

Endowment Fund Distribution Policy

UUCC Endowment Fund Disbursement Policy

The Unitarian Universalist Church of Chattanooga (UUCC) Endowment Fund was established in November 2003 and, since June 2005, has operated under a Charter approved by the congregation. The Charter states that the purpose of the Fund " ... is to help secure, strengthen, and extend the long-term survival and mission of UUCC." The Charter also states that the Fund " ... serves as an emergency cushion in case of events that could not be reasonably anticipated and budgeted and that present a severe financial hardship to the congregation." The Charter establishes an Endowment Committee, appointed by the UUCC Board of Trustees, and gives that Committee the authority to make decisions regarding investments of and disbursements from Endowment funds.

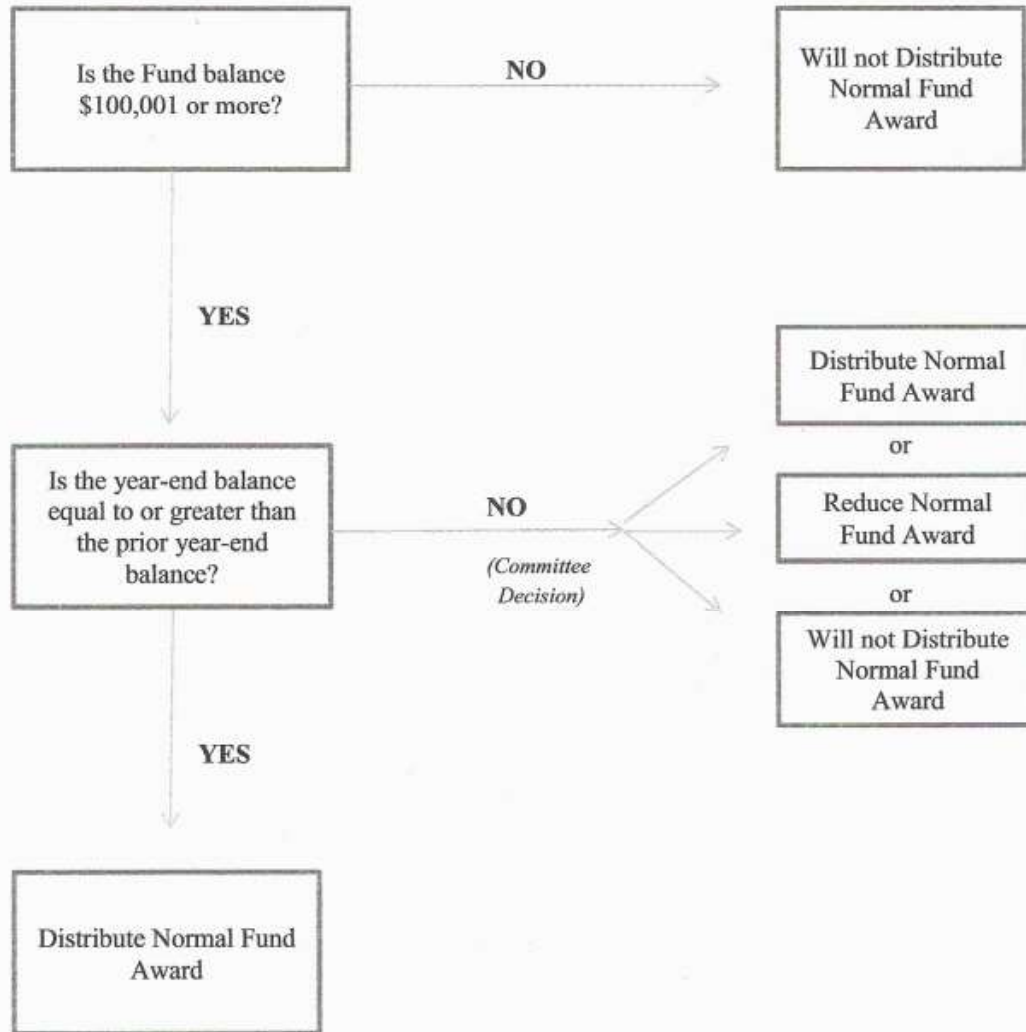
Disbursements from the Fund. The Endowment Fund Charter suggests two types of disbursements of monetary assets from The Fund:

- a) **A Normal Fund Award** results from the Committee's initiative. Normal Fund Award disbursements shall be made by the Committee to UUCC on behalf of the Fund. Under usual circumstances, the total amount to be disbursed during the current calendar year through Normal Fund Awards shall be no greater than 90% of total Fund investment earnings during the prior calendar year. Principal will not be distributed. The UUCC Treasurer shall be responsible for disbursing the awarded funds according to UUCC Board of Trustees mandate. The Endowment Committee suggests that the Board use Normal Fund Awards to facilitate projects that advance the mission of UUCC but cannot be fully funded from the fiscal year operating budget.
- b) **A Severe Financial Emergency Award** results from a request by the UUCC Board of Trustees. The Board of Trustees would request the Endowment Committee to make a disbursement to the church to enable it to mitigate or overcome an event or situation that poses a severe financial hardship to the congregation (as defined above).

Minimum Fund Balance. The Committee shall make no Normal Fund Award disbursements from The Fund during a calendar year if the year-end fund balance for the prior year was less than \$100,000.00. In such an instance, the Committee's priority is to grow the Fund. Annual Normal Fund Award distributions to the UUCC Board of Trustees will begin after the Fund balance reaches \$100,001 .00. The minimum fund balance may be changed by the Endowment Committee, depending on the investment environment and financial emergency circumstances.

Exception due to Unusual Circumstances. The existence of usual circumstances presumes annual growth in the Fund from some combination of donations, investment earnings and other revenues. However, in some years, any combination of Fund investment losses and/or disbursements may result in year-end balances that are lower than previous year-end balances. In such years, the Endowment Committee may decide to make a reduced distribution, or even no distribution at all.

Will the Endowment Fund Distribute a Normal Fund Award in a Given Year?



Approved by the Endowment Committee on November 20, 2017.