

BUF Board of Trustees Meeting

June 27, 2019

Attendees: Kara Black (President), Rory McLeod (Vice-President), Sky Hedman (Secretary), Frank McDonald, Angie Lindquist, Rod Haynes, David Curley, Murray Bennett, Beth Nyblade

Absent: Paul Beckel (Ex-Officio)

Other participants: Ann Newman, Treasurer, Bharti Kirchner, Melissa Swift

Minutes by Sky Hedman, Secretary.

Chalice lighting 7:02 pm

Checkins

Approval of last meeting minutes. Minutes from 5/30/19 meeting were approved by email on 6/03/2019.

Treasurer's Report: Anne Newman, Treasurer reviewed May financials.

\$72,884 in Endowment funds were noted. The Endowment Charter is appended to this report. The Financial Oversight Committee recommends not accessing the funds until the principal reaches \$250,000. Reference Article 4 of Endowment charter (appended below.)

BUF has received 93% of yearly income. Pledge income is at 84%. Unrealized pledges are in the expected range.

The total income and donations is 97% of budget.

Fundraising: 101% of expected total.

Cash on hand: \$34,000.

Paid Time Off for staff members was reviewed.

\$6000 is expected yearly profit instead of \$17,000 due to unexpected maintenance expenses.

Discussion followed.

Rod Haynes made motion that new Finance Oversight Committee members be elected: Jeff Copeland, John Stewart, Brian Quick, and Frank McDonald. Motion was seconded and passed with one abstention.

Endowment charter should be considered for official status.

Pledges for next year: Rick Steele's anticipated total is close to what is budgeted for the next fiscal year. Melissa Swift mentioned that new members were not canvassed. Bharti Kirchner will research whether the updated member roster gets to Stewardship team.

Ann Newman presented the Internal audit report for fiscal report of 2017-2018, which follows the template from UUA. It was prepared by Ann Newman, Kathy Wahto, Cathy Campbell and Barbara Ellis-Quin. (Report is appended below.)

Recommendation specified in report were noted. Ann recommended that BUF office financial policies should be reviewed. (They are stored behind Sue's desk.)

Operations Team Report: Rod reported that the Ops team did meet. No minutes due to absence of secretary. Sanctuary (projector and screen) upgrade is moving forward.

Minister's Report: appended below (Paul Beckel was absent.)

HR Report: attached. Murray Bennett reviewed quarterly report. Paid Time Off new policy is defined in the HR report (appended below.) Kara raised question about carrying sick leave over. Personnel policies need to be approved by board when finalized. Health insurance for DLL and Music Director has been determined.

Minister's contract: The revised Minister's contract is complete. Beth Nyblade moved that we accept the contract as written. Motion was seconded. No discussion. Minister's contract is approved. Sky Hedman will send copy to Transitions.

Committee Evaluations:

- Human Resources
- Sr Minister Evaluation Committee: will alternate between full blown evaluation and review of contract each year. Next year will be evaluation of senior minister. Recommendation to keep it straight forward and constructive. UUA recommended process was followed last time.
- Treasurer
- Financial Oversight Committee: Need for Capital Budget and Operating System was noted.
- Audit Committee: make sure audit is done. Don't have a committee currently. Members should not overlap with FOC. Need one Board member and one financially additional astute member of BUF.
- Stewardship & Fundraising: Discussion of feedback process.
- Board Policy Grievance Committee: No grievances were raised, so the committee did not have to meet during the past year.
- Board Officers Committee.

Ad Hoc

- Mid-year Salary Review Committee: started this year with Murray Bennett and Paul Beckel. Future is uncertain. May not be necessary.
- Committee on Resolutions: Revision of procedure for resolutions needs further development and presentation to the Board for approval.. BUF has passed 16 resolutions. 11 resolutions have been located. 5 have not been found.
- Policies and Procedures: Revisions have not been finished. David Curley, Murray Bennet and Paul Beckel were on the committee. Kara pointed out the requirement to be a member to serve on committees or be a delegate is an issue that should be addressed and further defined.

Mission Poster: Rod Haynes gave 3 or 4 pictures to Kaitlin Davis for creation of sample posters. He sent results to Design Team. Waiting to hear back. Rod will ask Ops team for support in completing this process.

Secretary for next year: Proposed slate of officers for next year is: Rory McLeod will be President, Murray Bennett will be Vice-President. Melissa Swift volunteered to be Secretary for next year. Sky Hedman proposed as Treasurer.

GA report: Kara Black discussed her experience at GA in Spokane.

Meeting dates: July

- Board 7/25/19
- Officers 7/11/19

Thank you's and Reflections from exiting Board members (Kara Black, Frank McDonald and Beth Nylade.)

Meeting adjourned at 9:03 pm.:

Attachments: (below)

Minister's Report to the BUF Board June 2019

HR Team Report Apr - Jun 2019

Internal Financial Review For Fiscal Year: June 1, 2017-May 31, 2018

Endowment Charter

Minister's Report to the BUF Board June 2019

1. June meeting: I won't be in attendance this month as I'm extending my time in eastern Washington for a week beyond General Assembly. I'm excited about having so many BUFsters at GA and look forward to leading a Sunday service in collaboration with these folks on July 7.
2. June meeting Op Team report from Community Beyond BUF Council: we ask that this report be moved to August.
3. Status of primary staff reviews: I have completed written reviews for Kathy, Kevin, and Genia and sent copies to Barbara E-Q (HR chair) and to the Board Officers. Though I meet with each of them every week, I have not gotten into an appropriate routine this year for formalizing/documenting my ongoing conversations with staff about performance on goals and day-to-day activities. Therefore we have agreed to mark our calendars now for such conversations this coming August, November, March, and June, with specific agendas around establishing goals, and anticipating employee agreements for the coming year.

This latter matter, you may recall, was part of a budgeting conversation during a Board meeting this past spring—the point being that our pattern has been to bring up employee agreements way too late in the budgeting process, such that by then the conversation is moot. We'll also be addressing this, you may recall, with the Budgeting Timeline that we came up with in the midst of this year's canvass/budget process wherein we acknowledged that payroll (our largest budget item) is one of many items that we need to begin addressing before the winter holidays in order to have relevant conversations.

One piece of completing the most recent reviews was to consider a long list of questions that I've used elsewhere (appended below). These questions, you'll notice, get at performance issues from the angle of 'does each employee have the tools in order to succeed?' This led to some valuable dialog.

To date we (me, Board, HR) have not established protocols for what to do with written staff review materials. In summary, though, I want to tell you all that I believe we have an outstanding group of talented people, deeply committed to their work to fulfill the BUF mission—and to lead the congregation in this as well. Of course I've told them that

too. And I'm happy to say that I feel the four of us have strong, healthy working relationships.

Staff and Volunteer Review and Renewal

(Note to BUF Board: the wording and focus of these questions may seem a little off because they were written for a different context)

1. What are my/our primary responsibilities?
 - a. Is this consistent with the job description?
 - b. How does this relate to the congregation's Mission and Vision?
 - c. How does this relate to our Strategic Plan?
 - d. How does this relate to the expectations of whomever you report to?
 - e. How does this relate to other expectations in the congregation?
 - f. Are there conflicts in any of the above understandings of your role?
2. Describe the division of labor for functions that overlap into your role (among staff / volunteers / committees).
3. Do you have the job knowledge and skills needed for this work? How might these be augmented?
4. How are you doing on planning? On organization?
5. How are your working relationships with staff?
6. How are your working relationships with volunteers?
7. How well are you communicating with the congregation?
8. How are you communicating with the larger community?
9. What are your specific goals for the coming months?
10. Do you have the materials and equipment you need to do your work well?

11. Do our bylaws and policies support your work?
12. Are the administrative systems needed to do your work in place and functional?
13. Do you get appropriate recognition for your work?
14. Do you understand the budgeting processes that affect your work?
 - a. Annual budgeting
 - b. Day to day expenditures
 - c. Staffing/payroll
15. Does the person/group to whom you report listen to and consider your opinions?
16. Are you enjoying this work?
17. Does this work give you an opportunity to learn and grow?
18. (for committees) What is your leadership turnover plan?
19. (for employees) Review hours worked, scheduled vs. actual
20. (for employees) Review time-off available, time-off planned

- 1) Director of Lifelong Learning – After a broad search, four applications were received and two candidates were interviewed. Genia Allen-Schmidt was offered the job and accepted. She will be the full-time DLL starting July 1.
- 2) Membership Coordinator – After much work to define this position, we received only one application. The person was interviewed and subsequently withdrew their application. The position has been tabled for now.
- 3) Paid Time Off (PTO) – A new PTO policy has been worked out. Appropriate sections of the HR manual are being modified and will be in place shortly. Very briefly, the changes are as follows. A job category called Program Professional Staff will include the minister, the DLL, and the music director. Program Professional Staff do not get PTO, however they do get paid holidays and sick leave. Sick leave cannot be carried over into the next year, and accrued sick leave will not be paid out at termination. All other employees are considered Administrative Employees, whether exempt or non-exempt. Administrative Employees get the same paid holidays and sick leave benefits as the Program Professional Staff. Additionally, any Administrative Employee working half time or more is eligible for PTO. The maximum carryover into a new year is 10 days.
- 4) Health Insurance for the DLL and the Music Director – Health insurance coverage for both Kevin and Genia, through a previous employer, will be \$6264. Kevin will receive 1/3 of this as part of his salary, Genia will receive 2/3 of this as part of her salary. The total cost is slightly higher than was anticipated when setting the 2019-20 budget.
- 5) Accrued Time Off – Paul spoke to Kevin and Genia about the new employment agreements. Paul e-mailed *“I spoke with Kevin and Genia today about their new employment agreements, the amounts that the HR team agreed upon yesterday for salaries and medical supplements, the new timecard/time off plan, and about no time off having accrued from prior years, or accruing for future years. They were satisfied with all of this.”*
- 6) The HR team reviewed that new Board of Trustees Policies and Procedures with Kara Black.
- 7) Charlotte Gazak has resigned. Barbara Gilday is on leave from the team. We have a couple potential new members.

Internal Financial Review For

Bellingham Unitarian Fellowship
1207 Ellsworth St.
Bellingham, WA 98225

Date Completed: June 26 2019

Fiscal Year: June 1, 2017-May 31, 2018

Prepared by: Ann K. Newman (akn), BUF Treasurer

Assisted by:

Kathy Wahto (kw), BUF Administrator

Cathy Campbell (cc), BUF Assistant Treasurer

Barbara Ellis-Quinn (beq), Chair Human Resources

The specific review of financial records was done according to the suggested "Internal Financial Review for UU Congregations", as available from UUA. This is not an audit by an accredited financial professional, just a review of policies and procedures to ensure we are carrying out our fiduciary responsibilities regarding church financial operations.

INCOME

Objective: To determine if the cash-receipts process is documented, complete, and adequate.

1.1 Review the procedures for counting cash and check collections. Are the procedures clear and complete?

- The instructions for counting cash and check collections are kept in the Financial Procedures Book in a binder behind the bookkeeper's desk. The procedures were reviewed by akn & kw and were found to be adequate for a congregation of your size.

- 1.2 Review the forms used to record the count. Can all cash be properly accounted and classified?
- Yes, the forms were reviewed by akn & kw and were found to be adequate for a congregation of our size, requiring two counters and signatories, and providing the ability to record donation of Canadian monies. (Income Exhibit-1).
- 1.3 Are any funds received which do not go through this same counting process? Do all funds collected flow through this process?
- Yes, checks received by mail are simply deposited, next business day, and any deposits made via electronic transfer are simply recorded on our statement and reconciled monthly. Any uncounted cash and/or checks found in the mail/copy room safe between weekend services (donations, pledges, etc.), are counted by the weekend service counters and recorded accordingly. As confirmed by akn & kw, this is appropriate for a congregation of your size.
 - All funds collected flow this process with the exception of the mailed checks and electronic transfers as noted above, as verified by akn & kw.
- 1.4 Review the list of counting personnel and compare it to the group of record-keeping people to a separation of duties. Is everyone counting the collections excluded from the list of people involved in keeping the records for the collections?
- akn & kw reviewed those whose job in this fiscal year was to count funds and those who record them, and found a strict separation of those duties.
- 1.5 Review deposit dates and amounts on bank deposits and compare to reported dates and amounts. Selecting a sample of deposits, are these dates and amounts the same?
- Three dates were chosen at random by akn, and all three deposit slips matched the amount deposited into our checking account based upon the month end bank statements. (Income Exhibit-2).

EXPENSES

Objective: To determine whether there is proper authorization for expenditures.

- 2.1 Review the invoice authorization process. Inquire how bills are distributed to responsible parties for approval. Does this approval process appear to be adequate?
- Reviewed by akn & kw and found to be adequate for a congregation of our size. Invoices not a part of normal operating expenses must be approved by the committee chair, distributed to them in their mailbox in the BUF mail/copy room, hand delivered or picked up at request in the BUF Administration Office. See Recommendation 1 on the summary page.

- 2.2 Are bills routinely approved by the person responsible for the respective line items in the budget?
- Yes, as verified by akn & kw by looking at monthly samples to ensure proper authorization. (Expenses Exhibit -1).
- 2.3 Review a sample of invoices paid during the past year. Based on actual practice, are people in compliance with this process and does this approval process still appear to be adequate?
- Yes, as verified by akn & kw by reviewing samples monthly to ensure proper authorization.
- 2.4 Trace a sample of approved invoices to the ledger and to canceled checks showing payment. Are the amount, date, check number, and payee the same?
- (Expenses Exhibit-2). Yes, as verified by akn & kw.
- 2.5 Trace a sample of cancelled checks to the ledger and to approved invoices. Again, are the amount, date, check number, and payee the same?
- (Expenses Expense-3). Yes, as verified by akn & kw.

Objective: To determine if assets are properly safeguarded.

- 2.6 Obtain a copy of the signature-authorization cards for all bank accounts and review the list. Are these people the proper people to be authorized to sign checks, etc?
- Yes, only BUF President and Treasurer are signatories on all savings accounts, and those two and the BUF Administrator for the checking accounts as verified by akn. This may be amended only by vote by the Board of Trustees, and presentation of the minutes of that meeting to the bank or credit union.
- 2.7 Determine where blank checks are kept. Are they being kept in a secure place?
- Yes, in a locked file cabinet next to the bookkeeper's desk, as verified by akn.
- 2.8 Regarding payments to any Board member, staff member, or key financial members, check to ensure that such payments are adequately documented and seem to be reasonable. Does everything appear to be sufficiently substantiated and in order?
- There were no payments to Board members during the fiscal period covered by this audit, akn.
- 2.9 Review a physical inventory list or a list of the congregation's physical assets. Is this list current and complete?
- No, no such list exists. See recommendation 2 on summary page.

Objective: To verify that salaries, wages, and related payroll taxes are disbursed properly.

2.10 Add figures in payroll worksheets across the lines/rows and down the columns to find any errors. Then compare the sums to cancelled payroll checks. Next recomputed salaries and taxes, and compare the results to the amounts on the payroll checks. Does everything appear to be in order?

- A sampling of payroll checks are reviewed monthly and everything was found to be in order, verified by cc.

RECORD KEEPING

Objective: To determine if bank statements are properly reconciled.

3.1a Are bank reconciliations performed on a regular basis? Do the reconciliations appear to be complete and thorough?

- Yes, bookkeeper reconciles all bank accounts monthly, and balance carryovers from month to month in the financial reports are correct, as verified by akn.

3.1b Inspect bank reconciliations and identify outstanding checks. Investigate reconciling items. Does everything appear to be in order?

- (Record Keeping Exhibit-1). Done monthly by bookkeeper, verified by akn.

3.2 Recalculate a sample of bank reconciliations. Does everything appear to be in order?

- See above. Yes, done monthly by bookkeeper, verified by akn.

3.3 Review check-number sequences at year-end. Check dates to determine the month expenses were paid. If check numbers are out of sequence, inquire why. Does everything appear to be in order?

- At year end, no check numbers were out of sequence. All appears to be in order, verified by akn.

Objective: to determine if all necessary documents are on file and safeguarded.

3.4 Inspect all legal documents on file, including employment contracts, Board minutes, mortgages, Treasurer reports, and tax information (E.G., W-2's, 1099's, etc.). Does everything appear to be in order?

- Yes, verified by cc & beq. All contracts and employee information are kept in the office. The office is locked when Administrator, Bookkeeper or Minister are not on premises. Keys to the office are held by Administrator, Bookkeeper and Minister. See recommendations #3 and #4 on summary page.

3.5 Review documents in the safe deposit box and inspect signature cards. Does everything appear to be in order?

- Signature cards are kept in the respective banks and/or credit unions. BUF does not have a safe deposit box, but keeps a safe in the mail/copy room. The contents of the safe were inspected by akn. She verifies that the congregation's membership book, title, deed and debt instruments are all there.

3.6 Inspect mortgage payments for reasonableness and for consistency with published reports. Does everything appear to be in order?

- Yes, the mortgage payments are reasonable, have been made monthly, have been correctly reported in the general ledger, and shown in the appropriate financial reports (Operations & Cash Flow), verified by akn.

Objective: To determine if all necessary tax forms have been properly filed.

3.7 Review IRS forms 941 for proper submission of income and FICA withheld.

- All IRS paperwork regarding submission of income and withholdings has been correctly submitted for the period covered by this audit, verified by kw, beq & cc.

3.8 Review check register to see that taxes were paid in a timely manner.

- Yes. Withholdings are paid to the appropriate taxing body quarterly as required, and income reported annually, all done prior to deadlines, verified by akn who reviewed the forms, beq & cc.

Objective: To review the system used to file invoices.

3.8 Inspect the filing system for orderliness and completeness. Does everything appear to be in order?

- Income and expense files are kept at the bookkeeper's desk in the Administrative Office. All appears to be orderly and filed correctly, verified by akn & kw.

Objective: To determine if income and expenses are properly recorded.

3.9 Inspect the general ledger. Recalculate a sample of items. Investigate any checks made payable to "Cash". Does everything appear to be in order?

- The general ledger is inspected monthly by the Treasurer and periodic recalculations occur throughout the year. There were no checks made out to "Cash" during the period covered by this audit. Everything appears to be in order, verified by akn & kw.

3.10 Compare totals to the Treasurer's report. If they are not the same, inquire why. Does everything appear to be in order?

- The totals reported in the monthly Treasurer's reports matches the amounts recorded in the monthly financial reports, verified by akn & kw by reviewing the Treasurer's report and associated financial reports for three randomly selected months during the period covered by this audit. (Record Keeping Exhibit 2).

3.11 Trace interest and dividend income from statements to the ledger. Does everything appear to be in order?

- (See Record Keeping Exhibit – 3). All interest and dividend income has been corrected reported, verified by akn & kw.

Objective: To determine if salaries and wages were paid in accordance with contracts.

3.12 Compare compensation per employee's contracts with actual payments. Does everything appear to be in order?

- All employees are paid in accordance with their contractual compensation, verified by beq & cc. An error was found in the Minister's salary compensation with regard to health insurance. The error has been corrected.

3.13 Compare wages authorized by the Board to actual payments to employees. Does everything appear to be in order?

- The wages authorized by the Board match the actual payments made to employees, verified by beq & cc.

REPORTING

Objective: To determine the accuracy and adequacy of the Treasurer's reports.

4.1 Recalculate a sample of the Treasurer's reports. Does everything appear to be in order?

- Three months of Treasurer's reports and financial reports were selected at random and found to be accurate, verified by akn & kw. (Record Keeping Exhibit – 4).

4.2 Determine the reason(s) for significant variances of actual spending over budgeted amounts, both for individual line items and for program groups which are often subtotaled, such as Religious Education. In some instances, there is not a problem if an individual line item has spent more than what was budgeted, as long as the subtotal for that group has not overspent what was budgeted.

- There were no unauthorized, significant variances over budgeted amounts during the period covered by this audit, verified by akn & kw.

4.3 Verify that the reported bank balances are the same as, or can be reconciled to, the bank balances on the statements received from the bank. Does everything appear to be in order?

- Yes, as verified by akn & kw by pulling and comparing two Treasurer's reports and the bank statements for the months covered. (Record Keeping Exhibit – 5)

4.4 Consider information that may be helpful that is not currently included in the reports and possibly should be included. Does everything appear to be in order?

- Current reporting to the Board of Trustees includes reporting on income and expense, cash on hand, funds activity, fundraising, status of the Board's discretionary fund, and PTO liability. The financial reports which the figures used to prepare the monthly Treasurer's report are always attached to the report. The Treasurer's report may be amended at any time to add additional information as per request by the Board. Verified by akn & kw.

Objective: To review the budgeting process for adequacy.

4.5 Inquire about the budget process and how the budget is compiled. Are all appropriate people currently included in the budget formulation process?

- Yes, all department heads are informed of the budget process and their participation is that process. Verified by akn & kw by reviewing budget request sheets.

Objective: To determine if computer records are adequately safeguarded.

4.6 Are important records on the church computer backed up on a regular basis? Are the backup files stored off-site at another location?

- All fellowship financial records are backed up on each day they are accessed in "the cloud". See recommendation #5 on the summary page.

4.7 Are the church offices locked when not in use? Is the computer locked or password protected? ***The fellowship office is locked whenever not in active use.***

- The computer's that can access our financial information are password protected. See recommendation #3 on the summary page.

CONCLUDING THE REVIEW

Objective: To reach closure, communicate the results, and provide a road map for future improvements

5.1 Does your report include the following:

- a. A review of the auditing/review process. **Yes.**
- b. Information on the detailed findings and possible corrective actions for each finding. **Yes.**
- c. Documentation to support the findings. **Yes.**

5.2a Have you submitted a report to the proper organizational body and have you kept a copy on file for future reference.

- Yes, this report was presented to the BUF Board of Trustees on June 27, 2019, and both electronic and paper copies are on file in the fellowship office.

5.2b Have you provided a briefing/presentation and an executive summary to the appropriate parties?

- Yes, a briefing of the summary was made to the BUF Board of Trustees in their June 27, 2019 meeting. A copy of this report and supporting documents are on file in electronic and paper forms in the office.

Audit Summary Memorandum

The most recent financial external and internal audits were reviewed and it was found that all issues have been addressed with the exception of:

1. Requiring two authorizing signatures on checks. Our bank will not accept this requirement.
2. Change the combination to the two safes. The cost of this was deemed excessive in order to protect a small amount of cash (most transactions are now in electronic form) left in the safes until the next business day

- Verified by akn.

The published financial reports and the year end reports for the fiscal year covered by this report were inspected and all errors corrected.

- Verified by akn.

The Board of Trustees is working on updating the Board's Policies and Procedures which include financial matters. Once those are approved, the Office Financial Policies should be reviewed and brought into agreement with those of the Board of Trustees

Audit Summary Corrective Recommendations

1. Create training manuals on financial policies and procedures for Board officers, Administrator, Bookkeeper, Assistant Treasurers and Committee Chairs, outlining responsibilities and limits of authority. Ensure financial training is included for all new employees, Committee Chairs and Board members.
2. Create a physical inventory of the congregation's physical assets. Keep it updated as new assets are purchased. Keep a second copy in offsite storage.
3. Change computer and banking passwords monthly.
4. Create electronic files for all legal documents including employment contracts, Board minutes, mortgages, Treasurer Reports, tax information, etc. and create offsite storage area.

5. Create a process where all office computer hard drives are copied onto hard drives on a monthly basis and stored offsite.

Endowment Committee Charter

Bellingham Unitarian Fellowship Bellingham, Washington

Art I. Name of Committee: The name of this committee is the Endowment Committee.

Art II. Purpose of Committee:

The purpose of the Endowment Committee is to raise and prudently manage funds to provide long-term financial security for the Bellingham Unitarian Fellowship and to generate income outside of the operating fund to assist with specific needs.

Art III. Committee Administration:

The Endowment Committee is constituted by the Board of Trustees and is under the auspices of the Stewardship Committee. The Stewardship Committee will recommend Endowment Committee members to the Board of Trustees for their approval, and coordinate timing of fundraising activities so as to avoid duplication of efforts.

Terms of appointment for members and chairperson: The committee will consist of a chairperson and at least two others, all of whom must be members of the Bellingham Unitarian Fellowship (henceforth referred to as BUF) and be approved by the Board of Trustees. Members serve at the will of the Trustees. Meetings will be held at least quarterly, to review investment results and as needed to make investment decisions.

In order for the committee to make key decisions, a majority of the committee must reach agreement.

Art IV. Disbursements and Gift Authority:

Authority: Disbursements may be made only on authorization of the Board of Trustees and only by the BUF Treasurer.

Transfers: When funds are disbursed, they will be directed from the Unitarian Universalist Common Endowment Fund (UUCEF) to a BUF Endowment Distribution Fund from which they will be further disbursed as approved by the Board of Trustees.

Application of earnings: Initially, to help build the principal of the fund, all income, dividends, interest, and capital gains, shall remain in the fund as they are realized;

likewise, capital losses shall be charged against the principal of the fund. There will be no disbursements from the fund until its assets have attained the sum of \$50,000. Thereafter, each year, one-half of the cash income of the fund, from all sources, shall remain in the fund for growth and one-half shall be available for transfer to the Endowment Disbursement Fund. These funds may be disbursed for worthwhile church projects on the recommendation of the Endowment Committee and approval of the Board of Trustees. In order that transfers can be based on actual earnings, rather than anticipated earnings, transfers may be made only after receipt of the most recent monthly statement. Such dividends or interest must be disbursed within six months of receipt or reinvested into the UUCEF.

Unrestricted gifts: The Endowment Fund is designed to be a perpetual fund and principal should be spent only under the most pressing circumstances, e.g. the dissolution of the Fellowship. Principal of unrestricted gifts may be disbursed only on approval of the Board of Trustees followed by 2/3rds approval of the church membership with a 20% quorum present at a duly called meeting.

Restricted gifts: Restricted gifts to the Endowment Fund cannot be accepted. Offers of restricted gifts should be referred to the Stewardship Committee.

Gifts of illiquid assets: Gifts of real property, privately held stock, or other non-liquid assets to the Endowment Fund require Board of Trustees approval to accept. Such assets will be sold as promptly as possible after receipt with the proceeds added to the Endowment Fund.

Restrictions on borrowing: As a protection to the fund, BUF shall borrow neither cash income nor principal from the Endowment Fund, nor may it use the assets of the fund as collateral in any borrowing.

Art V. Investment Management Effective September 1st, 2015, BUF's Endowment Fund assets were invested in the Unitarian Universalist Common Endowment Fund (UUCEF). All future gifts to the BUF Endowment Fund will be invested in the UUCEF.

The Endowment Committee shall review fund performance at least quarterly after receiving the UUCEF quarterly statement and perform an annual review.

Art VI. Planned Giving and Fund Raising The Endowment Fund Committee is

charged with establishing a planned giving program and shall seek gifts and bequests under such a program. Restricted gifts, however, will be referred to the Stewardship Committee. Planned giving includes bequests by last will and testament, beneficiary designation, and payments under a trust agreement.

The purpose of the program is to: Inform and educate the congregation about the types of planned gifts and bequests that can benefit the church; Identify members and friends who may be interested in making a planned gift; and **Ensure** that interested members and friends are asked for a planned gift commitment and thanked and honored upon receipt of such a commitment.

Bequest Society: A Bequest Society will be established to recognize those members that have made a planned gift commitment.

Art VII. Committee Guidelines Accounting: The church Treasurer shall **keep** the Endowment Fund separate from the church general operating fund.

Reporting: Investment performance results will be reported at least annually to the Treasurer and Board of Trustees.

Audit: The Endowment Fund is subject to **audit such** as would be applicable to any other aspect of church finances, and the status and handling of the fund are subject to review at all times by the Board of Trustees.

Records: The UUCEF account statements are only available on line. The Endowment Committee chair and the BUF Treasurer will have access to the account name and password. The Chairperson or member of the committee will maintain records of brokerage statements, correspondence, minutes, etc., and will log all contributions from donors. BUF will retain Endowment Fund origination documentation and copies of all gift letters.

Date initially approved by Board of Trustees: 9 April 2009 Revision approved by the Board of Trustees: 19 November 2015.