

**Plymouth Congregational Church, UCC**  
**3f. Planned Giving and Endowment Fund Policy**  
**Adopted August 9, 2005 – Revised March 13, 2007**

**Change History**

<b>Date:</b>	<b>Change:</b>	<b>Made by:</b>
<b>Nov 2005</b>	<b>1. Clarified that payouts from FUND are proportional to balance of the accounts in Section C.3.Distribution, paragraph 2. 2. addition of this table.</b>	<b>L Mc, PG Committee</b>
<b>Jan 2007</b>	<b>Revision of Appendix 1 to reflect agreement between the Memorial Committee and Planned Giving</b>	<b>L Mc, PG Committee</b>

## **A. Purpose and Charter:**

Christian stewardship involves the faithful management of all the gifts God has given to humankind – time, talents, treasure, including accumulated assets; and,

A comprehensive stewardship program incorporates all types of giving consisting of

- Annual giving generally from current income in support of the annual budget
- Capital giving from current and accumulated assets for the one-time purpose of specifically identified capital improvement or new programs
- Special offerings from immediate available cash typically for once-a-year appeals for a special cause, often denomination sponsored
- Memorial giving from current cash made in memory of a family member or friend upon their death
- Planned giving through bequests in wills, trusts, charitable gift annuities, assignment of life insurance, transfers of property and current gifts

A Planned Giving Ministry is essential to complement and support multiple types of giving (capital gifts, memorial gifts, bequests, etc) through education, processes and establishment and management of an endowment fund.

It is the desire of the congregation to encourage, receive and administer these gifts in a manner consistent with the loyalty and devotion to their faith expressed by the grantors and in accord with the policies of the congregation.

The purposes of the Planned Giving Committee are to:

- Execute the Planned Giving and Endowment Fund Policy (hereafter called the “POLICY”) consistent with our Plymouth Mission Statement.
- Develop a planned giving ministry, including education of the congregation on the many alternatives of planned giving
- Secure planned gifts from members and friends for the Endowment Fund
- Work with donors and make recommendations to Council on all gifts that are not part of annual giving, a capital campaign or a special offering
- Establish and administer the Endowment Fund investment and distribution in compliance with this Policy

The Planned Giving Committee will be a permanent appointed committee of the Council.

## **B. Endowment Fund Policy**

The purpose of the Endowment Fund (hereafter called the “FUND”) is to enhance the mission of Plymouth Congregational Church beyond the general operation of the congregation and to create a fund for church-related giving as defined in this POLICY that

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will grow as rapidly as possible while making the greatest possible distributions consistent with the overall investment policy. The Planned Giving Committee (hereinafter called the COMMITTEE) shall be the custodian of the FUND.

### **C. The Planned Giving Committee**

“The COMMITTEE shall consist of six members, including the Sr. Minister (ex officio), all of whom shall be voting members of Plymouth Congregational Church. Except as herein limited, the term of each appointed member shall be three (3) years. Upon adoption of this POLICY by the Council, it shall appoint members of the COMMITTEE: two (2) for a term of three (3) years; two (2) for a term of two (2) years; and one (1) for a term of one (1) year. Thereafter, at each March Council meeting, the Council shall appoint the necessary number for a term of three (3) years. No appointed member shall serve more than two consecutive three (3) years terms. After a lapse of one (1) year, former COMMITTEE members may be re-appointed. In the event of a vacancy on the COMMITTEE, the Council shall appoint a member to fill the vacancy until the next annual cycle, at which time the Council shall appoint a member to fulfill the term of the vacancy.

The COMMITTEE shall meet at least quarterly, or more frequently as deemed by it in the best interest of the Planned Giving Ministry and the FUND.

A quorum shall consist of three members. A majority present and voting shall carry any motion or resolution.

The COMMITTEE shall elect a chair annually to lead meetings and speak for the COMMITTEE at meetings of the Council or Congregation when required.

The COMMITTEE shall elect a secretary who shall be responsible for the records of the committee, including planned gifts, donors, and their intention.

The COMMITTEE shall report on a quarterly basis to the Council and, at each March meeting of the Council, shall render a full and complete audited account of the administration of the FUND during the preceding calendar year.

#### **1. Investments**

One member of the COMMITTEE shall be elected by the COMMITTEE to serve as the Chair of the INVESTMENT SUBCOMMITTEE (hereafter called the SUBCOMMITTEE). The SUBCOMMITTEE shall consist of the Chair and two additional members appointed by the COMMITTEE that may come from within the COMMITTEE or the Congregation. All SUBCOMMITTEE members shall be voting members of the Congregation. The SUBCOMMITTEE is accountable to the COMMITTEE.

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Further, the SUBCOMMITTEE, at the expense of Endowment Fund income, may provide for such professional counseling on investments or legal matters as it deems to be in the best interest of the FUND.

Members of the COMMITTEE and SUBCOMMITTEE shall not be liable for any losses which may be incurred upon the investments of the assets of the FUND except to the extent such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable as long as the member acts in good faith and with ordinary prudence. Each member shall be liable only for the member's own willful misconduct or omissions, and shall not be liable for the acts or omissions of any other member. No member shall engage in any self dealing or transactions with the FUND in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which the member's personal interests would conflict with the interest of the FUND.

All assets are to be held in the name of the Plymouth Congregational Church Endowment Fund.

All liquid assets of the FUND shall be invested through the United Church Foundation, the UCF, or other investment agent(s) having a socially responsible investment policy. The SUBCOMMITTEE shall provide oversight of the FUND, liaison to the UCF, and ensure the FUND balance conforms to the COMMITTEE direction for asset allocation. The SUBCOMMITTEE shall arrange an annual audit after the calendar year end and before the March Council meeting. The Church Treasurer shall work with the SUBCOMMITTEE Chair to transfer assets as needed and otherwise assist the committee with financial transactions as needed to accomplish the purposes of the FUND.

## **2. Acquisition of funds and education of the Congregation**

It shall be the job of the COMMITTEE, in collaboration with the Stewardship Committee and other committees of the Church dealing primarily with Stewardship, to educate members of the Congregation about the spiritual basis, opportunity and purpose for planned giving. The COMMITTEE may facilitate planned gifts to the FUND through all manner of events, discussions, forums, classes, articles, printed material, video programs, social events and other means.

The COMMITTEE reserves the right to decline the acceptance of a particular gift due to its inappropriateness or restrictions placed upon the gift, in light of the POLICY and the mission of the Church, or potential financial or legal liability to the Church. The COMMITTEE shall ask donors of specifically restricted gifts to provide in writing that if the purpose of the gift in the future no longer fits the POLICY or the mission of the Church, the COMMITTEE is permitted to use the resources in a manner consistent with the objectives of the FUND and the mission of the Church.

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If the intended goal of a restricted gift no longer exists, and if no authority was given by the donor to use the gift for an unrestricted purpose, the COMMITTEE shall attempt to obtain the consent of the donor or the donor's family members or heirs to do so, and if that is not possible, the committee may, if permitted by law, either declare the funds "undesignated" or assign the gift to the account (below) that most closely fits the original donor's intent as perceived by the COMMITTEE. This is not to be done lightly or often, and if possible, the donor or the donor's family members or heirs shall be consulted in an advisory capacity.

Gifts of Property shall generally be sold as soon as possible and the proceeds invested with other funds.

### **3. Investment and distribution Policies**

#### **Investments**

Investments shall be made on a total return basis, as defined in the Colorado Uniform Principal and Income Act, Colorado Revised Statutes ("C.R.S.") 15-1-401 et seq. The COMMITTEE shall seek to maximize total return on investments without regard to whether the return is from income or principal, consistent with the safety of the principal, while making payouts (hereafter called the "PAYOUT") based on an annual amount equal to a percentage from three (3) to five (5), as determined by the committee, multiplied by the net fair market value of the FUND's assets averaged over the lesser of (1) the three preceding years or (2) the period during which the FUND has been in existence. No PAYOUT will be made until either the FUND has been in existence for 3 years or the total FUND value exceeds \$100,000, whichever comes first.

The COMMITTEE may vary the PAYOUT percentage range from time to time, but only if the variance is approved by at least 4 of the COMMITTEE members at a meeting specifically called for that purpose, with advance notice to Council. Any such variance shall apply for one year, after which the standard percentages shall apply unless and until another variance is approved.

The COMMITTEE may also recommend to Council that the POLICY's standard percentages of three (3) to five (5) be changed, but only if the recommendation is approved by at least four (4) of the COMMITTEE members at a meeting specifically called for that purpose. Council may approve such a recommendation to change the standard percentages in this POLICY without requiring Congregational approval.

No action by the COMMITTEE shall be taken that would violate any provision of the Colorado Uniform Management of Institutional Funds Act, C.R.S. 15-1-1101 et seq. Except as modified by any other term or provision of the FUND policy, The COMMITTEE shall comply with the Colorado Uniform Prudent Investor Act, C.R.S. 15-1-1401 et seq.

## **Distribution**

The following accounts shall be tracked separately within the FUND. Undesignated gifts to the FUND shall be split into these accounts based on the percentages set forth below. Designated funds shall be applied to the appropriate account as determined by the COMMITTEE. Designated funds that do not conform to one of the account definitions may be refused or additional accounts may be created by the Council upon recommendation by the COMMITTEE.

When the COMMITTEE has determined the PAYOUT to be distributed the committee of the Congregation named below shall determine how the PAYOUT is to be spent, subject to Council approval. The PAYOUT for each account shall be proportional to the balance of that account within the FUND. The committee of the Congregation listed with each account may, with Council approval, request that the annual amount figured by the COMMITTEE not be distributed, but accumulate to create a larger PAYOUT.

In all cases, the intent of this POLICY is for the PAYOUT to support uses not normally considered annual budget items.

### **Account 1. Wider Mission of the UCC (30% of undesignated gifts)**

Providing for work of the UCC in the USA and overseas in such areas as new church development, professional leadership, educational ministries and seminary support, evangelism, and world mission. The **Mission Committee** shall determine how the PAYOUT is to be spent, subject to Council approval.

### **Account 2. Community Service and Outreach (20% of undesignated gifts)**

Programs and services through Christian or interfaith social service agencies, community action groups, and ecumenical agencies relating to spiritual, social, and economic needs. Priority shall be given to organizations that promote systemic change. The **Social Concerns Committee** shall determine how the PAYOUT is to be spent, subject to Council approval.

### **Account 3. Infrastructure Improvements (20% of undesignated gifts)**

To provide for capital improvement and modification of facilities, building programs, computational and communication equipment, office equipment and debt reduction that cannot adequately be expected to be raised by annual giving and capital campaign efforts. The **Trustees** shall determine how the PAYOUT is to be spent, subject to Council approval.

### **Account 4. Christian Education (15% of undesignated gifts)**

Grants for special programs for children, youth and adults enabling them to grow in their understanding of the Christian faith. Scholarships and/or grants for the purpose of attending college and seminary to prepare for a church related vocation. Funding for church camping, retreats, and leadership

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conferences. The **Education Committee(s)** shall determine how the PAYOUT is to be spent, subject to Council approval.

**Account 5. Worship, Music and Art (15% of undesignated gifts)**

To provide for growth, diversity, inclusivity and challenge in our worship, and all forms of art. Including music, dance and visual arts. Expenditures may, for example, be for equipment, instruments, worship paraphernalia, commissions or honorariums. The **Deacons** shall determine how the PAYOUT is to be spent, subject to Council approval.

Each committee making decisions on the spending of the PAYOUT shall provide an annual accounting to the COMMITTEE on how the PAYOUT was used.

**D. Amendment of the POLICY**

Any amendment to this POLICY which will change, alter or amend the purpose or policy of the COMMITTEE or the FUND shall be adopted by the Council.

**E. Disposition or Transfer of Fund**

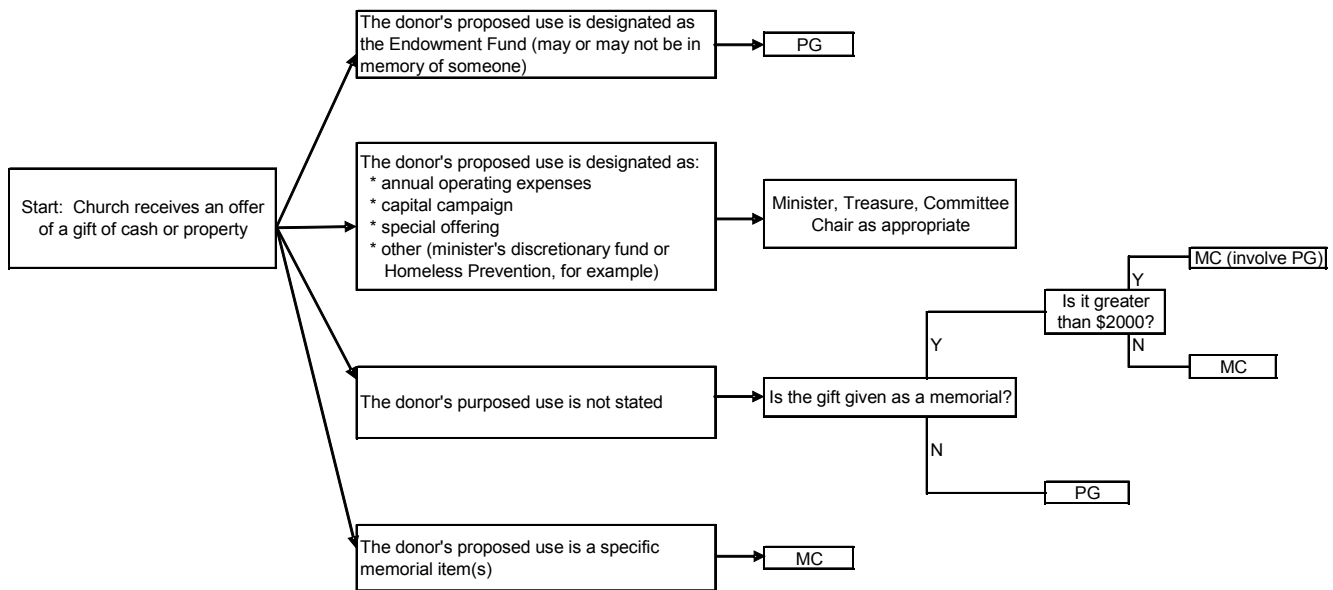
In the event Plymouth Congregational Church ceases to exist either through merger or dissolution, disposition or transfer of the FUND shall be at the discretion of the governing body in conformity with the approved congregational constitution and in consultation with the UCC Conference staff to which this congregation belongs at such time. Consultation with the UCC may be desirable for continuation of Endowment Fund obligations.”

FURTHER, the remaining FUNDS, if any, shall be distributed to one or more religious organizations selected by the Council having like exempt status and purposes in compliance with the Internal Revenue Code and Regulations.

## Appendix 1: Flow Chart for Gifts

Gifts come to the Church in five fundamental ways: annual giving (pledges and loose offering), Capital Campaign gifts, special offerings, memorial gifts and planned gifts. This POLICY is intended to provide process and direction for the Church on how to treat all gifts that are not annual giving, Capital Campaign gifts, or special offerings.

Flow chart for deciding how to handle gifts to Plymouth



When the flow ends at either "PG" or "MC", that committee uses its own adopted procedures for handling the gift  
PC = Planned Giving Committee  
MC = Memorial Committee

This decision flow chart was jointly agreed by the Planned Giving Committee and the Memorial Committee in the fall of 2006.

## Appendix 2: Glossary of Terms

**POLICY:** Planned Giving and Endowment Fund Policy, this document

**COMMITTEE:** The Planned Giving Committee created by this document as a permanent appointed committee of the Council.

**SUBCOMMITTEE:** The investment subcommittee comprised of one COMMITTEE member and two additional experts (that may be on the COMMITTEE) whose job it is to oversee the investment of the FUND, provide accounting to the COMMITTEE, and provided for an annual audit.

**PAYOUT:** The annual moneys paid out of the FUND

**FUND:** The actual Endowment Fund of Plymouth