



UNITARIAN UNIVERSALIST CONGREGATION OF
SANTA FE

Congregational Manual

Permanent Endowment Fund
Managed by the Permanent Endowment Committee
PEC Handbook

Version 1.2

Approved by Permanent Endowment Committee January 14, 2013

Revision History

Date	Version	Comments
July, 2011	1.0	Version approved by Board of Trustees and in use since July, 2011
April 2, 2012	1.1	Re-formatted to standard; minor wording changes (e.g., church to congregation). Inserted current funding application in Appendix B.
January 14, 2013	1.2	Reduce PEC size (also grants and quorum numbers)

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Archive

Implementing the Endowment

BE IT NOTED, that this congregation, in annual meeting assembled on November 17, 1991, approved and established on the records of the congregation a separate fund to be known as The Permanent Endowment Fund (PEF) administered by the Permanent Endowment Committee (PEC). Funds may be expended only upon a vote of a two-thirds majority of those present and voting at a congregational meeting. In the event the Unitarian Universalist Congregation of Santa Fe ceases to exist either through merger or dissolution, disposition or transfer of the PEF shall be at the discretion of the Congregational Board in conformity with the approved Congregational Bylaws and in consultation with the Unitarian Universalist Association. The UUA should be consulted on the continuation of the PEF's obligations to the grantors of gifts..

Bylaws

Refer to the UUSSF Bylaws, Article XII, Section 3, concerning the Permanent Endowment Fund.

Refer to the UUSSF Bylaws, Article VIII, Section 8, concerning designation of the Permanent Endowment Committee as an elected committee.

UUSSF Congregational Manual Volume 1

For procedural matters see the Congregational Manual, Volume 1, under Elected Committees.

Permanent Endowment Committee and Permanent Endowment Fund

Policies

Vision Statement

The Congregation shall have a separate endowment fund to assure the long-range financial security of the Congregation, to help manage financial emergencies, and to fund capital needs and special projects that support the mission of the Congregation.

Mission Statement

The investment of such Permanent Endowment Fund monies shall be the responsibility of the Permanent Endowment Committee. The Permanent Endowment Committee is tasked to:

- Increase the Congregation's Permanent Endowment Fund through memorial gifts and bequests.
- Keep the funds in the awareness of the Congregation and encourage them to augment the Permanent Endowment Fund.
- Educate the Congregation as to the importance of the Permanent Endowment Fund.
- Educate the Congregation that bequests may be directed to the short-term needs of the Congregation.

Other Policies

A Permanent Endowment Committee shall govern the Permanent Endowment Fund and shall serve as wise and prudent custodian of the Permanent Endowment's investment and distribution policy. The policy shall provide for the protection of the income of the endowment over the long term and shall require the Permanent Endowment Committee to exercise the utmost care to respect the integrity of restrictions placed on any gift to the endowment. The Permanent Endowment Committee is empowered to solicit, invest, and manage the assets of the Permanent Endowment Fund pursuant to the adopted Investment and Distribution Policy.

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 of omissions or of willful misconduct or gross negligence. Each member shall be liable for his or her own acts and omission or willful misconduct or gross negligence and not for the acts of omission by other members. No member of the committee shall engage in any self-dealing or transactions with the endowment fund in which the member has a direct or indirect financial interest. Members shall refrain at all times from conduct in which his or her personal interests would conflict with the interests of the endowment fund.

In the event the Unitarian Universalist Congregation of Santa Fe ceases to exist either through merger or dissolution, the disposition or transfer of the Permanent Endowment Fund shall be at the discretion of the Congregation's Board of Trustees in conformity with the approved Congregational

Bylaws and in consultation with the Unitarian Universalist Association (UUA). The UUA should be consulted on continuation of any obligations to the grantors of gifts.

Governance

The PEC meets at least quarterly, and a quorum consists of 3 members. A majority, present and voting, shall carry any motion or resolution. The committee shall elect a Chairperson, Secretary, and Treasurer. The Chairperson or a designated member shall preside at all meetings.

Membership

The Permanent Endowment Committee:

- Shall number 5 voting members of the Unitarian Universalist Congregation of Santa Fe.
- Shall be nominated by the Nominating Committee and in case of a vacancy, the Nominating Committee may suggest replacements to the Board for approval.
- Shall serve only four consecutive years. Filling the remainder of an unexpired term does not count in the total of four consecutive years. After sitting out for a year, a member may volunteer to serve again.
- Shall exercise fiduciary responsibility in investing for the long-term health of the PEF.
- Members shall not serve on the Permanent Endowment Committee while serving on the elected board of the Congregation.

Documentation and Record Keeping

The PEC shall record all donations (memorials, tributes, unrestricted gifts, and legacies) keeping a record of the giver, purpose of the gift, and the giftee. This record shall be publicly available for the Congregation to review.

Reporting

The Permanent Endowment Committee is an independent committee. The Permanent Endowment Committee reports to the Congregation on an annual basis, and the Vice President for Finance includes the PEF yearly financial summary in the Annual Financial Report to the Congregation.

Acknowledging Gifts and Memorials

- Unsolicited or solicited gift arrives. The congregational office and/or the congregational treasurer must notify the PEC as soon as possible so that there are no unnecessary delays in this process.
- Gift is recorded in PEC financial report.
- In the case of a memorial, the PEC treasurer shall send a written acknowledgement to the family or responsible party,
- In the case of a gift honoring an individual/s, the PEC treasurer shall send a written acknowledgment to the donor and to the individual honored.
- In the case of a legacy, if possible, the PEC treasurer shall send a written acknowledgement to the family of the donor and the legacy donor is added to the public list of legacy society members.

- For a tax statement to be sent to all donors, the donations list is sent to the Business Manager at the end of the calendar year, and the donations included on the congregation member's financial statement.
- The PEC honors a donor on the Congregation's public donor list.
- A complete and accurate list of donors, donations, and purpose of the donation must be kept in the archives of the PEF.

Notes

1. PEC brochure explains PEF and the ways to participate.
2. PEC records are used to develop greater contact with those who express interest in the PEF.
3. All PEC records, other than the public record of all donations described above, and PEF financial records are confidential.

Fiscal Policy

The Permanent Endowment Committee's financial objective is to establish an effectively diversified, long-term growth portfolio from the assets for which the Permanent Endowment Committee has a fiduciary responsibility.

The Committee desires to inspire confidence in the Congregation by demonstrating to donors that they can look to a future of:

- Assurance in the prudent management of their donations.
- Confidence in the security of the Endowment.
- Certainty in the wise use of the annual Mission Enhancement Grants.
- Projection of their beliefs and values beyond their lifetimes.

The "Prudent Investor Rules" that govern pension fiduciaries set up reasonable guidelines that all fiduciaries need to follow. Only through proper diversification can these rules be met. Being prudent does not mean total risk avoidance. A certain amount of risk is needed in any portfolio if the investments are to keep pace with inflation. The challenge in managing investments is to achieve real growth, after inflation, with risk that is appropriate for the return.

Capital and income from such funds may be expended only upon a vote by a two-thirds majority of those present and voting at a congregational meeting. Any amendment to these policies and procedures that will change, alter, or amend the purpose for which the fund is established must be adopted by a two-thirds majority of those present and voting at a congregational meeting.

Procedures

Operations

The PEC exercises stewardship over the faithful management of all gifts, bequests in wills, charitable remainder and other trusts, charitable gift annuities, assignment of life insurance, and transfers of property (cash, stocks, bonds, real estate, etc.); and encourages, receives, and administers these gifts in a manner consistent with the loyalty and devotion expressed by the grantors and in accord with the policies of this Congregation.

Any amendment to this resolution that will change, alter, or amend the purpose for which the Permanent Endowment Fund is established, shall be adopted by a two-thirds vote of the members present at a congregational meeting called specifically for the purpose of amending this resolution.

No funds shall be expended until such time as the Permanent Endowment Fund (principal and interest) shall have accumulated to \$100,000. When that balance is reached, distributions may begin. Thereafter, up to 5% of the Fund's previous December 31st value may be available each year for annual Mission Enhancement Grants to support the mission of the Unitarian Universalist Congregation of Santa Fe.

Mission Enhancement Grants

A Mission Enhancement Grants Committee of two Congregational Board Members chosen by the President and two Permanent Endowment Committee members chosen by the chairperson of the Permanent Endowment Committee will be tasked with reviewing proposals for available grant monies.

The Mission Enhancement Grant Committee is under no obligation to recommend expending funds. If no proposals enhancing the mission of the UUCSF apart from the general operation fund of the Congregation are recommended, earnings will be retained in the fund until the following year.

The Mission Enhancement Grants Committee will submit proposal/s to the Permanent Endowment Committee for vote and then submission to the Congregation for approval or refusal at a congregational meeting.

Mission Enhancement grants will be approved only upon a vote of a two-thirds majority of those present and voting at a congregational meeting. If no approval is reached, the monies will be returned to the endowment fund and the grants process may begin again in the coming year.

Appendix A: “Prudent Investor Rules”

Uniform Prudent Investor Act (NATIONAL CONFERENCE OF COMMISSIONERS ON UNIFORM STATE LAWS)

The Uniform Prudent Investor Act (UPIA), which was adopted in 1992 by the American Law Institute’s Third Restatement of the Law of Trusts (“Restatement of Trust 3d”), reflects a “modern portfolio theory” and “total return” approach to the exercise of fiduciary investment discretion.

§ 227. General Standard of Prudent Investment: The trustee is under a duty to the beneficiaries to invest and manage the funds of the trust as a prudent investor would, in light of the purposes, terms, distribution requirements, and other circumstances of the trust. This standard requires the exercise of reasonable care, skill, and caution, and is to be applied to investments not in isolation but in the context of the trust portfolio and as a part of an overall investment strategy, which should incorporate risk and return objectives reasonably suitable to the trust. In making and implementing investment decisions, the trustee has a duty to diversify the investments of the trust unless, under the circumstances, it is prudent not to do so. In addition, the trustee must: conform to fundamental fiduciary duties of loyalty (§ 170) and impartiality (§ 183); act with prudence in deciding whether and how to delegate authority and in the selection and supervision of agents (§ 171); and incur only costs that are reasonable in amount and appropriate to the investment responsibilities of the trusteeship (§ 188).

New Mexico Office of the Attorney General

The principal role of the board of directors is to act as the steward of the charitable assets. The charitable assets are a “public trust” placed in their “private hands” to be used only for the charity’s approved mission. The charity may not be operated for private benefit. The board of directors is legally responsible for the management of the affairs of the charity. Stewardship requires active participation. People who do not have the time to regularly participate should not agree to be on a board.

One of the most important functions of the board is to keep the resources and efforts focused on the charity’s mission. This requires the board to have an adequate understanding of the organization’s programs, people and resources available to achieve the organization’s goals. As a starting point, every board member should be familiar with the organization’s articles of incorporation, its bylaws, its IRS Form 990 and its financial statements.

Board members are responsible for assuring the financial accountability of the charity. Procedures need to be established to keep the organization fiscally sound and ensure that it operates in a fiscally responsible manner. Care must be taken to use any restricted funds properly.

The organization needs to be able to demonstrate the wise use of its funds. Accurate records of all income, expenditures, transactions and activities must be maintained. Accurate minutes of board meetings should be taken in order to demonstrate board approval of certain expenditures and investments and to show that informed decisions were made with regard to these transactions. The following are specific actions that board members should take to ensure that their duty to manage accounts is being fulfilled:

- Keep accurate records of income, investments, expenditures and transactions, and accurate minutes of board meetings;
- Develop annual budgets that provide clear direction for spending at all levels of activities;
- Establish appropriate internal accounting systems, including a system of checks and balances. No one person should retain total control over finances;
- Prudently invest and reinvest assets;
- Develop fundraising goals and policies; and
- Shop around for the best values in goods and services through comparisons and informed bidding processes.

They are also under a duty to be familiar with the laws that apply to the charity and to comply with those state and federal laws that relate to the charity and its business operations.

The following are specific actions board members should take to ensure that their duty of compliance is being fulfilled:

- Familiarize themselves with and follow the provisions of the charity's articles of incorporation, constitution, by-laws, or other governing documents;
- Familiarize themselves with state and federal laws relating to nonprofit entities, fundraising, and tax related issues; and
- Comply with state and federal registration and reporting requirements, which may include filings with the New Mexico Attorney General, the New Mexico Public Regulation Commission, the New Mexico Taxation and Revenue Department, and the Internal Revenue Service.

Appendix B: Funding Application Example



UNITARIAN UNIVERSALIST CONGREGATION OF SANTA FE

PERMANENT ENDOWMENT COMMITTEE
2013 PERMANENT ENDOWMENT FUND

UUCSF Mission Enhancement Grant Application

Due Noon, April 18th, 2013

It is the purpose of the Permanent Endowment Fund to enhance the mission of UUCSF apart from the general operating fund of the congregation. No portion of the principal or income generated by the PEF should be used for the annual operating budget of the congregation.

The PEC may spend annually up to 5% of the PEF's previous December 31st value. The expenditure of PEF funds requires a 2/3 vote of those present and voting at an annual congregational meeting.

2013 PEF GRANT CALENDAR

AMOUNT AVAILABLE FOR GRANTS ANNOUNCED – February 1

APPLICATIONS FOR GRANTS AVAILABLE – February 1 to April 18

APPLICATIONS FOR GRANTS DUE - Noon, April 18

UUCSF MISSION ENHANCEMENT GRANTS PRESENTED TO UUCSF MEMBERS
FOR APPROVAL - Spring Congregational Meeting May 19

SOME REMINDERS

- The Permanent Endowment Committee must receive all Grant applications by **noon, April 18, 2013**
- Grants will not be considered for any project funded by UUCSF's annual operating budget.
- The money must be used in the calendar year in which the Grant was received.



UNITARIAN UNIVERSALIST CONGREGATION OF SANTA FE

**PERMANENT ENDOWMENT COMMITTEE
2013 PERMANENT ENDOWMENT FUND**

UUCSF Mission Enhancement Grant Application

Due Noon, April 18th, 2013

UUCSF Committee Chair or UUCSF Member Making Request:

Name:

Name of UUCSF Committee (if applicable):

Phone:

E-mail:

Amount Requested:

Description of Project:

How Does This Project Enhance UUCSF's Mission?

"We nurture hearts and minds, practice beloved community, and work for justice."
---UUCSF Mission Statement

Signed by UUCSF Committee Chair or UUCSF Member: _____

Programs and projects funded by the UUCSF 2013-2014 Operating Budget are not eligible and cannot apply for a Permanent Endowment Fund Grant. Programs or projects that receive a Grant must submit a report to the Permanent Endowment Committee on how the grant was used and the results obtained as soon as possible but no later than **December 31, 2013**.



UNITARIAN UNIVERSALIST CONGREGATION OF SANTA FE

**PERMANENT ENDOWMENT COMMITTEE
2013 PERMANENT ENDOWMENT FUND**

UUCSF Mission Enhancement Grant Application

Due Noon, April 18th, 2013

Suggestions for Completing Your Application

1. Be specific about how the Grant will be used.
2. Do not ask for the entire available sum unless you have a project that really changes the world.
3. Be sure to provide an accurate estimate of costs, including shipping and other possible charges. Grantees are encouraged to spend the funds as soon as they are available to avoid cost increases.
4. It is better to have a project that is all unto itself, rather than a part of something involving other organizations.
5. Remember, members of UUCSF's congregation have the final vote on Grants. Think about what UUCSF members might support.
6. Members of the Permanent Endowment Fund Committee are happy to help you with the wording of your application if you need it.
7. When a grant has been awarded, and to complete the process after purchasing the item(s), a written report needs to be given to the PEC with copies of all receipts.

**UUCSF
Permanent Endowment Committee**

Karl Jonietz (Chair)	992-0665	kkj001@me.com
Bruce Sherwood	603-8121	bruce.sherwood@gmail.com
Pat Simon	473-0714	pasimon@cybermesa.net
Karin Roth	471-4764	karinroth@msn.com
Ken Kurtz	471-2007	mlkck@cybermesa.com
Diane LeResche	988-9911	lediane@aol.com

Appendix C: The Nancy and Webster Kitchell Legacy Society

The Nancy and Webster Kitchell Legacy Society of the Unitarian Universalist Congregation of Santa Fe includes the following members (italics designate deceased members) as of January 2013:

Charter Members:

Duane 'Pete' Myers

Evelyn Petshek

John Pierce

Helen and Ralph Snoke

Jan Thompson

Mary Lou Falion

Stephen H. Furrer

Sherry H. James and James Preus

Patricia L. and Karl K. Jonietz

Reverend Doctor Webster Kitchell

Penelope Penland

Rose Provan

Elizabeth 'Brett' Roorbach

Karin and Richard Roth

Hilda Rush

Lisa Salopek

Margaret Schoonover

Patricia and George Simon

Patricia A. Steindler

Margaret Winkler

Members:

Ann Aceves

Dorothy B. and Richard K. Allen

Keith K. Anderson and Barbara G. Lenssen

Marcia and Fred Bowman

Norma and Harold Brown

Katherine Brownlie

Bonnie and Verne Cline

Evelyn M. Cole

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