

UUCM Endowment Investment & Distribution Policy

1. GENERAL

A. Purpose

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.

B. Definition

The 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, guided by recommendations of the Trustees of the Endowment and the Finance Committee, shall decide the issue.

C. The Trustees of the Endowment

1. The Trustees of the Endowment, hereafter called 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.
 - a) The elected Trustees shall be nominated by the Leadership Development Committee and elected by the vote of the members present at a business meeting of the Congregation in accordance with Article III of the UUCM By-Laws.
 - b) The terms of the elected Trustees shall be staggered, as determined by the Leadership Development Committee, so that only one Trustee shall be elected each year.
 - c) 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.
 - d) A vacancy that occurs midterm shall be filled by vote of the Council for the remainder of the term of the vacated position.
 - e) The Chair of the Trustees shall be selected by the Trustees.
2. The mission of the Trustees shall be:
 - a) To maximize the growth and income of the Endowment.
 - b) To encourage the Congregation to give, bequest, and otherwise support the growth of the Endowment.
 - c) To recommend policy concerning the Endowment to the Church Council.
 - d) 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 adhering to the policy specified herein.
 - e) 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.
 - a) 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.
 - b) 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:

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- a) A permanent record of all gifts (and any restrictions), bequests, and other Endowment assets and all provisions relating to them.
 - b) 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 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 bad faith or gross negligence. No Trustee shall be personally liable as long as he or she acts in good faith and with ordinary prudence. 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

A. 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 Unitarian Universalist Congregation in Milford (UUCM).

B. Gifts

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.

C. Endowment Income

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

3. GENERAL FUND

A. Purpose

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

B. Distributions

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. A specified portion of the General Fund income for the last four quarters may be allocated to the purpose of funding a portion of the operating budget, the percentage to be determined by the Church Council upon the recommendation of the Finance

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

4. BUILDING FUND

A. Purpose

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.

B. Growth of the Building Fund

In addition to gifts to the Building Fund, when feasible, the operating budget should contain a line item with monies to grow the Building Fund, subject to the Congregation's approval of the annual operating budget.

C. Distributions

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

A. Restrictions

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.

6. AMENDMENTS

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 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

A. 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.

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B. Restrictions on Gifts

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.