shall be by a simple majority vote of the members present at a business meeting of the Congregation in accordance with Article III of the UUCM By-Laws.

5. LOANS

1. Restrictions

1. Loans from either fund shall conform to the following restrictions:
 1. The loan request must come from the Church Council and must include a payback schedule, interest to be charged (if any), and an estimate of the impact of the payback schedule on the operating budget.
 2. The payback schedule shall be modified or suspended only by a two-thirds vote of the members present at a business meeting of the Congregation in accordance with Article III of the UUCM By-Laws. Such modification or suspension shall only be effective for the church year in question, and would need to be re-voted each year in order to extend.

6. AMENDMENTS

1. The Trustees shall annually review and make recommendations to the Council for any changes to this Policy. This Policy may be amended, so far as allowed by law, or

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repealed at any business meeting of the Congregation. The Congregation shall have an opportunity to review any amendments or repeals prior to the meeting and the changes shall pass by vote of two-thirds (2/3) of the members eligible to vote under the provisions of Article II of the UUCM By-Laws who are present and voting.

7.OTHER

1. Distribution Exceptions

1. In the event of an emergency, declared by a vote of three-quarters of the members present at a business meeting of the Congregation in accordance with Article III of the UUCM By-Laws, distributions may be made that do not conform to the rules of the Funds. This emergency must be clear and immediate and the distribution must be in the best interests of UUCM.
2. Restricted gifts may be distributed when needed for use in compliance with their intent.

2. Restrictions on Gifts

1. It is intended that reasonable restrictions placed on any gift to either Fund will faithfully be followed. The Church Council, with a recommendation from the Trustees, reserves the right to reject any gift with restrictions not in the best interests of UUCM. Donors will be strongly encouraged to make gifts without restrictions.

3. Annual Review

1. The books will be reviewed annually by an outside Certified Public Accountant or a knowledgeable congregant who is not a member of the Trustees, such person to be appointed by the Council. A professional outside review is required no less than once every ten years, but may be waived by the Council. Any reports will be forwarded directly to the church council. The Trustees shall provide a written status report on the Endowment twice yearly to the Council and the Finance Committee, and a written account to the Congregation for the annual business meeting.
2. Any costs, if incurred, will be paid for from the Endowment Funds, as per section 1.3.5 of this document.

4. Anonymity of Bequests

1. The Trustees and Council acknowledge that for various reasons, UUCM Endowment Benefactors may want their gifts to remain anonymous, either completely or during their lifetime. If Benefactors wishes are expressed as such, the Trustees will make every reasonable effort to preserve that confidence, for whatever period of time it is requested.