

The Unitarian Church in Summit  
Endowment and Planned Giving Committee (“the Committee”)  
Investment and Distribution Policy

**A. General**

The core purpose of the Endowment Fund of The Unitarian Church in Summit (“UCS”) is to generate income for use by our church while preserving and growing the principal with a view to increase the amount of the income available to allow the church to enhance goals beyond those which can be supported through its regular modes of income.

The general investment objective of the Endowment Fund is to achieve returns in excess of inflation and target a 5% minimum return consistent with prudent risk. This target return does not include new contributions made to the Endowment Fund throughout the fiscal year. Although absolute returns are to be stressed, relative performance and risk (volatility) are important factors in the Committee’s investment decision making.

The Committee greatly prefers unrestricted contributions and retains the right to recommend rejection of restricted contributions that are not coherent with our mission or create an undue burden as determined by the Board of Trustees. If the Board of Trustees accepts a restricted contribution, restrictions placed on any gift by the donor will be faithfully followed, subject to the Board of Trustees’ determination of the integrity and best interests of the Endowment Fund. Refer to UCS’s “Gifts Policy” for further clarification.

**B. Operations and Charter of Committee**

Mission: To provide for long-term sustainability through the investment and accumulation of financial resources to support the mission of UCS.

The Committee in the execution of its duties may provide for such professional counsel on investments or legal matters as it deems best. It may incur reasonable expenses not to exceed \$3,000 in any fiscal year for these purposes and for publicizing and encouraging contributions to the Endowment Fund. Such expenses will be paid from the Endowment Fund.

The Committee will report to the Board of Trustees and to the congregation, at least annually, the total value of the Endowment Fund, the return on investment for a one-, three-, and five-year period (excluding contributions and distributions), and annual income, expenses, contributions, and disbursements.

The Committee will select its own members and officers. Any member eligible to vote at a meeting of the congregation is eligible to be a member of the Committee.

If the Board of Trustees happens to find that there are what it judges to be compelling moral grounds for making or rejecting a particular investment and it provides the Committee with the relevant information and clarification, the Committee will consider the request in light of its duty to seek as high returns as are prudently attainable.

**C. Investment Policy**

The Committee at its meetings recommends appropriate asset allocations for the current and expected market conditions. An agreed upon percentage of the Endowment Fund is invested in the following market segments: Cash and Cash Alternatives, Equity (Domestic and International), and Fixed Income (Domestic and International).

The Committee periodically reviews the asset allocation targets set for the Endowment Fund and will rebalance the assets if there has been any shift due to performance beyond a 10% tolerance band at its next scheduled meeting.

The Endowment Fund invests in publicly traded mutual funds and exchange traded funds (ETFs) through its Vanguard brokerage account. The Committee seeks to avoid investments in funds or ETFs with holdings that are inconsistent with Unitarian Universalist principles and values and the UCS mission.

The Committee determines which available vehicles (Mutual Funds or ETFs) best suit its investment need, taking into consideration fund fees, historical fund performance, fund make-up, and management team as well as other factors.

#### **D. Distribution Policy**

Five percent of the average of the total value of the Endowment Fund for the prior three years as of December 31 will be available for distribution to the operating budget for the successive fiscal year. Furthermore, at the direction of the Board of Trustees, distributions may be made to support other purposes that provide for the long term health of the congregation and support its mission, such as capital improvements to the extent not in conflict with any existing donor restrictions, outreach programs, emergency funding, staff enhancements, or any unforeseen event requiring immediate action.

Approved by the Board of Trustees July 21, 2014