

## **Endowment Trust Fund (ETF)**

The Board of Trustees of the Central Unitarian Church in regular meeting on July 27, 1982 considering the establishment and maintenance of the Endowment Trust Fund of the Church, which is provided for in the resolution, to be important to the future stability and progress of the Church, having recommended and adopted this resolution, and to go into effect immediately upon such vote, as attested by the Church secretary.

Adopted by a congregational meeting of Central Unitarian Church originally on May 23, 1978. (Board of Trustees action May 23, 78; approved by congregational meeting of June 18, 1978).

### **1. Creation of the Fund**

There is hereby established by Central Unitarian Church, a religious corporation organized under the laws of New Jersey, a fund for religious, charitable, educational, and civic purposes, which shall be known as the Endowment Trust Fund of the Church. The Fund is Church property, but to be administered on behalf of the Church, separately from all other property of the Church, for the purposes and in the manner hereinafter provided.

### **2. Content of the Fund**

The Fund shall consist of money and other forms of property, real or personal, which may be given to the Church, specifically for the Fund by deed, will or other form of gift, or may be transferred to the Fund by the Church to be held subject to the provisions of this resolution.

### **3. Purposes of the Fund**

The Fund shall be used solely for the purposes herein specified, as determined from time to time by Trustees administering the Fund in the manner provided in this resolution. The principal and, unless otherwise specifically designated by the donor, the income of the Fund may not be used to pay operating expenses of the Church, including interest on indebtedness of the Church, but may, in the discretion of the Trustees, be spent for capital assets, including retirement of the principal of indebtedness incurred for such assets, and for amenities and auxiliary purposes of the church, including contributions for denominational, charitable, educational and social service purposes. Within these limits, donations and contributions may be accepted, held and used for purposes specified by donors.

Annual expenditures by the trustees of the Endowment Trust for purposes other than administration of investment in any given calendar year shall be limited to no more than the income, excluding contributions to the fund, earned by the fund during the preceding year, unless larger expenditures for extraordinary circumstances are approved by a majority vote of a quorum at a congregational meeting of the Congregation.

### **4. Trustees of the Fund: Duties and Procedure**

The fund shall be administered by Trustees chosen in the manner herein specified, who shall serve without compensation and shall serve without bond or other form of surety. The Trustees shall receive all contributions to the Fund; provide for their safe-keeping, management, preservation and investment, as may be required; collect all income from investments; and make disbursements from the Fund for its expenses and for church purposes determined in the manner specified below. (The Trustees shall not have legal title to the Fund, which shall remain in the Church, but shall, acting as a body, have a permanent power of attorney from the church as to the Fund, as limited and defined herein, according to the terms of this Resolution).

## CENTRAL UNITARIAN CHURCH ENDOWMENT TRUST FUND BYLAWS

In managing and investing the assets of the Fund, the Trustees shall exercise the judgment and care which prudent persons exercise in the management of their own affairs, utilizing the Fund and other transactions relating to its property shall be executed by one or more of the Trustees whom they may designate for this purpose from time to time; but each transaction involving discretion shall be separately authorized by a majority vote of the Trustees in meeting. Expenditures from the Fund shall be authorized in the same manner and the Trustees shall at all times give consideration to requests made by membership meetings or the Board of the Church for uses of the Fund. Three or more trustees shall constitute a quorum at any meeting, timely notice of which must have been given. A meeting of the Trustees may be called by the Chairman, by the president of the Church, or by any three Fund Trustees acting together.

The Fund will be subject to the provisions of the New Jersey law applicable to religious trusts. Subject to those provisions and to the terms of this Resolution, the powers of the Trustees and the effect of their transactions shall include, but not be limited to, those specified in the appendix to this resolution.

### **5. Selection and Organization of Trustees**

The Trustees of the Fund shall be six in number; three elected by the members of the Church in congregational meeting, one member of the Board of Directors (Trustees) of the Church elected by the Board, and two members nominated by the Trustees of the Fund for a one year term and approved by the Directors (Trustees) of the church. The three to be chosen by the church members shall be elected initially in 1978 for one- two- and three-year terms, respectively, as designated in the elections concurrent with the Church's administrative year. Thereafter one Trustee shall be elected each year for a three-year term. Each Church fiscal year the chairman shall be one of the Trustees elected by the members of the Church. Vacancies occurring during a term shall be filled by the Board of Trustees of the Church for the remainder of the term. Each new Board shall elect the Trustee to be chosen by it from among its members at its initial meeting.

### **6. Records of the Fund**

The Trustees shall keep accurate minutes of their meetings, including a record of the summons and notice of each meeting. These minutes shall be kept in permanent form in the office of the Church. Any Trustee may maintain a duplicate record. The Trustees shall also prepare and maintain a permanent record of contributions to the Fund, including any specific purposes of such contributions and any tribute or memorial designations by donors, for preservation in the Church office.

They shall render reports of income, expenditures and assets of the fund to the Board of Trustees not less often than the end of each quarter and to the congregation at each spring Annual Meeting.

### **7. Amendment of the Resolution**

This resolution may be amended by vote of the Church Membership in the same manner as is required for amendments to the constitution of the Central Unitarian Church.

### **8. Dissolution of the Fund**

In the event that a legally constituted Board of Trustees of the Fund for its administration ceases to exist, the assets of the Fund shall be transferred to the Unitarian Universalist Association, for use and disposition in accordance with the purposes designated in this document, unless otherwise designated by the donor.

## CENTRAL UNITARIAN CHURCH ENDOWMENT TRUST FUND BYLAWS

### 9. Amendments to the original Bylaws

9.1 The name of the Fund was changed from Special Purposes Trust Fund to Endowment Trust Fund by action of a Congregational Meeting on January 9, 1983.

9.2 Par 5 was changed by action of a Congregational Meeting on May 15, 1988. "one member nominated by the Trustees of the Fund for a one year term and approved by the Directors (Trustees) of the church" was "the Controller of the Church".

9.3 Addition by Congregational Meeting of April 29, 1990 to Par 3: Annual expenditures ....at a congregational meeting of the congregation.

9.4 Amendment by Congregational Meeting of April 10, 1994: Par 5: "shall be six in number" was "shall be five in number" and "and two members nominated by" was "and one member nominated by".

9.5 Action by Congregational Meeting of April 24, 2005: Par 5: Last Sentence deleted: "All Trustees shall be residents of the State of New Jersey."

### Appendix to Resolution of Establishment of Endowment Trust Fund of Central Unitarian Church

The Trustees of the Fund shall have as a body a power of attorney over the fund property, the legal title to which shall remain in the Church. As to all property given, granted, devised, or bequeathed to the Fund for the uses and purposes and upon the conditions herein expressed the Trustees shall be entitled to exercise all rights of ownership. The Trustees shall receive on behalf of the Church, all monies and liquid properties donated, but as to realty and tangible personalty shall have the discretion to reject the gift. Without in any way limited or restricting the generality of the foregoing but rather in enlargement and extension thereof, the Trustees shall have the following powers:

1. To invest and reinvest any and all moneys received in securities an/or property in which, from time to time, it may be lawful to invest trust funds under the laws of the State of N.J. unless the donor shall otherwise provide, and to commingle with other trust funds.
2. To retain any and all property, real or personal, which may come into their hands in the form and condition in which it may be, notwithstanding the same be not a lawful investment for trust funds under the laws of the State of N.J. or, as may appear advisable, from time to time, sell or exchange any or such property.
3. To sell, lease (for such periods as they shall deem for the best interests of the fund), convey, transfer, exchange, deliver, and dispose of all or any part of the principal or capital of the funds or property from time to time constituting the Fund, at such prices and such terms and conditions as they shall deem expedient and proper; no purchaser of any securities or property sold by the Trustees shall be bound to ascertain or inquire into the necessity or propriety of any such sale or shall be bound to see to the application of the purchase moneys paid thereon, and the receipts or receipt in the writing of the Trustees for the purchase money of any property sold or for any moneys, funds, shares, or securities which may be paid or transferred to them shall effectually discharge the purchaser or purchasers or other person or persons from paying or transferring the same therefrom or for being answerable for the application or misapplication thereof.
4. To consent to the extension, refunding, or renewal of any such securities and to the extension or renewal of any security agreement or lien securing the same.

## CENTRAL UNITARIAN CHURCH ENDOWMENT TRUST FUND BYLAWS

5. To make, execute, and deliver all proper receipts, bills of sale, conveyances, assignments, transfers, proxies powers of attorney, and agreements, as they shall deem best in the management and control of the securities and property constituting such fund.
6. To apportion any losses to the principal or income as they shall deem best.
7. To make or join in any plan or plans of reorganization or of readjustment in respect of any corporation of which any shares, bonds, or other securities or obligations at any time constitute part of the principal of the Fund, and to accept and hold any property or new securities in exchange for or in place of any securities surrendered in accordance with any such plan in the place of the securities so surrendered.
8. To vote upon all corporate shares held by the Fund, to unite with other owners of the securities of any corporation in carrying out any plan for the reorganization thereof, to exchange the securities of any corporation for others issued by the same or by other corporations upon such terms as the Trustees shall deem proper; to assent to the consolidation or merger of any corporation whose securities are held by it with any other corporation, to the lease by such corporation, or to the lease by any other corporation of its property to such corporation, and upon any such consolidation, merger, lease, or similar arrangement to exchange the securities held by the Trustees for other securities issued in substitution therefore; to pay all such assessments, expenses, and sums of money as they may deem expedient for the protection of the interest of the Fund as holder of the shares, bonds, or other securities of any corporation or company.

The powers conferred upon the Trustees shall nevertheless be subject to the restrictions that:

9. The Trustees, in making investments or reinvestments for such fund, shall in no case be permitted to purchase securities or property from or to sell any assets to any of themselves or to any officer or trustee of the Church.
10. All securities and property at any time held by the Trustees shall be devoted exclusively to the public educational charitable, and benevolent purposes herein mentioned.

The Trustees may perform any power or duty hereunder by or through, and may select and employ in and about the execution thereof, attorneys, agents, or servants, and may pay reasonable and proper compensation for the services and expenses of such attorneys, agents, or servants.

No Trustee shall be answerable for the acts, receipts, neglects, or defaults of any of the other Trustees or of any person employed by them and selected with reasonable care, and no Trustee shall be liable for any error of judgment, or for any act done or step taken or omitted under the advice of counsel, nor for any mistakes of fact or of law, nor for anything which the Trustees may do or refrain from doing, while acting in good faith. Trustees shall be indemnified from the Fund. Without limitation of the foregoing, no Trustee shall be responsible for the validity of any gift, grant, devise, or bequest at any time made to any of them for the uses and purposes and upon the conditions expressed in this declaration.

Note: This document was copied by Hans Wormser from a draft Policy Manual done in 2004 and its original source is not known. The numbering was generated in that draft document and has been modified. It is not known whether this version is the last and most current version in existence. The 2004 amendment was added based on minutes of the Congregational meeting of 2005.

Sally Gellert changed margins on 15 September 2009 to allow the document to print on only four pages. No further changes of any kind, other than the addition of this paragraph, the header, and the footer, were made on that date.