

LINCOLN UNITARIAN FOUNDATION
Resolution and Operating Policies
Approved by BOT on June 13, 2017
Updated to comply with updated 5/20/2018 Bylaws,
on 10/19/2018 by LUF and on 11/13/2018 by BOT

The principal purpose of Lincoln Unitarian Foundation (LUF) shall be to acquire property, both real and personal, by gift or bequest, and to provide for its increase by suitable investment to support the building, any addition, new building, and the contents therein, the grounds or equipment, and to support the general welfare and use of the Unitarian Church of Lincoln, Nebraska.

A. RESOLUTION

WHEREAS, and in accordance with the mutual intention of the Unitarian Church of Lincoln Board of Trustees (BOT), and the Lincoln Unitarian Foundation Board of Trustees (LUF), to maintain a Fund (the FUND) under the leadership of a church committee whose purpose, governance, and operational procedures shall be agreed upon by both parties; and,

WHEREAS both parties approve of and desire to establish the Lincoln Unitarian Foundation as a Standing Committee, to be known as the Lincoln Unitarian Foundation (LUF), whose stewardship involves the faithful use of time and talent to manage money, including accumulated, inherited, and appreciated resources; and,

WHEREAS, both parties 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 both parties to encourage, receive, and administer these gifts in a manner consistent with the loyalty and devotion expressed by the grantors and with the desire and approval of both the BOT and LUF:

THEREFORE, BE IT RESOLVED,

That the LUF shall henceforth be a Standing Church Committee to be known as *The Lincoln Unitarian Foundation*, or LUF, which shall have and exercise the powers necessary to carry out the purpose expressed in this formal resolution; and

Be it further resolved that LUF shall be the Custodian of the Fund with the primary, but not exclusive, purpose to ensure the continuance and long-term existence of the building(s) and property of the Unitarian Church of Lincoln; and

Be it further resolved, that only in particular, temporary, or difficult circumstances, and where integrity of gift restrictions permit, may LUF, by recorded voting action, make disbursements

from the FUND to finance church operating and/or support services; and

Be it further resolved, that the following plan of operation sets forth the primary operating policies of the FUND:

B. Operating Policies

1) Lincoln Unitarian Foundation Committee

The Lincoln Unitarian Foundation Committee (hereinafter LUF) shall consist of seven (7) trustees, all of whom shall be voting members of the Unitarian Church of Lincoln. Except as herein limited, each trustee's term shall be three (3) years.

Upon adoption of this resolution by LUF Trustees and the Church Board of Trustees, (hereinafter BOT), the LUF trustees shall consist of seven (7) members: three (3) for a term of three (3) years; two (2) for a term of two (2) years; and two (2) for a term of one (1) year. LUF will identify and recommend nominees to the BOT which will appoint the number necessary to maintain seven members.

No trustee shall serve more than two (2) consecutive three-year terms. After a lapse of one (1) year former LUF trustees may be re-elected. No person may serve as a LUF trustee while also serving on the BOT.

New term appointments to LUF shall be approved by the BOT annually at their May meeting, while appointments to unexpired terms shall be recommended by LUF and approved by the BOT when such vacancies occur. Any LUF member may be removed by a two-thirds (2/3) vote of the BOT voting membership.

2) Officers, Ex-Officio and Advisory Members

LUF shall organize itself annually within thirty (30) days after each May meeting of the BOT, and shall elect from its LUF membership a Chair, Vice Chair, Recording Secretary, and a Financial Secretary to fulfill the duties normally incident to such offices. The Chairperson, or LUF member designated by the Chair, shall preside at all meetings. LUF may appoint such committees from the church membership as are necessary for carrying out the purposes of the Foundation.

3) Ex-Officio and Advisory Members and Member Liability

Ex-officio members shall include: Facilities Liaison, Church Treasurer, BOT Board President, Minister, and the Investment Councilor. LUF may request that other members of the Congregation serve as advisory members and, at the expense of the FUND (taken from the annual distribution amount OR undistributed capital appreciation), may provide for such professional counseling on investments or legal matters as it deems to be in the best interest of the FUND.

4) Member Liability

No member shall be personally liable as long as s/he acts in good faith and with ordinary prudence. Each member shall be liable for only her or his 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. Members shall all times refrain from any conduct in which her/his personal interests would conflict with the interest of the FUND.

5) Meetings

- LUF shall meet at least quarterly, or more frequently if so determined in the best interest of the FUND. A quorum shall consist of four (4) members. A majority present and voting shall carry any motion or resolution.
- A LUF representative shall report to the BOT and attend BOT meetings at least quarterly.
- LUF shall report at the annual congregational meeting in the same manner as other officers and committees.
- LUF may also hold educational meetings, presentations, or informal gatherings of church members and friends to provide information about the Fund, and to explain the diverse approaches for gifting the Church through LUF.

6) Reporting and Recording

- The Recording Secretary shall maintain complete and accurate minutes of all LUF meetings, and shall supply a copy thereof to each LUF member, including ex-officio members, as well as the BOT chair. Each LUF member shall keep a complete copy of minutes to be delivered to her or his successor.
- The Financial Secretary and Investment Counselor shall ensure that required monthly, quarterly and annual financial reports are produced and distributed correctly, and that required financial communication occurs.
- The Church Treasurer shall maintain complete and accurate books of accounts for the FUND and shall sign all checks payable from the FUND.
- LUF shall abide by and keep a record of the terms and restrictions of all gifts to the FUND and shall determine what is principal and income according to accepted accounting procedures.
- LUF shall report at the annual meeting of the Congregation held at the beginning of each year and shall render a complete written account of the administration of the FUND

during the preceding year.

7) Categories of Funds

LUF shall have and exercise the powers necessary to carry out the expressed purposes of LUF as follows:

- All assets are to be held in the name of the Lincoln Unitarian Church Foundation. Recommendations to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the FUND, including stocks, bonds, debentures, mortgages, notes, or other securities, as in their judgment and discretion they deem wise and prudent, are to be made by LUF and/or its designated financial counselor.
- Unrestricted assets of the Fund may be used for the purpose of building up capital investments, including principal and interest, which may be used in a manner consistent with these Operating Policies.
- All designated or restricted LUF funds are to be used, or held, as requested in writing by the donor or the family (or next of kin) in whose memory the gifts are made. Such restricted gifts must be approved in writing by the designee, the BOT and LUF.
- Where due to impracticality, and not to the neglect or fault of LUF, the principal or income of a designated gift, or any part thereof, remains unexpended after more than one year following acceptance of same, such unused money may be transferred into the unrestricted funds of LUF unless such transfer is prohibited by the express written terms of the gift.

8) Management of Memorial Gifts and Bequests

- All money or intangible property of a congregant that has been received by the Church because of the death of the congregant (such as bequests from an estate or proceeds from a trust or life insurance) will be managed and invested by the LUF pending determination of the use of gift, in accord with this Lincoln Unitarian Foundation(LUF) Resolution and Operating Policy, or as determined by the Congregation under Church Bylaws (updated 5/20/2018).

The following 5/20/2018 Bylaw language is included for clarity.

Article 5 Membership.

Section 5.3. Rights of Membership.

5.3.a. Members shall have the exclusive right to hold lay leadership positions in the Church and decide with their vote:

4) to approve expenditures or solicitation of funds for non-budgeted expenditures cumulatively totaling more than five percent of the current budget.

- All money or intangible property received by the Church as a memorial gift in honor of a deceased congregant will be managed and invested by the LUF pending determination of the use of the gift in consultation with the heirs of the deceased and the Executive Committee. The Executive Committee is defined in the ByLaws as Board President, Vice President, Program Council Chair, Treasurer and Minister.

Any gift directed explicitly to the LUF will be added to the unrestricted assets of the LUF, unless the requirements in section 7 of this LUF Operating Policy regarding creation of a restricted fund have been met.

a). Distributions - Distribution of funds held by LUF shall be handled as follows:

- Funding requests or proposals will be directed by request to LUF with a written request or “Request for Funding” application form (available from the LUF Secretary or church office.)
- Upon a LUF BOARD majority vote of approval to fund the request, the proposal will be forwarded to the BOT for review and approval with a majority vote by the BOT.
- In the event that LUF recommends denial of the proposal, LUF shall forward the proposal to the BOT and present a rationale in support of denial. With a 2/3 approval vote by the BOT, the BOT may instruct LUF to distribute the funds as requested.
- Distributions from the FUND can be made annually or at such other times as deemed necessary and/or feasible.

b). Expenditures – LUF assets are to be expended for the following purposes:

- To support the current and any future building and/or additions, the contents therein, and the grounds.
- To support the general use and needs of the Unitarian Church of Lincoln as designated by the donor or agreed upon by LUF and the BOT.
- To defray the operating expenses of LUF.

c). Investments and Fund Growth

- The overall investment objective of the Fund is to achieve long-term growth in the value of its assets.
- All investment policies and investment management guidelines will be the responsibility of LUF and the identified Investment Counselor.
- The investment of the Fund’s assets shall be to maximize gains and diversified so as to minimize the risk of large losses.

- Sufficient liquidity shall be maintained to fund the approved grants and the Fund's operating and investment management expenses.

d. Disposition or Transfer of FUND

BE IT FURTHER RESOLVED that in the event the Unitarian Church of Lincoln ceases to exist 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 bylaws and in consultation with the Unitarian Universalist Association. Consultation with the Association may also be desirable for continuation of FUND obligations to grantors of gifts.

C. Amending the Resolution

BE IT FURTHER RESOLVED, that any amendment to this resolution which will change, alter, or amend the purpose for which the FUND is established shall be approved by a majority vote of LUF before it goes to the BOT to be approved by a two-thirds (2/3) vote of the Church Board of Trustees.

This resolution agreed upon by LUF and the BOT, is hereby adopted as stated.

By _____
Lincoln Unitarian Foundation Trustees Chair

By _____
Unitarian Church of Lincoln Board of Trustees President

And _____
Unitarian Church Board of Trustees Secretary

And _____
Lincoln Unitarian Foundation Recording Secretary

Dated this _____ day of _____ 2017