

Article XIX Beacon Endowment Fund Amendment

An endowment fund shall be established whose purpose, governance, and operational procedures shall be defined by Operating and Distribution Policies and adopted by the Beacon Unitarian Universalist Congregation at a congregational meeting.

I. Beacon UU Congregation Endowment Fund Operating Policy

A. The Beacon Unitarian Universalist Congregation of Flagstaff, Arizona, shall have an endowment fund (the Fund) to assure the long-range financial future of our church, to help manage financial emergencies, and to fund special projects that support the vision and mission of our Congregation. This fund shall be named the Beacon Endowment Fund and shall be kept separate and managed separately from Beacon's operational funds.

B. The Endowment Board of Governors (hereafter the Governors) shall govern the endowment fund, shall establish policies for the receipt of donations, either current year or by legacy. The Governors shall also be responsible for educating and marketing in support of the Fund. The Governors reserve the right to refuse a gift. All assets are to be held in the name of the Beacon Endowment Fund. The Governors shall be responsible for sending donations forward to the managers of the Fund, the Unitarian Universalist Common Endowment Fund, and for converting non-cash donations into cash as required.

C. The Board of Governors shall consist of five (5) members of the Beacon Congregation. The founding Board of Governors shall be approved by the Board of Trustees and elected by a simple majority vote of a quorum of members of the Congregation at a Congregational Meeting. No more than two members may serve on the Beacon Board of Trustees concurrently with the Governors. Except in the initial election, when shortened terms will enable a staggered rotation of members, the term of each member shall be three years. No member may serve more than two consecutive three-year terms. After a lapse of at least a year, a former Governor may be reelected. The Board of Governors shall nominate members as needed to fill vacancies for their committee and present these nominees to the Board of Trustees for their approval. The Board of Trustees shall present the approved nominee to the Congregation for election at the next Congregational Meeting. The Governors shall report to the Beacon Board of Trustees at least four times a year and provide a written report and oral presentation to the Congregation at their annual meeting.

D. The Board of Governors shall meet at least four times a year, or more frequently as deemed to be in the best interest of the Fund. A quorum shall consist of three members; a majority vote will carry any motion or resolution. The members shall choose their own chairperson as well as a financial and a recording secretary.

1. The recording secretary shall maintain complete and accurate minutes of all meetings of the Governors and supply an electronic copy thereof to each Governor. The secretary

shall also supply an electronic copy of the minutes to the Church Board and shall also maintain a hard copy of all the minutes in a file in the church office.

2. The financial secretary shall establish a bank account to receive donations for the Fund and will retain an amount in the account to cover ongoing expenses. The account will be used to accumulate the \$10,000, which is the required minimum deposit to the Unitarian Universalist Common Endowment Fund. The financial secretary shall maintain a complete record of donations.

E. The Board of Governors shall be responsible for encouraging donations to the Fund through presentations to Congregational groups, including after Sunday services, preparation of newsletter articles and distribution of informational brochures and other materials, including contracting for preparation of such materials by professionals.

F. The books shall be audited annually by a certified public accountant. A written report on the administration of the Fund during the preceding year shall be provided at each annual meeting of the Congregation.

G. Management of the assets shall be by the Unitarian Universalist Common Endowment Fund, which is a diversified investment fund seeking current income and long-term investment returns through portfolio allocation and professional asset management with Unitarian Universalist socially responsible investing goals. This Fund is under the oversight of the Unitarian Universalist Association Board and its Investment Committee, which selects professional outside advisors and Investment Managers. When a congregation becomes an investor in the UUCEF, its voice is amplified by joining with other investors in the Fund.

II. Beacon UU Congregation Endowment Fund Distribution Policy

A. Gifts to the Fund shall accumulate until a fair market value reaches at least \$100,000, after which annual distributions may commence. If the fund dips below \$100,000 by December 31 of a given year, distributions will not be made the following year. Distributions from the Fund shall be from earnings only and the Governors will decide how much of the earnings to use, depending on the performance of the Fund and their review of proposals received. This policy shall provide for the protection of the corpus of the Endowment Fund over the long term.

B. Donations to the Fund shall not be earmarked or designated for a specific purpose or program. All donations will be deposited into the Endowment Fund. Gifts and bequests to the Fund shall be undesignated, although naming the donation in honor of an individual shall be appropriate if desired by the donor.

C. Proposals for use of Fund monies shall be accepted by the Board of Governors if criteria in paragraph II.A. above are met, and in accord with the following calendar: If the funding criteria has been met there are funds available, the amount for distribution as of December 31 shall be announced in January; proposals shall be submitted to the Governors by April 15; decisions shall be made by the Governors and provided to the Board for approval no later than

the May Beacon Board meeting; the awards will be announced at the June annual Congregational meeting.

Proposals may be designed to accomplish the following purposes:

- Enrichment of Beacon's congregational life.
- Offer scholarships or grants to Beacon members for UU-related activities or leadership conferences or such other training which enables Beacon members to grow in faith and service to Unitarian Universalism.
- Provide outreach into the Flagstaff and Arizona communities, including but not limited to grants to social service agencies or institutions which address our mission.
- Provide outreach to the wider mission of the UUA at home and overseas, including, but not limited to, grants to the UUA for new church development, professional leadership, educational ministries, world mission and capital financing.

D. The purpose of the Fund is to support projects other than church operations. Distribution from the Fund to supplement Beacon's operating budget shall only be considered in particular temporary or difficult circumstances and shall be designated a loan from the Fund. Distributions to supplement Beacon's operational budget will require approval by the Congregation and the amount to be distributed shall be limited to 10% of the Congregation's operating budget for that fiscal year. The loan from the Fund shall be repaid over a negotiated period of time from a line in Beacon's annual budget or by use of surplus at the end of the Congregation's fiscal year. No interest will be charged on the loan.

III. Beacon Endowment Fund Amendments and Dissolution

A. The Endowment Fund Operation or Distribution Policies may be amended by at least a two thirds majority vote of a quorum of Congregation members. Such amendments shall be prepared and circulated to the Congregation at least a week prior to a Congregational meeting called for this purpose among other purposes as required.

B. In the event that Beacon Unitarian Universalist Congregation ceases to exist either through merger or dissolution, disposition or transfer of the Fund shall be at the discretion of the Beacon Church Board in conformity with the approved Beacon bylaws and in consultation with the Unitarian Universalist Association.

This resolution, recommended by the Church Board and accepted by the congregation at a legally called congregational meeting, is hereby adopted.

Beacon Unitarian Universalist Congregation by President Nancy Paxton and Secretary Paul Beier. Dated this 24 day of April 2022