

**The Fourth Universalist Society in the City of New York**  
**Endowment Fund**

**Amendment to Congregational Bylaws**

An Endowment Fund, whose purpose, governance, and operational procedures shall be defined by special resolution adopted by the congregation, shall be established.

**A. RESOLUTION TO IMPLEMENT THE ENDOWMENT FUND**

Since stewardship involves the faithful management of all the gifts we have been given--time, talents, the created world and money, including accumulated, inherited and appreciated resources; and

Since we can support the religious mission and work of this congregation through transfers of property (cash, stocks, bonds, real estate), charitable bequests in Wills, charitable remainder and other trusts, pooled income funds, charitable gift annuities, and assignment of life insurance and retirement plans; and

Since it is the desire of the congregation to encourage, receive, and administer these gifts in a manner consistent with the loyalty and devotion expressed by the grantors and in accord with the policies of this congregation:

We resolve that this congregation, at a congregational meeting assembled on April 25, 2010, approved a series of changes to our bylaws and established on the records of the congregation a new and separate fund to be known as THE FOURTH UNIVERSALIST SOCIETY IN THE CITY OF NEW YORK ENDOWMENT FUND, (hereafter called the "FUND");

We resolve that the purpose of this FUND is to enhance the mission of the Fourth Universalist Society in the City of New York apart from the general operation of the congregation; no portion of distributions from the FUND shall be used for the annual operating budget of the congregation; and that, except where specifically authorized otherwise in the terms of a gift, distributions from the FUND will be made annually, in amounts not to exceed 4% of the average fair market value of the FUND over the previous thirteen quarters;

Further, we resolve that the Endowment Committee shall be the custodian of the FUND;

We resolve that a new Article XII be added to our bylaws and that corresponding changes are needed to our existing bylaws at Section 7.6 and Section 9.1 c).

XII, Sections 12.1 – 12.6, lines 424 – 589 are hereby adopted:

424 **XII ENDOWMENT FUND BYLAWS PLAN OF OPERATION**

425 **Section 12.1 Name and Purpose**

426 The name of this fund is the Fourth Universalist Endowment Fund (the Fund). The  
427 purpose of the Fund is to enhance the mission of the Fourth Universalist Society  
428 (hereinafter called “Fourth U”) apart from the general operation of the Society.

429 **Section 12.2 Endowment Committee**

430 The Fund shall be administered by an Endowment Committee.

431 There shall be at least three but no more than five committee members, all of whom shall  
432 be voting members of Fourth U. Except as herein limited, the term of each committee  
433 member shall be three years. Upon adoption of this resolution by Fourth U, it shall elect  
434 three to five members on staggered terms, one or two for a term of three years, one or  
435 two for a term of two years, and one for a term of one year. Thereafter, at each annual  
436 meeting, Fourth U shall elect the necessary number for a term of three years. No member  
437 shall serve more than two consecutive terms. After a lapse of one year, former  
438 committee members may be reelected.

439 Nominees for members shall be nominated in the same manner as for other offices of  
440 Fourth U. In the event of a vacancy on the Endowment Committee, the board of Fourth  
441 U shall appoint a member to fill the vacancy until the next annual meeting, at which time  
442 Fourth U shall elect a member to fulfill the term of the vacancy.

443 The Endowment Committee shall meet at least four times a year. A quorum shall consist  
444 of three members. Except as otherwise indicated herein, a majority present and voting  
445 shall carry any motion or resolution.

446 The committee members shall elect from its membership a chairperson, a secretary and a  
447 treasurer. The chairperson, or person designated by the chairperson, shall preside at all  
448 meetings. The secretary shall maintain complete and accurate minutes of all meetings of  
449 the committee. The treasurer shall maintain complete and accurate books of account for  
450 the Fund and shall sign all checks and other necessary financial documents on behalf of  
451 the Fund. All checks also shall be signed by an elected committee member of the Fund.

452 The committee members may request other members of Fourth U to serve as advisory  
453 members to the committee and, at the expense of the Fund, may retain professional  
454 counsel on investments and legal matters.

455 Committee members shall not be liable for any losses that may be incurred upon  
456 investment of the assets of the Fund, except for any losses caused by bad faith. Each  
457 committee member shall be liable only for his/her own willful misconduct and shall not  
458 be liable for the acts or omissions of any other member. No committee member shall

459 engage in any act of self-dealing or participate in any transaction in which the member  
460 has any self interest.

461 **Section 12.3 Contributions**

462 Any person may contribute to the Fund. The Endowment Committee members may  
463 decline to accept a contribution if they determine that the purpose for which the  
464 contribution is proposed is inconsistent with the purposes of Fourth U or the Fund, the  
465 type of property constituting the contribution is inappropriate as an asset of Fourth U, or  
466 the contribution is subject to conditions, restrictions or other limitations with which the  
467 committee members feel Fourth U or the Fund could or should not comply.

468 **Section 12.4 Operation of the Fund**

469 a). **General**

470 i. The assets of the Fund shall be owned by and belong to Fourth U.  
471 However, they shall not be commingled with any other assets of Fourth U, and  
472 they shall be maintained and invested solely and exclusively by the Endowment  
473 Committee members of the Endowment Fund.

474 ii. The Endowment Committee members of the Endowment Fund shall invest  
475 the assets of the Fund in any type of prudent investment that they deem to be  
476 proper.

477 b). **Fund Account Definitions**

478 i. The Treasurer of the Endowment Fund will maintain and report on the  
479 following Endowment Fund accounts:

480 **1. Fund Net Asset Value** will be defined as the current value (including  
481 income or losses from donations made to date) of all assets controlled by  
482 the Endowment Fund.

483 **2. Fund Principal** will be defined as the asset value at the time of  
484 donation of all donations made to the fund.

485 **3. Fund Retained Income** will be defined as the Fund Net Asset Value  
486 less Fund Principal.

487 **4. Fund Allocations** will be defined as assets that have been allocated  
488 from the **Fund Retained Income** on an annual basis by the Endowment  
489 Committee as defined by Section 12.4 (“Determining funds that are  
490 available for spending”) and are eligible to be transferred to Fourth U’s  
491 Endowment Spending Account per Section 12.4, d) v – d) vii.

492 ii. The Treasurer of Fourth U will establish, maintain and report on the following  
493 account:

494 Endowment Spending Account will be defined as the assets transferred  
495 to the books of Fourth U from the Fund Allocations account.

496 c). Fund Principal Restrictions: No Fund Principal can be spent or lent except by a  
497 two thirds vote of the members of Fourth U present at a duly authorized meeting.

498 d). Determining funds that are available for spending

499 i. The Fund Net Asset Value will be calculated and recorded at the end of every  
500 quarter and included in a report from the Treasurer of the Endowment Fund to the  
501 Treasurer of Fourth U Board of Trustees.

502 ii. Spending shall not commence until the first quarter where the Fund Net  
503 Asset Value equals or exceeds \$250,000 (“The Threshold”)

504 iii. Commencing with the first calendar quarter that the Fund Net Asset Value  
505 exceeds the Threshold, the Endowment Committee will establish the Fund  
506 Allocations account as described in Section 12.4 b) i.4.

507 iv. On an annual basis thereafter, the Endowment Committee will calculate the  
508 amount to be transferred from the Fund Retained Income account to the Fund  
509 Allocations account as follows:

510 1. The calculation will be performed at the start of the calendar year  
511 as soon as possible after the period ending December 31 of the prior  
512 year. The results of the calculations will be reported to Fourth U  
513 Board no later than the last business day before January 15

514 2. If the Fund Net Asset Value for the period ending December 31 of  
515 the prior year does not exceed the established Threshold, no allocation  
516 of funds will be made to the Endowment Allocations Account for that  
517 year.

518 3. If the Fund Net Asset Value before allocations for the period  
519 ending December 31 of the prior year is less than the Fund Principal,  
520 no calculation for allocation of funds will be made to the Endowment  
521 Allocations Account for that year.

522 4. If the Fund Net Asset Value exceeds the established Threshold  
523 and is greater than Fund Principal, an allocation of funds from Fund  
524 Retained Income account to the Fund Allocations account will be  
525 made as follows:

526 A. 4% of the average period ending balance of the Fund Net  
527 Asset Value for the prior twelve quarters will be transferred to  
528 the Fund Allocations account. If the Fund Net Asset Value  
529 after allocation would be less than Fund Principal, then the

530 allocation amount will be reduced so that Fund Net Asset  
531 Value equals Fund Principal. Fund Retained Income will be  
532 reduced by the allocated amount.

533 B. For the purposes of calculation, during the first quarter in  
534 which the Fund Net Asset Value exceeds the Threshold, the  
535 Fund Net Asset Value for each of the prior twelve quarters will  
536 be established as the Threshold value (\$250,000).

537 v. Upon receipt of Fourth U Board's package of prioritized, costed  
538 endowment project proposals and associated spending schedules, the Endowment  
539 Treasurer will transfer funds to Fourth U for deposit to Fourth U under the  
540 Endowment Spending Account.

541 vi. The funds transferred may not exceed the amount in the Fund Allocations  
542 Account.

543 vii. If the amount of funds associated with approved endowment proposals is  
544 less than the amount in the Allocations Fund account, then the remaining funds  
545 will be retained in the Endowment Allocations Fund account for availability the  
546 following year. Similarly, if funds are allocated and transferred, but are not spent  
547 for the approved projects, Fourth U Board will transfer those funds back to the  
548 Endowment Fund where they will be retained in the Allocations Fund account.

549 **e). Spending of the Endowment Spending Account – Process and Restrictions**

550 i. The Board of Trustees of Fourth U will be responsible for establishing the  
551 procedures for the solicitation of, submission, and evaluation of proposals for  
552 spending funds in the Endowment Spending Account subject to the by-laws of the  
553 Endowment Fund.

554 ii. Proposals for spending may include (but are not limited to) improvements  
555 in the physical facilities of Fourth U, investments in a social justice program, an  
556 expenditure for outreach in the community, or a contribution to the wider social  
557 justice mission of the Unitarian Universalism movement.

558 iii. The Endowment Committee will receive copies of any such proposals  
559 made to the Board of Trustees of Fourth U and will provide a written evaluation  
560 of the proposal to Board of Trustees of Fourth U as to whether the proposed  
561 spending conforms to the spending principles established in these by-laws.

562 iv. Except under extraordinary circumstances, no portion of the Endowment  
563 Spending Account shall be used for the annual operating budget of Fourth U.

564 v. Except under extraordinary circumstances, no loans from the Fund Net  
565 Asset Value shall be made to Fourth U or to other funds of Fourth U, the proceeds  
566 of which are to be used for the operating budget of Fourth U.

567 vi. The existence of extraordinary circumstances requiring such uses as  
568 described in Section 12.4, e) iv – e) v. for the annual operating budget shall  
569 be determined by Fourth U Board of Trustees and communicated to the  
570 membership when decisions to use assets in the Fund Allocations Account are made  
571 on that basis or if a loan from the Fund Net Asset Value is requested for such use.

572 vii. All expenditures from the Endowment Spending Account must have the  
573 approval of the Board of Trustees of Fourth U.

574 viii. As defined in Section 12.4, b) ii, the Treasurer of the Board of Trustees of  
575 Fourth U will establish an asset account (“Endowment Spending Account’) which  
576 will be used for depositing allocated funds from the Endowment and for tracking  
577 fellowship expenditures for approved spending.

578 ix. An accounting of spending from the Endowment Spending Account will be  
579 made to Fourth U at the Annual Meeting by the Endowment Chair that includes the  
580 opening balance, expenditures by project or initiative and closing balance.

581 x. Upon approval by the Board of Trustees of Fourth U, the Members of  
582 Fourth U will be informed by the Board of the funding decisions made.

583 **Section 12.5 Amendment of Bylaws**

584 Any amendments to these bylaws shall be adopted only by a two thirds vote of the  
585 members present at a duly authorized meeting of Fourth U called specifically for the  
586 purpose of amending the bylaws.

587 **Section 12.6 Termination of Fund**

588 In the event Fourth U ceases to exist, the Fund shall be terminated or transferred at the  
589 discretion of the Board of Fourth U acting in accordance with the bylaws of Fourth U.

VII, Section 7.6, lines 206 -226 are amended as follows:

206 **Section 7.6 The Treasurer**

207 Notwithstanding Article XII, Sections 12.1 – 12.6, The Treasurer shall shall:

- 208 a) receive and provide for safekeeping of all money and other property of the
- 209 Society entrusted to the Treasurer’s care;
- 210 b) disburse the same under the direction and to the satisfaction of the Board;
- 211 c) keep accounts of the money received and disbursed, such accounts to be open at
- 212 all times to the inspection of the Board;
- 213 d) report receipts, expenditures and balance on hand as required by the Board;
- 214 e) prior to the annual meeting exhibit a statement of accounts, including a balance
- 215 sheet, for the examination of the Board;
- 216 f) furnish statements of the pledge status of the membership to assist the Clerk in
- 217 determining the qualifications of members for voting; and
- 218 g) be an ex-officio member of the finance & stewardship committee and assist in
- 219 the making of the yearly budget.

220  
221 The books of the Treasurer shall be audited annually by an independent public accountant  
222 who shall not be a member of the Society. Surety bond shall be provided for the  
223 Treasurer at the expense of the Society.

224  
225 The Board may appoint one or more assistant treasurers, but such appointees shall not be  
226 officers of the Society.

IX, Section 9.1 c) i – c) iii, lines 279 - 300 are amended as follows:

279 **c) Finance & Stewardship Committee**

280 **i. Mission**

281 Notwithstanding Article XII, Sections 12.1 – 12.6, The the finance & stewardship  
282 committee is charged with the guardianship of the Society’s finances and strives  
283 to create a culture of giving at Fourth Universalist.

284 **ii. Members**

285 The committee shall consist of the Treasurer and at least two other members, one  
286 of whom shall be a Trustee. The Board shall regularly review the membership of  
287 the finance & stewardship committee and set and any necessary policies  
288 governing duration of service and eligibility for membership on the committee.

289 **iii. Responsibilities**

290 Notwithstanding Article XII, Sections 12.1 – 12.6, The the finance and  
291 stewardship committee is responsible for the long term fiscal health of the  
292 Society. It shall prepare, with the collaboration of the Minister and appropriate  
293 staff, the annual operating budget for presentation to the annual meeting. It shall  
294 be informed at all times on the financial condition of the Society and be prepared  
295 to give reports as required. It shall advise the Board regarding the insurance  
296 program of the Society, ~~and the management of its investments.~~ It shall also  
297 manage the fundraising activities of the Society, including canvass and any  
298 capital campaigns. Finance & stewardship will also manage the budget and  
299 priorities for the maintenance and improvement of the Society’s physical  
300 properties.

**ADOPTION OF RESOLUTION**

This resolution, recommended by the Board of Trustees for the Fourth Universalist Society in the City of New York and accepted by a two-thirds vote of the assembled voting members of the congregation at a legally called congregational meeting held on

\_\_\_\_\_ is hereby adopted.

By

\_\_\_\_\_ and \_\_\_\_\_  
Matthew Gilbert, President Jonathan Arancio, Clerk

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2010