

**RESOLUTION TO IMPLEMENT THE ENDOWMENT FUND  
OF FIRST UNITARIAN-UNIVERSALIST CHURCH**

WHEREAS, it is the desire of the congregation to encourage the giving of gifts of money and property that can be converted to money, by donation, charitable bequests, testamentary bequests and otherwise to First Unitarian-Universalist Church (the "Church") to support its religious mission and provide for the continuation and maintenance of the Church and its congregation in perpetuity; and

WHEREAS, the Board of Trustees ("Board") and the Trustees of the First Unitarian-Universalist Church Trust ("Trust") deem it beneficial and appropriate to transition the assets of the Trust from control and management by Trustees independent of the Church to an Endowment Fund Committee appointed by the Board and accountable to the Board and the congregation that elects the Board:

THEREFORE BE IT RESOLVED, that the congregation in special meeting assembled on \_\_\_\_\_, approve by three-fourths vote and establish on the records of the congregation a new and separate fund to be known as The Endowment Fund.

BE IT FURTHER RESOLVED, that the By-Laws of the Church be amended to establish the Endowment Fund Committee to manage the Endowment Fund, determine investments and disbursements and solicit contributions to the Endowment Fund.

BE IT FURTHER RESOLVED, that the Board shall adopt, and the congregation shall approve a Governing Document, as attached hereto, directing the powers and operations of the Endowment Fund Committee and establishing policies under which the Endowment Fund Committee shall manage the Endowment Fund.

**ADOPTION OF RESOLUTION**

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

First Unitarian-Universalist Church of Detroit

By: \_\_\_\_\_  
President

And

By: \_\_\_\_\_  
Secretary

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

## **GOVERNING DOCUMENT OF THE ENDOWMENT FUND OF FIRST UNITARIAN-UNIVERSALIST CHURCH**

1. The Church shall have a separate Endowment Fund to assure the long range financial future of the Church, to help the Church manage and survive financial emergencies, and to fund capital needs and special projects that further the mission of the Church.
2. The Endowment Fund shall be governed by the Endowment Fund Committee as provided for in the Church By-Laws, which shall serve as the custodian of the Endowment and Investment and Distribution Policy as outlined below. This policy shall provide for the protection of the corpus of the Endowment Fund over the long term and shall require the Committee to exercise the utmost care to respect the integrity of restrictions placed on any gift to the Endowment Fund.
3. The Endowment Fund Committee shall consist of three members of the congregation, appointed by the Board of Trustees for three overlapping terms. Except for the initial appointments, when shortened terms will enable a staggered rotation of members and members will be elected for a one, two and three-year term, the term of each Committee member will be three years. No member may serve more than two consecutive 3-year terms. After a lapse of one year, former Committee members can be re-appointed. For the first five years of the Committee's existence, at least one member must be a trustee of the First Unitarian-Universalist Church Trust and only that person may also be a member of the Church Board and/or an officer.
4. A unanimous vote of the members of the Endowment Committee is needed to carry any motion or resolution. The Committee shall elect its own chairperson, financial secretary and recording secretary. The Committee shall report to the Board on a quarterly basis, or more often, as needed, at the request of the Board, and shall provide a written report to the congregation at the annual meeting.
5. The Endowment Committee is empowered to hold, sell, exchange, transfer, invest, reinvest, and in all other respects manage and control the assets of the Endowment Fund pursuant to the Endowment investment and distribution policy. The Committee shall act in its sole judgment and discretion as it deems wise and prudent, with the advice of an outside financial advisor of its choosing, as it deems prudent, without further approvals.

6. Committee members shall not be liable for any losses incurred by the Endowment Fund except to the extent that such losses arise out of acts or omissions of willful misconduct or gross negligence. Each member shall be liable for his or her own acts and omissions of willful misconduct or gross negligence and not for the acts or omissions of other members. No member of the Committee shall engage in any self-dealing or transactions with the Endowment Fund in which the member has direct or indirect financial interest. Members shall refrain at all times from conduct in which her or her personal interests would conflict with the interest of the Endowment Fund. In the event of a real or perceived conflict of interest of any member, that member shall recuse himself or herself from consideration of and a vote on any measure coming before the Committee.

7. The books and records of the Endowment Fund shall be reviewed or audited annually by a certified public accountant or other appropriate person who is not a member of the Committee or the Church.

## **ENDOWMENT FUND INVESTMENT AND DISTRIBUTION POLICY**

This Policy is intended to reduce use of earnings from the Endowment Fund (hereafter, “Endowment”) for the general operations of the Church over a five-year period. The Policy also provides for continued growth of the Endowment principal by limiting the amounts available for distribution to a small portion of the total assets over a three-year average.

1. The Endowment shall be maintained separately from the operating accounts of the Church and will be managed with the advice of a financial advisor which may be through the General Investment Funds of the Unitarian Universalist Association or other licensed financial advisor, at the election of the Committee and with the advice and consent of the Church Board.

2. The Committee shall invest the assets of the Endowment with the objective of earning an average annual total return of eight to twelve percent consistent with moderate risk. The outside advisor will suggest the asset mix of equities to fixed-income securities to maximize return on investment, and the Committee will make the final investment decisions. Expenses of such advisor will be paid from the Endowment.

3. The Committee shall endeavor to invest the assets of the Endowment in a socially responsible manner consistent with the principles of the Unitarian Universalist Association. It is intended that reasonable restrictions placed on any gift by the donor will be faithfully followed, subject to the Committee’s determination of the integrity and best interests of the Endowment.

4. In order to protect and preserve the corpus of the Endowment over the long term, neither principal nor earnings will be used for the operation of the Church for the first five (5)

years after establishment of the Endowment unless approved by a three-fourths congregational vote upon a showing of great necessity.

5. After five (5) years, and only if necessary, 4% of the average of the previous 3-year value of the Endowment, as determined by the average total market value on the last business day of each of the four immediately preceding calendar quarters, will be available for distribution to the Church for operational support on an annual basis.

6. This Endowment Investment and distribution Policy may be amended only by a three-fourths majority vote of the congregation.