

DRAFT

Unitarian Church in Westport Disbursement and Fundraising Policy

General

- The Endowment Committee remains committed to its long-standing philosophy that the Endowment's purpose is for "emergency situations and enhancement opportunities" to secure the long-term future of the church.
- Reasonable restrictions placed on any gift by the donor will be faithfully followed, subject to the Endowment Committee's determination of the integrity and best interests of the endowment.
- In order to protect and preserve the corpus of the endowment over the long term, the Committee may distribute not more than [4%] of the total market value of the unrestricted assets, as determined by the average total market value on the last business day of each of the four immediately preceding calendar quarters.
- Each year in the fall, the Endowment Committee will make a determination of the amount to disburse. For planning purposes, this percentage will not be less than 50% of the prior year's percentage.

Endowment Giving Funds

Some people who want to make a gift a church or another philanthropic organization are comfortable making an unrestricted gift. Many people however, have a special interest related to the organization's mission and feel more comfortable and are more likely to give if they know the purpose for which they are giving. For instance, some university alumni designate their giving to support the department or program from which they graduated. Likewise, some members of the church who want to make a major gift to the endowment maybe comfortable making an unrestricted gift and others would prefer to support a specific program such as social justice. In order to facilitate this program specific giving, it is proposed that specific program funds be set up within the endowment to encourage major gifts and legacy giving. The establishment of these funds would not preclude a donor giving for a different specific purpose, but would hopefully channel giving in to a more manageable number of funds.

It is proposed that the following funds be established:

- Unrestricted Reserve Fund – effectively all the UUA Common Fund and the Vanguard Funds today.
- Religious Education
- Social Justice
- Music Program
- Memorial Garden
- Building and Grounds

DRAFT

The restrictions on the use of the funds would be predetermined and communicated and agreed to by donor, so as to hopefully preclude additional restrictions. These restrictions could include:

- The funds would be invested in accordance with the policies of the Endowment Committee which are currently to preserve and grow principal while achieving modest returns.
- Distribution of a portion of the income from the fund to support the specific named purpose of the fund would be considered by the Endowment Committee upon request of the Board of Trustees. It would be expected that these types of expenditures would be made on an ongoing basis. The distribution limit outlined above shall be applied on a fund-by-fund basis.
- The principal in the fund would only be used in usual circumstance as determined by the Board of Trustees, the Endowment Committee and Congregation in accordance with the Constitution of the church. Even in this circumstance, the funds would have to be used for the specific named purpose of the fund. For instance, the principal of building and grounds fund might be used to rebuild following a major disaster or for a major expansion of the church.
- If the specific purpose of the fund was no longer a part of the mission and/or operation of the church, upon the recommendation of the Board of Trustees and the Endowment Committee, the Congregation would vote to disband the fund and transfer the funds to the Unrestricted Reserve Fund

All the funds would be invested as a single central fund with changes in principal and income being proportionally distributed to the individual funds as well as recording gifts to and distributions from each of the funds. For instance, if the market value of the central fund increased by 5% and realized 3% income, each fund would recognize the 5% increase in principal and 3% income.

Building and Grounds

- Distributions from the Building and Grounds Fund shall be used only to help pay for major capital spending projects and significant improvement projects related to the buildings and real property of the Church, including grounds and landscaping, excluding regular maintenance.
- It is expected that the Board of Trustees will authorize a capital campaign to fund the vast majority of all major capital spending projects (e.g., the replacement of the Church's roof).
- Capital spending projects will include a budget prepared by a general contractor, licensed architect or similar professional with appropriate back up materials such as site plans, and an analysis from the Church's land use consultant regarding any potential zoning issues.
- Vendor selection will include the requirement for 3 documented bids for all capital projects, and the requirement that only the Director of Operations can enter into work agreements with vendors/contractors.

DRAFT

- Capital spending projects will be managed by a general contractor or construction manager subject to mutual determination of the Board of Trustees and the Endowment Committee taking into consideration the costs of a general contractor/manager and a determination of which projects are large/ complex enough to require one.
- The satisfaction of these requirements and the supervision of capital spending projects will be the responsibility of the Board of Trustees. These requirements will also apply to any disbursements from the existing Neuberger Berman account, subject to its restrictions.

Fundraising

- The active communications and solicitation for gifts to these funds would be joint effort of the Board of Trustees, the Year-Round Stewardship Committee, Legacy Giving Committee, and the Endowment Committee.
- Particular emphasis would be made on planned giving from estates and trusts.
- All members of the congregation are encouraged to consider leaving a bequest of at least [] times their annual pledge to the endowment in their wills.