

**ARTICLES ESTABLISHING THE UNIVERSITY PRESBYTERIAN CHURCH
ENDOWMENT FUND: A LEGACY OF FAITH, AND THE ENDOWMENT
COMMITTEE**

I. Statement of Purpose

Christian stewardship implies a responsibility to make productive use of all Gods gifts to humankind - time, talents and material possessions. The Session of University Presbyterian Church, on behalf of the congregation and campus ministry, hereby affirms that stewardship is concerned not only with current income and its use, but also equally with accumulated, inherited and appreciated resources. It is the belief and commitment of the Session, therefore, that this church should provide expanded opportunities for members to support the benevolent, educational and mission work of the whole church through special gifts and planned giving. Specifically, this church desires to enlarge the scope of the congregation's work and influence by

- (A) Expanding its witness to Jesus Christ;
- (B) Initiating, supporting and maintaining worthy community projects;
- (C) Participating more fully in the many avenues for service to God and to humankind offered by our church; including Christian fellowship, worship, education, and campus ministry;
- (D) Engaging in programs designed to attend to the needs and wants of the elderly, sick, poor, young, bereaved and handicapped, whether physically, spiritually or mentally; and
- (E) Maintaining and constructing church physical properties.

The UPC Endowment Fund and provisions for its administration hereinafter provided for are designed to afford opportunities for tangible expression of Christian stewardship and to provide assistance to donors through a program of giving alternatives.

II. Establishment of UPC Endowment Fund

A. Establishment

The Session of University Presbyterian Church hereby establishes the *University Presbyterian Church Endowment Fund: A Legacy of Faith* (hereafter called the Endowment Fund) to finance the accomplishment of the basic purposes stated above. This Endowment Fund continues the work of and replaces the Cornerstone and Perpetual Endowment Funds that previously held the endowment funds of University Church. With Session adoption of these

Articles, the unrestricted portions of the Cornerstone and Perpetual Funds become unrestricted funds within the Endowment Fund, and the restricted funds move into the Endowment Fund to be separately administered by the Endowment Committee in accordance with the instructions of the donors.

B. Kinds of Gift

The Endowment Fund is designed to seek and receive gifts, bequests, devises, memorials and other contributions of all types and amounts. Unrestricted gifts are to be received into the Endowment's unrestricted fund, and restricted gifts into restricted accounts. Donations may be made through outright gifts (in such forms as cash, securities, royalties, art, personal and real property), bequests in wills, charitable remainder trusts, other deferred gifts, assignment of life insurance, and other contributions of all types and amounts. Each donation to the Endowment Fund shall be made by paying, transferring, or otherwise delivering to the Endowment Committee the item or items of property representing such donation. The Endowment Committee with the approval of the Session is authorized to develop a gift acceptance policy.

III. The Endowment Committee

A. Establishment

The Session, acting on behalf of the congregation, hereby establishes the Endowment Committee of University Presbyterian Church for the purpose of administering the Endowment Fund, including educating, promoting, receiving, investing oversight, expending and managing the donations to the Fund. The Endowment Fund financial records and operations shall be separate and distinct from the operating budget of University Presbyterian Church. The Endowment Committee shall function under the oversight and approval of the Session.

B. Membership

The Endowment Committee shall be appointed consisting of six-to-nine (6-9) UPC members, appointed by the Session, all of whom shall be present or former members of the Session, Trustees, or Deacons at University Presbyterian Church or another Presbyterian Church. The term of each member shall be three (3) years. No member shall serve more than three (3) three-year terms. The Pastor, Treasurer, and Chair of the Administration Committee shall be non-voting, ex-officio members. Appointments to the Committee shall be made yearly by the Session from nominations provided by UPC Nominating Committee. The Endowment Committee and other standing committees of the Church are encouraged to recommend candidates to the Nominating Committee. Members shall serve until their successors are appointed.

For purposes of continuity, the terms of appointment should vary initially from 1-3 years (two members to serve for one year; two members to serve for two years, and two members to serve for three years). Thereafter the term will be for three (3) years. All should be chosen on the basis of the membership qualities cited below.

C. Committee Officers

A Chair shall be appointed by the Session for a two (2) year term from among the Committee's members, and may be reappointed. The Committee shall elect from among its members a Recording Secretary who shall maintain complete and accurate minutes of all meetings. The Committee may, as it deems appropriate, elect from among its membership a Treasurer who would have special responsibility to oversee the management of any funds under the Committee's direct control and to organize financial management information for the Committee's review.

D. Recommended Membership Qualities

Qualities that should be represented on the Endowment Committee collectively include:

- (1) Knowledge of the community with sensitivity to its greatest human needs;
- (2) Understanding this church's ministry, its potential for service, and its Christian mission;
- (3) A high degree of integrity, prudence, and demonstrated ability to function effectively in this type of endeavor;
- (4) Commitment to Christian stewardship responsibilities; and
- (5) Knowledge of the field of investments.

While no minister or program staff member of University Presbyterian Church shall be eligible to serve as a voting member of the Endowment Committee, members of the Committee shall regard them as a resource for advice.

E. Powers and Responsibilities of the Endowment Committee

1. Powers and Responsibilities

The Endowment Committee shall have the following powers and duties, subject to approval by the Session in accordance with the Book of Order:

- (a) To assume full responsibility for the oversight and general management of the assets of the Endowment Fund as it deems appropriate to achieve the general purposes;
- (b) To appoint other officers and agents as deemed necessary for transaction of the business and affairs of the Fund, and to pay reasonable compensation to such persons;
- (c) To adopt operating rules and regulations consistent with the basic principles set forth herein, and to make additions to and changes in such rules subject to approval by the Session of University Presbyterian Church;
- (d) To decline as a donation to the Endowment Fund any item or property that it deems inadvisable or improper to accept because of the type of the property or the terms of the gift, subject to the provisions established (see Questions on Acceptability);
- (e) To retain one or more independent fiduciaries absent of conflict of interest to administer part(s) of the Endowment Fund if deemed in the best interest of the church;
- (f) To educate, promote, and seek, in appropriate ways gifts/donations to the Endowment Fund and to name funds or otherwise provide for donor recognition; and
- (g) To develop an investment policy and other relevant policies and to ensure that an audit is conducted annually.

2. Relationship to the Session

The Endowment Committee is a Sessional Committee that should encourage communication and involvement with congregation, mission and other stewardship activities.

F. Meetings

1. Regular Meetings

The Endowment Committee shall meet quarterly or when required. Notice shall be provided to all members of the Endowment Committee of meeting at least 72 hours in advance.

2. Special Meetings

The Chair, or three (3) members, of the Endowment Committee may call a special meeting of the Committee at any time. All members of the Committee shall be notified by written notice at least 72 hours before the time such meeting is scheduled.

3. Quorum and Committee Action

The presence in person of a majority of the Endowment Committee shall constitute a quorum at any meeting. The affirmative vote of a majority of the Committee (5 members) shall constitute the action of the Committee.

4. Voting

Each member of the Endowment Committee shall, at every meeting of the Committee, be entitled to one (1) vote in person upon each subject properly submitted to vote. No member shall be entitled to vote by proxy at any meeting of the Committee.

IV. Basic Principles Concerning Use of the Endowment Fund

A. General Use of the Fund

The principal and income from the unrestricted funds within the Endowment Fund may not be used for the operation of the church or for its regular budgeted program, but rather for an extension of its program and an enlargement of its Christian concerns, as set forth in the Statement of Purpose. Restricted funds shall be expended in accordance with the instructions of the donors. If, in the opinion of the Committee and with the concurrence of the Session, programs or needs of the Church change after receipt of a restricted gift by the Endowment Fund so that the gift can no longer appropriately be used in the manner intended by the donor, the Committee with the concurrence of the Session may use that endowment for other purposes of the Endowment Fund as nearly aligned to the donor's original intent as the Committee deems appropriate under the circumstances.

B. Expenditure of Principal

The Fund is intended to be permanent. No part of the corpus of the Endowment Fund shall be expended without an affirmative vote of at least three (5) members of the Endowment Committee and a concurring vote of three-fourths (3/4) of the members of the Session at two separate Session meetings held at least sixty (60) days apart.

C. Distribution of Income

The Endowment Committee will expend income from investments of funds in the unrestricted funds within the Endowment Fund with the concurrence of the Session in accordance with the purposes of the Fund. Ordinarily, the spending rate for unrestricted funds will be 5% per year of average net asset value of such funds over a sufficient number of the trailing quarters (a three-year period is suggested) as determined by the Endowment Committee so that the principal will grow at least equal to inflation to provide income for the long term. As to expenditure of restricted funds, the Committee will ordinarily use the same spending rate as a maximum.

D. Requests for Disbursements

Ordinarily, requests for disbursements from unrestricted funds shall be received by the Committee and acted on by the Session during the second and fourth quarters of the year. Approximately two-thirds (2/3) of the yearly allocation shall be disbursed during second quarter and the remainder shall be available for disbursement during the fourth quarter. The Committee shall establish dates for submission of requests for disbursements, presumptively April 1 and October 1. The requests shall be submitted in writing. The Committee will notify the standing committees of UPC and the ministers and program staff in writing during the first quarter of the amount of funds available for distribution and the submission date for requests for disbursements. The requests should include the use to be made and the case for the funds. When deemed appropriate to purposes of the Endowment Fund, the Committee may, without prior Session approval, make expenditures from available unrestricted funds up to \$500 at other times. Expenditures from restricted funds in accordance with the instructions of the donors may be made at other times and without Session approval.

The Committee will review all such requests for unrestricted funds and submit them to the Session with a recommendation that the request be granted, granted as modified by the Committee, or denied.

Income disbursements from unrestricted funds will require a majority vote of Session. Presumptively decisions will be made by the Session regarding disbursements at its stated meetings in May and November.

The Committee and Session will distribute income from unrestricted funds in four areas: missions, education, worship, and physical properties.

V. General Provisions

A. Reporting

Minutes shall be supplied to all members of the Committee, the Session and a permanent record maintained by the Clerk of Session. The Committee will report annually to the Session on all expenditures made. The committee's activity shall be included in the Church's Annual Report and the Session Minutes Book.

B. Forms of Gifts

Cash, securities, real property, personal property or a combination may fund planned gifts. Where the donor desires to establish a gift mechanism which would require administration of the assets during the donor's life for the benefit of the donor, such donor shall be required to use an independent fiduciary for such purpose. Securities shall be accepted at their fair market value on the date of the gift.

C. Questions Involving Acceptability

If the Endowment Committee should question the acceptability of a gift, bequest, devise, or other contribution, the matter shall be referred for appropriate action to the Session.

D. Designated or Restricted Gifts

Designated gifts, bequests, devises, memorials or other contributions may be maintained and administered by the Endowment Committee in accordance with the instructions of the donors. These include restricted endowment funds that were part of the Cornerstone and Perpetual Funds at the time of the creation of the Endowment Fund. Before accepting any designated gift, the Endowment Committee shall confer with the donor to determine that the purpose of the gift has the approval of the Session and has the economic potential for achieving its designated purpose. Prospective donors shall be encouraged to minimize restrictive conditions on gifts to the Endowment Fund. The suggested minimum amount for a restricted gift is \$25,000 (in 2004 dollars), unless the restricted gift supports long-established on-going activity of the church (e.g., the purchase of Bibles for youth and confirmands) and the Session approves its receipt. Also, with notice to the donor, the Session may accept restricted gifts under the suggest minimum amount for other worthy purposes not to be included in the Endowment Fund but to be treated as a restricted account within the church's reserve funds where the funds, including the principal, can be distributed to achieve the stated objective.

E. Use of Counsel

All prospective donors shall be urged to seek their own counsel or accountant in matters of estate planning, taxes, and planned giving. It is not the function of the Endowment Committee to interpret the law or to give legal and tax advice.

F. Revocation of Gifts

No donor shall have the right to revoke any gift made to the Endowment Fund after transfer to the Fund.

G. Compensation

No fee or other compensation shall be paid to any member of the Endowment Committee for his/her services. However, a member shall be entitled to be reimbursed for expenses such as mileage, lodging, seminar fees incurred in activities relating to the Endowment Fund.

H. Confidentiality

Donors shall be encouraged to notify the Endowment Committee of all relevant will provisions and other planned gifts. The Endowment Committee shall keep all information concerning wills and other planned gifts in confidence unless the donor grants permission or their counsel to release it.

I. Amendments

These Articles may be amended, in whole or in part, by a vote of three-fourths of the members of the Session of University Presbyterian Church at a regular or special meeting called for such purpose in accordance with the Book of Order. However, no such amendment shall permit any part of the Endowment Fund to be held or administered or distributed for any purpose other than the exclusive purposes set forth herein. No such amendment shall effect or result in a revocation or a termination of these Articles until all funds are disbursed in accordance with these Articles.

J. Liability

The Endowment Committee shall be added to the church's liability policy.

K. Effective Date

These Articles shall become effective immediately following an affirmative vote on their adoption by three-fourths (3/4) of the members of the Session.

Adopted by the Session of University Church at its Stated Meeting, November 14, 2019.

James O. Smith

Marc Pons

Endowment Committee Chair

Endowment Committee Treasurer