

**Enabling Resolutions for the Establishment of the
Endowment Fund
of the
Unitarian Universalist Church of Minnetonka**

**A. Resolution to Implement the Endowment Fund of the Unitarian
Universalist Church of Minnetonka**

WHEREAS, stewardship involves the faithful management of the gifts of time, talent, and money, including accumulated, inherited, and appreciated resources; and

WHEREAS, we can support the religious mission and work of the Unitarian Universalist Church of Minnetonka through transfers of property (cash, stocks, bonds, real estate), charitable bequests in wills, charitable remainder and other trusts, pooled income funds, charitable gift annuities, and assignment of life insurance and retirement plans; 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 the congregation of the Unitarian Universalist Church of Minnetonka meeting assembled on May 1, 2011, approve and establish on the records of the congregation a new and separate fund to be known as THE ENDOWMENT FUND OF THE UNITARIAN UNIVERSALIST CHURCH OF MINNETONKA (hereafter called the “FUND”);

BE IT FURTHER RESOLVED, that the purpose of this FUND is to enhance the mission of The Unitarian Universalist Church of Minnetonka apart from the general operation of the congregation; that no portion of distributions from the FUND shall be used for the annual operating budget of the congregation; that, distributions from the FUND will be made annually only if the average fair market value of the FUND over the previous four quarters exceeds \$50,000; and that distributions from the FUND will not exceed 5% of the average fair market of the FUND over the previous four quarters.

BE IT FURTHER RESOLVED, that the endowment fund committee (hereinafter called the “COMMITTEE”) shall be the custodian of the FUND reporting to the Board of Trustees;

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

B. Plan of Operation

1. The Endowment Fund Committee

The Endowment Fund Committee (hereafter, the “COMMITTEE”) shall consist of three (3) members, one of whom shall be the Treasurer of the church, and all of whom shall be voting members of the Unitarian Universalist Church of Minnetonka. Except as herein limited, the term of each member shall be two (2) years. The minister and the President and Vice President of the Board of Trustees shall be advisory members of the COMMITTEE.

Upon adoption of this resolution by the congregation, the Board of Trustees shall elect two members of the COMMITTEE: one for a term of two (2) years, and one for a term of one (1) year. Thereafter, the Board of Trustees shall elect one new member each year for a two year term.

No member shall serve more than three consecutive two-year terms. After a lapse of one (1) year, former COMMITTEE members may be reelected.

In the event of a vacancy on the COMMITTEE, the Board of Trustees shall appoint a member of the church to fill the vacancy. The appointee will fill out the term of the member leaving the COMMITTEE.

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 two (2) members. The COMMITTEE shall elect from its membership a chairperson, and a recording secretary. The financial secretary shall be the church Treasurer. The chairperson, or member designated by the chairperson, shall preside at all meetings of the COMMITTEE.

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, as well as the President of the Board of Trustees. Each COMMITTEE member shall keep a complete copy of minutes to be delivered to her or his successor.

The financial secretary (the church Treasurer) shall maintain a complete and accurate set of books of accounts for the FUND and shall sign all necessary documents on behalf of the congregation in furtherance of the purposes of the FUND. The financial secretary (the church Treasurer) shall sign all checks payable from the FUND in amounts no greater than \$250.00. Checks greater than \$250.00 shall require the signature of the COMMITTEE chairperson as well as the financial secretary (the church Treasurer).

A certified public accountant or other appropriate person who is not a member of the COMMITTEE will audit the books at least every other year. The COMMITTEE shall report on a quarterly basis to the Board of Trustees, and, at each annual meeting of the congregation, it shall render a complete account of the administration of the FUND during the preceding year.

2. Asset Management

The COMMITTEE shall be responsible for management and/or investment of the assets of the FUND.

In all of its investment and asset management decisions, the COMMITTEE shall use a prudent investment style with the objective of capital preservation and long-term growth. To the extent possible, the COMMITTEE will make investment decisions that are compatible with the principles and values of Unitarian Universalism.

The COMMITTEE shall invest from zero to sixty percent of the total liquid assets of the FUND in U.S. and international equity securities and mutual funds. The portion of total liquid assets of the FUND not invested in equities or equity funds shall be invested in bonds, bond mutual funds, notes, income/dividend producing instruments, cash or cash equivalents.

The COMMITTEE may request that other members of the congregation serve as advisory members and, at the expense of the FUND, may provide for such professional counseling on investments or legal matters as it deems to be in the best interest of the FUND.

Members of the COMMITTEE shall not be liable for any losses that may be incurred upon the investments of the assets of the FUND except to the extent that such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable as long as she or he acts in good faith and with ordinary prudence. Each member 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 member. 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 her or his personal interests would conflict with the interest of the FUND.

All assets are to be held in the name of the ENDOWMENT FUND OF THE UNITARIAN UNIVERSALIST CHURCH OF MINNETONKA.

Recommendations to hold assets in the FUND shall be at the discretion of the Board of Trustees. Recommendations to sell, exchange, rent, lease, transfer, 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.

3. Distributions

Lifetime and testamentary unrestricted gifts to the FUND shall accumulate until an average fair market value of \$50,000 is achieved, after which annual distributions may commence. However, should the average fair market value of the FUND subsequently decline to less than \$50,000, distributions will cease. At no time shall distributions result in a balance in the FUND of less than \$50,000.

The average fair market value of the FUND shall be calculated by averaging the current quarter end balance in the FUND with the previous three quarter ends.

During any given church year, provided the average fair market value of the FUND remains above \$50,000, no more than 5% of the balance of the FUND may be distributed.

Amounts eligible for distribution from the FUND shall be made annually during the church year by the Board of Trustees. Of the amounts qualifying for distribution from the FUND during a church year:

Up to 40% shall be allocated to social action or social outreach causes identified by the Board of Trustees or by a ministry designated by the Board.

Up to 40% shall be allocated to capital expense projects of the church approved by the Board of Trustees. Capital expenses are defined improvement projects to the church equipment, buildings or grounds costing more than \$2,500 with at least a five year life, and which are not normally purchased with annual operating funds.

Up to 20% as the Board of Trustees designates; however, not for items normally classified as annual operating items including Prairie Star District and Unitarian Universalist Association fair share dues.

The Board of Trustees, at its discretion, may elect not to distribute amounts from the FUND for any or all of the approved annual expenditures even if the qualification for distribution (a four quarter average fair market value in excess of \$50,000) is met. Qualified expenditures not made for capital expense items during a particular year or years, shall be accounted for separately within the FUND for use in capital projects in future years.

An annual report to the congregation shall be made by the Board of Trustees to identify the specific uses of expenditures from the FUND.

4. Solicitation of Gifts

The Finance Ministry of the Unitarian Universalist Church of Minnetonka shall be charged with developing an on-going campaign to encourage members and friends of the church to make gifts to the FUND.

Members and friends of the Unitarian Universalist Church of Minnetonka shall be encouraged to make gifts to the FUND, to indicate the FUND as a preferred recipient of memorial gifts, and to include the FUND in their wills, life insurance policy beneficiary designations, and other methods of deferred giving.

Solicitations of members and friends shall specify that the church's first priority is continued support of annual operations. Gifts to the FUND should be made only to the extent they will not reduce amounts contributors otherwise make to annual operations. Solicitations should also specify that the FUND is not the same as the Capital Building Fund, and cannot be used to build or purchase a new building.

5. Borrowing from or pledging the fund

In case of urgent need, the Unitarian Universalist Church of Minnetonka may borrow up to half the average fair market value of the FUND so long as the remaining balance remains \$50,000 or more. Such a loan must have an interest rate and repayment terms comparable to commercially available loans. Further, a loan of this nature must be approved by a two-thirds (2/3) vote of the members present at a congregational meeting called specifically for the purpose of approving the loan transaction.

Any amount in the FUND greater than \$50,000 may be pledged as collateral to support a commercial loan to the Unitarian Universalist Church of Minnetonka. Pledging a portion of the FUND as collateral must be approved by a two-thirds (2/3) vote of the members present at a congregational meeting called specifically for the purpose of pledging a portion of the FUND as collateral.

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 (2/3) vote of the members present at a congregational meeting called specifically for the purpose of amending this resolution.

Disposition or Transfer of FUND

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

C. Adoption of Resolution

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

_____ By _____
[Name of Congregation] President

and _____
Secretary

Dated this _____ day of _____, 20_____.