

# Greenville Unitarian Universalist Fellowship

## Title: **Endowment Policy**

Proposed: June 2024

Approved by Committee:

Approved by Board: June 2024

Updated by Board: August 2024

GUUF's Endowment Fund provides members the opportunity to make enduring gifts which will be used to sustain and strengthen the Fellowship, furthering the Fellowship's vision, mission, and ministries. Promotion and administration of the endowment is the responsibility of the Endowment/Legacy Giving Committee (Committee) as described in GUUF's bylaws. Those duties include cultivating gifts, both current, legacy and by bequest; investing funds; receiving grant applications and making recommendations to the GUUF Board of Trustees (Board) for awards; respecting donor's restrictions where accepted/approved by the Board with regard to use; proposing to the Board needed policy; and submitting committee procedures to the Board for approval.

Donations designated for the endowment, and any undesignated legacy or memorial donations, shall be received into the general endowment fund with no restrictions or designations for type of use other than specified in this policy.

If a donation is in a form other than cash, the Committee is authorized to liquidate it.

The Committee may seek such professional counsel on investments or legal matters as it deems appropriate and may incur reasonable expenses in the execution of its duties. The expenses may be paid from the endowment fund, subject to prior approval by the Board.

### A. Gift Cultivation

The Committee shall actively promote the Endowment Fund, cultivating gifts, both current, legacy, and by bequest, recognizing that gifts - not investment income - are the most practical means of growth of the fund.

### B. Investment

The Committee shall invest the assets of the endowment with 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 UU socially responsible investing goals.

### C. Distribution

1. Limitations on Use. Endowment Funds may be used for any purpose to sustain and strengthen the Fellowship, furthering the Fellowship's vision, mission,

and ministries. Distributions from the Endowment Fund may be made to support the general operating fund for ordinary, customary, and/or unique operating expenses, to support a capital fund for capital repairs or improvements, or to support another Fellowship fund to be used in any way deemed appropriate and in accordance with this policy.

2. Annual Distribution. In January of each year, the Committee shall determine the amount for distribution from the Endowment Fund during the upcoming fiscal year. In making that determination, the Committee shall consider the Endowment Fund balance on December 31, previous years' performance of the fund, economic and market factors such as inflation, etc. Exhibit A contains a formula that shall be used to calculate the annual distribution. It takes into consideration inflation measured by the national CPI inflation metric and net average investment performance over the past three (3) years to calculate an amount for distribution that protects the corpus, while still allowing the fund to grow.

The Committee shall notify the Board of the amount. The Board may choose to take this distribution in full, in part, or not at all depending on the approved budget, results of the pledge drive, needs of the Fellowship, approved grant requests, etc. If the Board chooses to take the annual distribution, they may choose to take it in one to four distributions by notifying the Committee in writing.

3. Recommended Distribution. In addition to notifying the Board of the amount for annual distribution, the Committee may recommend to the Board an amount that differs from the annual distribution, if it feels the circumstance requires.

4. Grant Requests. Any Fellowship member or group who wishes to submit a grant request must first submit that request by February 1 to the appropriate program committee, the finance committee, or the Board for consideration and planning in the appropriate budget. If the appropriate leadership considers the request to be reasonable and appropriate, but determines that it cannot be accommodated within the current budget or cash on hand, a member may submit to the Committee a written request for an Endowment Fund grant, stating contact information, the requested amount, proposed use of the funds and how that use will sustain and strengthen the Fellowship or further its vision, mission, and ministries. Expenses should be itemized as much as reasonable along with an anticipated time for expenditures to be made. If the Committee approves a grant request, that request along with their recommendation shall be submitted to the Board for action at their next regular meeting.

5. Loans. Upon the request of the Board, the Committee may recommend loaning money from the Endowment Fund to the Fellowship's funds. This should be done on such terms and at such rates of interest and in such amounts as the Committee and Board deem appropriate at the time, in writing, and in advance of the distribution for the loan. A loan amount in excess of 20% of the most recent completed month's balance requires a simple majority vote of the congregation to approve.

#### D. Reporting

Investment statements and reports should be directed to both the CFO/Treasurer and the Committee Chair. The Committee Chair should report regularly to the Committee. The Committee shall report quarterly to the Board, annually to the Fellowship, and to GUUF members upon request about the endowment including such information as total gifts received, investment returns earned, the value of the fund, distributions made, and basic information on grant requests and disposition. Bookkeeping for the Endowment/Legacy Giving Fund will be performed as with other GUUF funds.

# Exhibit A

Rev 0  
Date 5/19/2024  
Author S. Stellern

<b>RD</b>	<b>Recommend Disbursement</b>
<b>R</b>	<b>3 year net average return for UUCEF fund</b> <a href="https://uucef.org/reports/">https://uucef.org/reports/</a>
<b>I</b>	<b>3 year average CPI inflation</b>
<b>CB</b>	<b>Current Balance of Endowment Fund</b>
<b>RD = ( R - I ) * CB</b>	
<b>I = (I1 + I2 + I3) / 3</b>	
<b>I1</b>	<b>= national CPI inflation for 1 year prior</b> <a href="https://www.bls.gov/cpi/">https://www.bls.gov/cpi/</a>
<b>I2</b>	<b>= national CPI inflation for 2nd year prior</b>
<b>I3</b>	<b>= national CPI ifnlation for 3rd year prior</b>
<b>Recommended disbursment is calculated using the average 3 year net return from UUCEF website minus the previous 3 years average national CPI inflation multiplied by the current balance of the fund.</b>	