



Resolution to Reaffirm the Establishment and Purpose of the Fellowship Endowment

Proposed Sunday, June 6, 2021

Whereas, stewardship involves the faithful management of all the gifts we have been given: time, talents, money including accumulated, inherited and appreciated resources; and

Whereas, 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

Whereas, it is the desire of the Fox Valley Unitarian Universalist Fellowship (hereafter called the Fellowship) 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 the congregation; and

Whereas, the Fellowship in the annual meeting on May 21, 2000 approved and established new and separate funds known as the Fox Valley Unitarian Universalist Endowment Fund; and

Whereas, the original purpose of the Endowment Fund was to enhance the mission of the Fellowship apart from the general operating fund; and

Whereas, the Congregation voted at the 2017 annual meeting to expand the purpose of the Endowment Fund to include special projects as well as general operating expenses to further the mission of the Fellowship; and

Whereas, the Governing Board is responsible for management of all Fellowship funds and property:

Therefore be it resolved, that the Fellowship reaffirms the establishment and purpose of the Endowment.

Be it further resolved, that the Fellowship Endowment shall be operated in accordance with all bylaws and policies established by the Congregation and Governing Board.

Be it further resolved, that this resolution supersedes the Resolution to Implement the Endowment Fund adopted by the Congregation at the May 21, 2000 annual meeting.

Read FAQs about the resolution and the endowment below

Q & A Regarding the Resolution and Bylaws Votes at the Upcoming Annual Meeting by Eric Riggers

Q: There's a separate resolution reaffirming the endowment and another resolution to change the bylaws. Why do we need two separate resolutions?

A: Back in 2000, the congregation passed a resolution that created not only the endowment but also the planned giving committee, so that has been useful in that we have made long-term fundraising a priority by having a committee dedicated to it. However, over time, as we have changed and given more tasks to staff, that has become unwieldy, and we want to combine our fundraising efforts but we can't do that with this existing resolution! So, we want the congregation to affirm the new resolution which simply reaffirms the purpose and function of the endowment but eliminates the requirement of the standalone planned giving committee.

Q: We have the endowment which is being managed through the UUA's Common Endowment Fund and we've got the Generosity Ministry Team which will report to the Executive Team (ministers and director of finance and operations)... What do we mean when we say in the resolution that the Governing Board is responsible for managing the funds?

A: This goes back to that resolution in 2000, when we didn't know where that money would actually land. We eventually decided to invest with the Common Endowment Fund which is a low-cost, well-run fund that invests in alignment with our principles, and really the Planned Giving Committee (PGC) has not had any real need for many years to decide how or when to move those funds or invest; the day-to-day management has been removed from Planned Giving for a while. We could decide in the future to move those funds. The Generosity Ministry Team will report to the Executive Team which gives them authority to move it, but the Executive Team is always answerable to the Board for all financial operations.

Q: So we have two things: The resolution that reaffirms the endowment but removes the need for the PGC, and then the bylaws changes that actually remove the PGC from those documents. What happens if one of those passes at the annual meeting but not the other?

A: Great question! As you know, we'll be meeting virtually again by Zoom for our annual meeting, which means we won't be able to count the votes from any particular motion during the meeting, so we will make the bylaws changes "provisional." We will take both votes, but if the resolution fails, then the vote for the bylaws will then be null and void. It's essentially an up-or-down vote on both things.

Q: So it's a single package, but it just takes two votes?

A: Yes, it's a single package that takes two votes. If the members have questions about that, we encourage them to come to our pre-meeting which will be on Zoom on Wednesday June 2 at 6:00 pm CST.

Endowment Q & A - by Theresa Hannah

Q: Can we use endowment funds to cover our budget?

A: Our endowment is a “restricted fund”. None of the principal (contributions & some earnings) of the fund can be used for any reason. The intention is to grow this fund to a point where future earnings are sufficient to fund projects or support the budget.

Q: But a couple of years ago we voted to allow endowment earnings to be used to support our operating budget. How much is moved to the operating budget each year?

A: There is not an automatic transfer of funds from endowment earnings to the operating budget. The vote to change the uses of endowment earnings gave us the option to use earnings for the operating budget. Each year a portion of the endowment earnings are classified as “mission fund” amounts. The use of any mission fund dollars requires authorization from our governing board. To date, no amount of endowment earnings has been used; for any purpose.

Q: Are our endowment funds secure?

A: Investment funds are not insured, by the FDIC or anyone else. There is always some amount of risk involved. Our fund balance fluctuates with market changes. Combining our endowment money with that of other institutions allows us to diversify investments and to use professional managers who work to mitigate our risk while searching for the highest return. In addition, the Common Endowment Fund is audited by a large public accounting firm each year.

Q: Does the UUA provide us with sufficient information about our fund?

A: Yes. We receive monthly reports detailing income, fees and the changing value of our investments. In addition, the UUA website includes lots of information about the Common Endowment Fund; holdings, earnings reports, investor reports etc.

Q: How have the earnings results been?

A: As of 3-31-2021 the common endowment reports a 3-year average earnings rate of 9.6% and a 1-year return of 37.5%.

Q: What are the fees for endowment management and investment managers?

A: For calendar year 2020 our total fees are 1.02% of our average fund balance. This is not an unusual fee rate for managed investments.

Q: Should I consider including the endowment in my estate plan?

A: ABSOLUTELY! Donations to our endowment will help the Fellowship remain financially strong in the future allowing it to become the spiritual home of the generations after us. The name to be used on legal documents is Fox Valley Unitarian Universalist Fellowship Endowment Fund. More information can be found [HERE](#).

Q: Are there other ways to give to the endowment?

A: Click [HERE](#) to learn about the many paths to giving to the endowment.