

# **Niantic Community Church**

## **Charter of the Endowment Fund**

### **Revised TBD**

#### **Article One -- The Purposes**

The Endowment Fund of the Niantic Community Church (hereinafter called the "Fund") is established to provide members and friends the opportunity to make charitable gifts to the Niantic Community Church, Inc that will become an endowment of financial support. The fund may be used for the following purposes:

- (i) To enhance the future maintenance and upkeep of the Niantic Community Church Sanctuary and Parsonage and all other property;
- (ii) To provide scholarships to worthy applicants who are members and friends of the Niantic Community Church with a special emphasis to students who are in seminary or studying for the ministry; and
- (iii) To provide gifts and/or loans for the Special Needs programs and ministries as generally specified in Article Six (Gifts to the Fund).
- (iv) For clarity, the fund is not to be considered a financial resource for satisfying the proposed/actual budget needs in any given fiscal year, unless a donor has allowed for that usage as part of their gift.

The principal of all gifts to the Fund shall be conserved in perpetuity with only the income to be used for the purposes specified by the donors consistent with the purposes of the Fund. Notwithstanding, the terms of the gift may contain specific written authorization to expend principal for the purposes of the Fund.

#### **Article Two – Administration**

- A. The Fund shall be administered by the Endowment Fund Committee/Legacy Ministry Team in accordance with this Charter.
- B. Fund records shall be audited at least as often as annually in accordance with the Constitution of the Niantic Community Church.
- C. The Committee shall be accountable to the Church and its Annual Meeting for the proper application of the income and/or principal of the Fund for the purposes specified by the donors.

#### **Article Three -- Investment of Endowment Funds**

- A. The Fund's investment objectives are:
  - 1. Conservation of principal for the effective maintenance of purchasing power;
  - 2. Regular income at a reasonable rate;
  - 3. Growth of income and principal over and above that necessary to offset rises in the cost of living (inflation); and
  - 4. Investment of assets in institutions, companies, corporations, or funds which make a positive contribution toward socially acceptable goals of the Church.

- B. The assets of the Fund shall be invested with the Missionary Society of Connecticut Consolidated Trust Fund or its successors and/or The United Methodist Foundation of New England Collective Investment Fund or its successors, subject to the provisions of Article Four.
- C. The Committee/Legacy Ministry Team shall maintain a permanent record of the specific purpose of each gift that has a restriction or restrictions on the use of the income earned on the gift. The Committee/Legacy Ministry Team may combine into a single, pooled account all gifts having the same restriction(s) on the use of income and may maintain a single, pooled account for all gifts not having any restrictions(s) on the use of income. The Committee/Legacy Ministry Team shall keep appropriate permanent records of the identity of donors of bequests and special gifts and of any persons for whom a gift is made.

#### **Article Four -- Change in Investment Policy**

Any transfer of Fund assets for investment with an investment firm or vehicle other than the **United Church Funds** and/or The United Methodist Foundation of New England Collective Investment Fund or its successors must be approved by a two-thirds vote of a membership meeting of the Niantic Community Church, Inc. upon recommendation of the Endowment Fund Committee/Legacy Ministry Team and the Governing Board. If any assets are transferred for investment with another investment firm or vehicle, this Committee/Legacy Ministry Team shall, in consultation with the Governing Board, establish policies to ensure the investments will make a positive contribution toward the realization of the investment objectives outlined in paragraph A of Article Three.

#### **Article Five -- Limitation on Use of Principal**

- A. If the laws of the State of Connecticut permit expenditure of the principal of conserved endowment funds in certain circumstances, then in addition to any approval for such action required by state law, the Endowment Fund Committee/Legacy Ministry Team shall, prior to any expenditure, obtain the approval of a meeting of the members of the Niantic Community Church, Inc. by a two-thirds vote of the members present and voting at a meeting called for such purpose.
- B. Recognizing that the purpose of the Endowment Fund is to grow in perpetuity with the principal invested and conserved, this objective should be achieved by yearly allocation of endowment funds for expenditure on the basis of no more than 5% of a three-year rolling average of the Fund's total value. This should generally equate to dividends and interest income generated on the principal of the fund. However, as needed and as prudent, the Endowment Fund Committee/Legacy Ministry Team may recommend to the Governing Board higher expenditure levels from the Fund, as recognized in A above.

#### **Article Six -- Gifts to The Fund**

- A. Unrestricted gifts are encouraged, allowing each gift to be used wherever the need is greatest. Having in mind that overly detailed restrictions on a gift may be impractical to administer, prospective donors shall be encouraged to add their gifts to the single, pooled account for gifts without restrictions on the use of income. This permits use of the income consistent with the purposes of the Fund, including but not limited to the following areas of endowment need:

1. Endowment for the Future Care of Church Property: Income to assist in the maintenance, and upkeep, care, improvements, construction, and acquisition of all church property, such as church sanctuary, facilities, and grounds; parsonage; and Old Stone Church Burial Ground.
  2. Endowment for Education: Scholarships to worthy applicants who are members or friends of the Church in accordance with criteria adopted from time to time by the Governing Board upon recommendation of the Endowment Fund Committee/Legacy Ministry Team. Special consideration will be made to students who are in seminary and studying for the ministry.
  3. Endowment to Assist in Developing and Enhancing Special Needs, Programs, and Ministries, such as:
    - a) Missions and Outreach in and beyond the local church and community
    - b) Children and Families Ministries
    - c) Youth and Young Adult Ministries
    - d) People in Crisis Ministries
    - e) Justice Ministries
    - f) Preaching, Worship, and the Arts
    - g) Music Ministries
    - h) Christian Education and Leadership Development
    - i) Evangelism and Spiritual Growth
    - j) Other needs as established by the Governing Board with recommendations from the Endowment Fund Committee/Legacy Ministry Team
- A. Additional consolidated accounts may be established from time to time by the Committee/Legacy Ministry Team and accounts for more restricted purposes may be established by the Committee/Legacy Ministry Team with the consent of the Governing Board.
  - B. The Governing Board may from time to time specify the minimum amount that may be allocated to any amount restricted as to income.
  - C. Named Funds: An Endowment Fund may be established in the name of the donor(s) for a minimum gift of \$5,000.00, as approved by the Governing Board.
  - D. Gift Acceptance Policies: The acceptance of gifts to the Endowment Fund shall be subject to review to the criteria established by Niantic Community Church General Gift Acceptance Policies.

## **Article Seven -- Liability of the Governing Board and Members of the Committee**

No member of the Governing Board or the Endowment Fund Committee/Legacy Ministry Team shall be liable for any investment made in **United Church Funds**, The United Methodist Foundation of New England Collective Investment Funds, or any other investment fund or vehicle approved for investing in accordance with this Charter.

## **Article Eight -- Merger, Consolidation, or Dissolution of the Niantic Community Church**

If at any time the Niantic Community Church is lawfully merged or consolidated with any other church, all the provisions hereof with respect to the Fund shall be deemed to have been made on behalf of the merged or consolidated church which shall be obligated to administer the same in all respects and in accordance with the terms thereto. If the Niantic Community Church should ever be dissolved without any lawful successor thereof, the Fund, including both principal and interest to date, shall be transferred as part of the collective assets of the Niantic Community Church.

The **United Church Funds** and/or The United Methodist Foundation of New England Collective Investment Funds will continue to make distribution of income, while maintaining the preservation of the endowment principal, until a successor is authorized to assume the powers afforded to the Niantic Community Church.

## **Article Nine -- Amendments**

The provisions of Articles One and Five shall constitute a contract between the Niantic Community Church and the respective donors. Any amendment of Article One shall apply only to gifts made after the effective date of the amendment.

Subject to the foregoing, the Charter may be amended by a two-thirds vote of the members present and voting at membership meeting duly called for such purpose.

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This revision to the Charter is based on the revision approved on 27 January 2002.

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The undersigned certify that this revised Charter was approved by a voice vote of the members who were present at the Congregational Meeting, duly called on 3 April 2022.

/s/ Jonathan Dean 10 April 2022

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Jonathan Dean  
Clerk, Niantic Community Church

/s/ Frank Chan 10 April 2022

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Frank Chan  
President, Niantic Community Church, Inc.