

LCP3 - Plymouth Congregational United Church of Christ

Planned Giving and Endowment Fund Policy

Change History

Date:	Change:	Made by:
November 2005	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	L Mc, PG Committee
January 2007	Revision of Appendix 1 to reflect agreement between the Memorial Committee and Planned Giving	L Mc, PG Committee
March 2013	Governance nomenclature reviewed by Planned Giving Committee	Governance Team, PG Committee
November 2014	Removed draft header and other cleanup in policy	LC (TS)
October 2016	Revisions from Planned Giving Committee and pulled Appendix 1 to be the beginning of a Gift Policy	LC (TS)
October 2018	Revised C.3.Distributions to place responsibility for expenditures of distributions on the boards and the PG Committee	LC (MF)
July 2023	Revised C.3. Investments 1st paragraph to define the calculation of distributions	LC

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 of Plymouth Congregational United Church of Christ are to:

- Execute the Planned Giving and Endowment Fund Policy (hereafter called the “POLICY”) consistent with the Mission Statement of the church;
- 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 the Leadership 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 Leadership Council.

B. Endowment Fund Policy

The purpose of the Endowment Fund (hereafter called the “FUND”) is to enhance the mission of Plymouth Congregational United Church of Christ beyond the general operation of the congregation and to create a fund for church-related giving as defined in this POLICY that 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 Senior Minister, all of whom shall be voting members of Plymouth Congregational United Church of Christ.

The term of each appointed member shall be three (3) years. No appointed member shall serve more than two (2) consecutive three-year (3-year) terms. After a lapse of one (1) year, former COMMITTEE members may be reappointed. In the event of a vacancy on the COMMITTEE, the Leadership Council shall appoint a member to fulfill the term of the vacancy.

The Leadership Council, in consultation with the Chair of the COMMITTEE, may appoint advisory members with voice but no vote to the COMMITTEE. Advisory members will provide expertise and talents to address short term COMMITTEE needs and opportunities.

The COMMITTEE shall meet at least quarterly, or more frequently as deemed by it to be 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 Leadership Council or the 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 Leadership Council and, in March of each year, shall render a full and complete audited account of the administration of the FUND during the preceding calendar year.

1. Investments

The COMMITTEE, 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 shall not be liable for any losses which may be incurred upon the investments of the assets of the FUND except to the extent that 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 UCC.

All liquid assets of the FUND shall be invested through United Church Funds (UCF) or other investment agent(s) having a socially responsible investment policy. The COMMITTEE shall provide oversight of the FUND, liaison to UCF, and ensure that the FUND balance conforms to the COMMITTEE direction for asset allocation. The COMMITTEE shall arrange an annual audit after the calendar year end and before the March Leadership Council meeting. The church Treasurer shall work with the

COMMITTEE 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 Board of Stewardship and other groups within the church dealing primarily with like matters, 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, in the future, the purpose of the gift 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.

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.

However, the Leadership Council in consultation with the COMMITTEE may choose to delay sale because of market conditions, legal and tax issues, or other extraordinary factors.

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. An annual distribution will be made from each Plymouth Endowment account in the 3rd quarter of the fiscal year, each distribution calculated as 4% of the account's quarter-ending fair market value as averaged over the 20 most recent quarters, ending June 30. If an account holds investments in multiple funds, the distribution will be drawn from each component fund proportional to the fund balances in the account's most recent monthly statement, or in such amounts as to rebalance the funds to the asset allocation target established by the Committee.

The committee may vary the PAYOUT percentage range from time to time, but only if the variance is approved by at least four (4) of the COMMITTEE members, with advance

notice to Leadership 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 Leadership 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. Leadership Council may approve such a recommendation to change the standard percentages in this POLICY without 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 Leadership Council upon recommendation of the COMMITTEE.

When the COMMITTEE has determined the PAYOUT to be distributed and the Leadership Council approves such PAYOUT, the board named below shall determine how the PAYOUT is to be spent in accordance with the guidelines of each fund. The PAYOUT for each account shall be proportional to the balance of that account within the FUND. The board associated with each account may, with Planned Giving Committee approval, request that the annual amount figured by the COMMITTEE not be distributed, but accumulate to create a larger PAYOUT in the future.

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 Board for Mission and Outreach shall determine how the PAYOUT is to be spent, subject to these guidelines.

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 Board for Mission and Outreach shall determine how the PAYOUT is to be spent, subject to these guidelines.

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 Board of Trustees shall determine how the PAYOUT is to be spent, subject to these guidelines.

Account 4. Christian Formation (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 conferences. The Board for Christian Formation shall determine how the PAYOUT is to be spent, subject to these guidelines.

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 Board of Deacons shall determine how the PAYOUT is to be spent, subject to these guidelines.

Each board 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 Leadership Council.

E. Disposition or Transfer of Fund

In the event Plymouth Congregational United Church of Christ 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 staff of the UCC Conference 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, to be selected by the Leadership Council, having like exempt status and purposes in compliance with the Internal Revenue Code and Regulations.

Appendix 1: 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 Leadership Council.

PAYOUT: The annual moneys paid out of the FUND

FUND: The actual Endowment Fund of Plymouth Congregational UCC