

**Endowment Committee  
2018 Annual Meeting  
Proposed Change to Bylaws**

The Endowment Committee and the Policy Committee have proposed that the portions of the Bylaws relating to the Endowment Fund (Article VII, Section D and Article XIII of the Bylaws) be shortened and amended, and that certain portions be set forth instead in the Manual on Board Staff and Committees as policies.

The purpose for this proposal is as follows:

1. The provisions in the Bylaws relating to the Endowment Fund contain unnecessary detail, and information that is no longer relevant, as well as provisions that are repetitive.
2. The Endowment Fund provisions in the Bylaws take up more than half of the total Bylaws, and much of these provisions are more policies than bylaws, and would be more appropriate in the Manual on Board Staff and Committees.
3. There has been confusion regarding whether memorial contributions, unless otherwise specified, should automatically become part of the endowment fund, or should become part of the general fund.

These proposed changes are too numerous to simply set forth the current version and highlight changes in red. Therefore, we have enclosed three separate documents

**Attachment #1 contains the current provisions relating to the endowment fund in the UUCGT Bylaws**

**Attachment #2 contains The Endowment Committee's proposed New Bylaw**

**Attachment #3 contains the proposed new Policy Statement to be included in the Manual on Board, Staff, and Committees**

These changes have been approved by the policy committee, and the Board of Trustees, conditional upon the approval of the congregation. Thank you for considering approval of these much-needed updates.

Sincerely,

The Endowment Committee,  
Maura Brennan, chair  
Nancy Doughty, financial officer  
Ann Swaney, trustee  
T. Michael Jackson, Secretary  
Price Watts, interim trustee

**Current Sections of the UUCGT Bylaws related to the Endowment Fund:**

**Article VII, Section D.**

Endowment Fund Committee. The Congregation shall elect Directors of the Endowment Committee as provided in the amended resolution establishing the Endowment Committee.

**ARTICLE XIII. ENDOWMENT FUND**

An Endowment Fund, whose the purpose, governance and operational procedures shall be defined by special resolution adopted by the Congregation, shall be established.

The resolution establishing the Endowment Fund was passed by the Congregation in April 1996 and amended in April 1997. The complete Resolution follows:

**A. Resolution to Implement the Endowment Fund**

“WHEREAS, stewardship involves the faithful management of all the gifts we have been given—time, talents, the created world and money, including accumulated, inherited and appreciated resources; and

WHEREAS, we can support the work of this Congregation through bequests in wills, charitable remainder and other trusts, charitable gift annuities, assignment of life insurance, and transfers of property (cash, stocks, bonds, real estate); and

WHEREAS, it is the desire of the Congregation to encourage, receive and administer these gifts in a manner consistent with the loyalty and devotion expressed by the grantors and in accord with the policies of this Congregation;

THEREFORE BE IT RESOLVED, that this Congregation, in Annual Meeting assembled on April 13, 1996, approve and establish on the records of the Congregation a new and separate fund to be known as THE UNITARIAN UNIVERSALIST CONGREGATION OF GRAND TRAVERSE ENDOWMENT FUND (hereinafter called the “FUND”);

BE IT FURTHER RESOLVED, that the purpose of this Fund is to enhance the mission of the Congregation apart from the general operation of the Congregation; that only in particular, temporary, difficult circumstances and where integrity of gift restrictions permit, may this Congregation, by action in meeting assembled use a portion of the FUND income for its own support services; that, except where authorized otherwise in terms of the gift, all principal amounts will be retained and only the income expended;

BE IT FURTHER RESOLVED, that the following Plan of Operation set forth the administration and management of the FUND.

**B. Plan of Operation 1. The Committee**

The COMMITTEE shall consist of five directors, all of whom shall be voting members of the Congregation. Except as herein limited, the term of each member shall be three (3) years. Upon adoption of this resolution by the Congregation, it shall elect

five (5) members of the COMMITTEE: two (2) for a term of three (3) years; two (2) for a term of two (2) years; and one (1) for a term of one (1) year.

Thereafter, at each annual meeting, the Congregation shall elect the necessary number for a term of three (3) years.

No member shall serve more than two consecutive three (3) year terms. After a lapse of one (1) year, former COMMITTEE members may be re-elected. The Spiritual Leader, the President and Vice President of the Executive Board shall be advisory members of the COMMITTEE.

The Board of Trustees of the Congregation shall nominate for the COMMITTEE and report at the annual congregational meeting in the same manner as for other offices and committees. In the event of a vacancy on the COMMITTEE, the Board shall appoint a member to fill the vacancy until the next Annual Meeting of the Congregation, at which time the Congregation shall elect a member to fulfill the term of the vacancy.

The COMMITTEE shall meet at least quarterly, or more frequently as deemed by it in the best interest of the Fund. A quorum shall consist of three (3) directors. A majority present and voting shall carry any motion or resolution.

The COMMITTEE shall elect from its membership a chairperson, financial secretary and recording secretary. The chairperson, or member designated by the chairperson, shall preside at all committee meetings.

The recording secretary shall maintain complete and accurate minutes of all meetings of the COMMITTEE and supply a copy thereof to each member of the committee. Each member shall keep a complete copy of minutes to be delivered to his or her successor. The secretary shall also supply a copy of the minutes to the Congregation Board.

The financial secretary shall assist the Congregation's Treasurer in maintaining complete and accurate books of accounts for the FUND, and shall sign checks and all other necessary documents on behalf of the Congregation in furtherance of the purposes of the FUND. The Endowment Fund shall be reviewed annually by the Congregational Accountant or Treasurer. After the Endowment Fund balance is greater than \$50,000, fund proceeds may be utilized for an independent review if authorized by the Board of Trustees.

The COMMITTEE shall report on a quarterly basis to the Board of Trustees and, at each annual or special meeting of the Congregation, shall render a full and complete audited account of the administration of the FUND during the preceding year.

The COMMITTEE may request other members of the Congregation to serve as advisory members, and, at the expense of Endowment Fund income, may provide for such professional counseling on investments or legal matter as it deems to be in the best interest of the fund.

Members of the COMMITTEE shall not be liable for any losses which may be incurred upon the investments of the assets of the FUND except to the extent such losses shall have been caused by bad faith or gross negligence. No member shall be

personally liable as long as he/she acts in good faith and with ordinary prudence. Each member shall be liable only for his/her own willful misconduct, and shall not be liable for the acts or omissions of any other members. No member shall engage in any self dealing or transactions with the FUND in which the member has direct or indirect financial interest and, shall at all times refrain from any conduct in which their personal interests would conflict with the interest of the FUND.

All assets are to be held in the name of the Unitarian Universalist Congregation of Grand Traverse Endowment Fund.

Decisions to hold, sell, exchange, rent, lease, convert, invest, reinvest, and in all other respects to manage and control the assets of the FUND, including stocks, bonds, debentures, mortgages, notes or other securities, as in their judgment and discretion they deem wise and prudent, are to be made by the COMMITTEE with subsequent execution by the delegated director of the COMMITTEE.

## **2. Distribution of Income**

The COMMITTEE shall determine what is principal and income according to accepted accounting procedures.

Gifts and bequests to the FUND shall accumulate until principal amount of fifty thousand dollars (\$50,000.00) is achieved, after which 90% of the income generated from the investment of the principal may be expended.

Unrestricted gifts are encouraged. Restrictions designated by the donor will be reviewed and approved by the COMMITTEE before acceptance of the gift.

Income from the FUND, excluding 10% reserved for reinvestment, may be distributed annually or such other times as deemed necessary and/or feasible to accomplish the following purposes:

- Up to one-third (1/3) for the physical plant of the Congregation, such as but not limited to, maintenance of buildings, capital improvements or renovations, or debt reduction. ☐
- Up to one-third (1/3) for outreach into the community, including, but not limited to, local social service agencies, institutions to which this Congregation relates, and to special programs designed for those persons in our community who are in spiritual and/or economic need. ☐
- Up to one-third (1/3) for the wider mission of Unitarian Universalism, including, but not limited to, grants to the UUA for new church development, professional ☐

leadership, educational ministries, world mission, and capital financing, or scholarships or grants to members of the Congregation for the purpose of attending theological school, for UU related camping or leadership conferences, or such other training which enables members of this Congregation to grow in faith and service to Unitarian Universalism.

Programs for support shall be recommended by the COMMITTEE and approved by the Board of Trustees of the Congregation for funding. Suggestions or requests for funding may be made by Congregation committees or members of the Congregation. These requests are due three months prior to commencement of the fiscal year. Should an emergency or unanticipated need arise at other times, the COMMITTEE will review and process the request provided funds remain available. Unused funds will be added to the following year's earnings.

**3. Amending the Resolution**

BE IT FURTHER RESOLVED, that any amendment to this resolution, which will change, alter or amend the purpose for which the FUND is established shall be adopted by a two-thirds vote of the members present at an annual meeting or at a special meeting of the Congregation called specifically for the purpose of amending this resolution.

**4. Disposition or Transfer of Funds**

BE IT FURTHER RESOLVED that in the event the Unitarian Universalist Congregation of Grand Traverse ceases to exist, either through merger or dissolution, disposition or transfer of the FUND shall be at the discretion of the Board of Trustees of the Congregation in conformity with the approved congregational constitution and in consultation with the Unitarian Universalist Association.

## Attachment 2

### **The Endowment Committee's proposed new Bylaw:**

**Note:** provisions that are substantive additions to the bylaws have been highlighted in bold and italics.

### **Article XIII Endowment Fund**

The UUCGT Endowment Fund (hereafter called the Fund) is hereby established **to create a reliable source of income in perpetuity** to enhance the mission of the Congregation **apart from the general operation of the congregation.**

- A. The Fund shall be administered by Five (5) Directors (hereafter called the Committee). Directors, nominated by the Leadership Development Committee, shall be elected for three (3) year staggered terms at the Annual Meeting. All Directors shall be voting members of the Congregation and shall serve no more than two (2) consecutive three (3) year terms.
- B. The Committee shall meet at least quarterly with a quorum consisting of three (3) Directors.
- C. A chairperson, financial secretary and recording secretary shall be elected from its members.
- D. In the event of a vacancy, the Board of Trustees may appoint a congregational member to fill the vacancy on an interim basis until a member is elected at the next Annual Meeting to fulfill the term of vacancy.
- E. The Committee shall give a financial report of the Fund at each Annual Meeting.
- F. Decisions to hold, sell, exchange, rent, lease, convert, invest, reinvest, and in all other respects to manage and control the assets of the Fund, are to be made by the Committee.
- G. Unrestricted gifts are encouraged. Restrictions designated by the donor will be reviewed and approved by the Committee before acceptance of the gift.
- H. ***Any bequest or memorial contribution, not otherwise specified, that comes to the Unitarian Universalist Congregation of Grand Traverse shall be added to the UUCGT Endowment Fund.***
- I. All assets are to be held in the name of the Unitarian Universalist Congregation as "Grand Traverse Endowment Fund."

Distribution of Income

- A. The Principle of the FUND shall not be distributed but will be re-invested for Fund growth.
- B. Ninety percent (90%) of the income generated from the investment of the principle may be distributed annually by the Committee to enhance the mission of the Congregation **apart from the general operation of the congregation.** Any proposed distribution must be submitted to the Board of Trustees and approved prior to distribution of the funds.
- C. Exigency Clause

*In the event of temporary, difficult circumstances, the congregation may vote to use Fund monies for emergency expenditures. Such emergency expenditures would require a vote of 2/3 of the membership.*

## **Proposed Endowment Committee Policy Statement**

### **Endowment Committee**

The Endowment Committee consists of five directors that are chosen and elected as set forth in the by-laws. The purpose of the Committee is to manage and promote the Endowment Fund. The purpose of the Endowment Fund is to create a reliable source of income in perpetuity to enhance the mission of the Congregation apart from the general operation of the congregation.

The Committee shall meet at least quarterly, or more frequently as deemed by it in the best interest of the Fund. The Committee shall elect from its membership a chairperson, financial secretary and recording secretary. A quorum shall consist of three (3) directors. A majority present and voting shall carry any motion or resolution.

The chairperson shall schedule meeting dates and times, prepare the agenda, and preside over the meetings. The chairperson shall prepare an annual report to be presented to the congregation at the annual meeting.

The recording secretary shall maintain complete and accurate minutes of all meetings of the Committee and supply a copy thereof to each member of the committee. The secretary shall also supply a copy of the minutes to the chair of the Finance Committee and the president of the Board of Trustees. Each Committee member shall keep a complete copy of minutes to be delivered to his or her successor.

The financial secretary, assisted by the congregational Business Administrator, shall maintain complete and accurate books of accounts for the Fund, and shall sign checks and all other necessary documents on behalf of the congregation in furtherance of the purpose of the Fund. The books shall be reviewed for accuracy on an annual basis by the financial secretary and the Business Administrator.

Members of the Committee shall not be liable for any losses which may be incurred upon the investments of the assets of the Fund except to the extent such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable as long as he/she acts in good faith and with ordinary prudence. Each member shall be liable only for his/her own willful misconduct, and shall not be liable for the acts or omissions of any other members. No member shall engage in any self dealing or transactions with the Fund in which the member has direct or indirect financial interest and, shall at all times refrain from any conduct in which their personal interests would conflict with the interest of the FUND.

The Spiritual Leader, the President and Vice President of the Executive Board may be advisory members of the Endowment Committee. The Committee may request other members of the Congregation to serve as advisory members, and, at the

expense of Endowment Fund income, may provide for such professional counseling on investments or legal matter as it deems to be in the best interest of the fund.

## **Accounting Procedures**

### **1. Responsibilities**

The Endowment Committee (EC) Financial Secretary and the Congregational Business Administrator are jointly responsible for ensuring that accurate and complete financial records are maintained for the Endowment Fund.

### **2. Endowment Account Parameters:**

- a. The UUCGT address is utilized for all mailed correspondence.
- b. Distributions will only be by check mailed to the UUCGT address.
- c. The Business Administrator receives quarterly account statements by mail.
- d. The Financial Secretary and the Endowment Committee Chair have electronic account access to the endowment fund financial account.

### **3. Accounting**

- a. Quarterly statements are mailed directly from the financial institution holding the endowment funds to the Business Administrator who prepares a financial statement for the Endowment Committee.
- b. Contributions are received by the Business Administrator and recorded in an Endowment Fund holding account.
- c. When the holding account exceeds \$100 the Business Administrator notifies the Financial Secretary who prepares a Deposit slip for the financial institution holding the endowment funds.
- d. The Business Administrator mails a check with the deposit slip to the financial institution holding the endowment funds.
- e. Receipt of the contribution by the financial institution holding the endowment funds is mailed to the Business Administrator and sent electronically to the Financial Secretary.

### **4. Disbursements**

- a. At its January meeting, the Endowment Committee votes on whether to disburse funds.
- b. Income from the FUND, excluding 10% reserved for reinvestment, may be distributed annually to enhance the mission of the Congregation **apart from the general operation of the congregation**. Distributions may be made for the following purposes:
  - Up to one-third (1/3) for the physical plant of the Congregation, such as but not limited to, maintenance of buildings, capital improvements or renovations, or debt reduction.

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- Up to one-third (1/3) for outreach into the community, including, but not limited to, local social service agencies, institutions to which this Congregation relates, and to special programs designed for those persons in our community who are in spiritual and/or economic need.
- Up to one-third (1/3) for the wider mission of Unitarian Universalism, including, but not limited to, grants to the UUA for new church development, professional leadership, educational ministries, world mission, and capital financing, or scholarships or grants to members of the Congregation for the purpose of attending theological school, for UU related camping or leadership conferences, or such other training which enables members of this Congregation to grow in faith and service to Unitarian Universalism.
  - c. Should an emergency or unanticipated need arise, the Committee will review the request provided funds remain available.
  - d. Once Disbursements are voted by the Endowment Committee, and approved by the Board, the committee financial secretary shall make arrangements for the Disbursements of said funds as voted, and make sure the business administrator is apprised of the transactions.