

# PROPOSED DRAFT (Dec 24, 2009)

## BY- LAWS

### MANAGEMENT OF THE ENDOWMENT FUNDS OF THE UNITARIAN UNIVERSALIST FELLOWSHIP OF HARFORD COUNTY

Voted and Approved:

#### **ARTICLE I - Definitions**

A. Endowment Funds shall consist of all funds donated to the Endowment Fund of the Unitarian Universalist Fellowship of Harford County and other funds so designated by the Executive Board. Included, also, are undistributed earnings, capital gains and capital appreciation of the Endowment Funds.

B. UUFHC herein shall mean the Unitarian Universalist Fellowship of Harford County.

C. Endowment Board, used herein shall refer to the Board of Directors of the Endowment Funds.

D. Executive Board, used herein shall refer to the Board of Directors of UUFHC as specified in Article VII (The Board) of the Bylaws of UUFHC.

#### **ARTICLE II - Composition and Creation of the Endowment Board**

A. The Endowment Board shall consist of at least four (4) regular members who are members of UUFHC, each to be appointed for four (4) year terms. The members shall be appointed by the Executive Board, and such appointments shall be approved by specific action in a regular or special meeting of the Executive Board at which a quorum is present. Also, the Finance Committee Chair shall be an ex officio non-voting member of the Endowment Board. No voting member of the Endowment Board may serve on the Executive Board.

B. The initial Endowment Board shall consist of four(4) persons so appointed, except that one (1) shall be appointed for a term of four (4) years, one (1) for a term of three(3) years, one (1) for a term of two (2) years, and one (1) for a period of one (1) year. As Endowment Board members' terms expire, they will be replaced with Board members each having four (4) year terms. The Endowment Board may be increased in size, with individuals appointed for specific lengths of terms, not to exceed four (4) years, as the Executive Board deems appropriate.

C. The Endowment Board shall elect its own chairperson who may not vote except to break a tie.

D. A quorum of the Endowment Board shall consist of the number of voting members on the Board divided by two (2) rounded up to the next whole number.

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E. The Endowment Board shall adopt, modify and revise its operating rules and shall establish its own internal working assignments. The Operating Rules and amendments thereto must be approved by the Executive Board, and shall not become effective until such approval.

F. Members of the Endowment Board having control of funds and assets shall be bonded in amounts to be determined by the Executive Board. The costs for bonding shall be absorbed by the UUFHC Endowment Fund.

### **ARTICLE III - Charges and Responsibilities of the Endowment Board**

A. The Endowment Board shall be charged with the responsibility for receiving, investing, managing, allocating and paying out Endowment Funds, within the limitations provided in these By-Laws. The Endowment Board shall abide by and keep records of terms and restrictions of all gifts to the Endowment Fund and shall determine what is principal and earned income according to accepted accounting procedures.

B. The Endowment Board also may, at the discretion of the Executive Board, similarly manage gifts donated for specific or restricted purposes, gifts to be used or expended on a specific, limited, protracted or delayed schedule, and funds or property as may be set aside by the Executive Board to be placed, temporarily or permanently, outside the operating funds or budget of the UUFHC for reasons of capital accumulation, savings, future income, or safekeeping, or other reasons and under other circumstances as the Executive Board may dictate.

C. The Endowment Board shall preserve such assets and may make available earned income, either as appropriations or as loans, for the benefit of UUFHC in amounts and in the manner to be decided by the Endowment Board. Appropriations and loans shall not be distributed until 45 days after publication of such appropriations or loans in a manner that makes the information readily available to the members of UUFHC. The Endowment Board shall follow the investment policies set forth in the operating rules as approved by the Executive Board.

D. Another purpose and charge of the Endowment Board is that of promoting and stimulating interest in donations of every kind to the Endowment Funds of UUFHC. These gifts and donations may include cash, securities, property, insurance policies, or other assets.

E. An additional responsibility of the Endowment Board will be to provide, when requested, advice and investment counsel to the Finance Committee with the objective of helping to increase the earnings of cash surpluses that sometimes may accrue in the normal financial operations of UUFHC.

### **ARTICLE IV - Powers of the Endowment Board –**

This Board shall be empowered to:

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- A. Open and operate from both commercial and savings accounts in such banks as the Endowment Board shall select.
- B. Purchase, sell, and hold securities and property
- C. Delegate agents (usually members of the Endowment Board) and signators to control and operate the bank and investment accounts and to convey and transfer property, which may be or become part of the Endowment Funds
- D. Issue payments of the funds for the benefit of UUFHC and/or UUFHC programs as indicated to carry out charges and purposes of the Endowment Program as set forth above.
- E. Employ attorneys, accountants, investment counselors, and/or other advisors and professionals.

## **ARTICLE V - Limitations and Restrictions to the Powers of the Endowment Board**

- A. The Endowment Board will report all significant actions to the next meeting of the Executive Board in brief summary written form.
- B. The Endowment Board will make a summary report annually, and an abbreviated report quarterly, in writing, to the Executive Board, without exception, and may be called upon to make either an oral or a written report to the membership at the time of any regular or special meeting of the members.
- C. Any actions of the Endowment Board may be reviewed in detail by the Executive Board or a committee appointed by the Executive Board for this purpose.
- D. Any action of the Endowment Board may be reviewed by a special committee established by a quorum of the membership at any regular or special meeting of the congregation.
- E. The Endowment Board may be overruled by either a three-fourths (3/4) vote of the Executive Board or a three-fourths (3/4) vote of a quorum of the members in any regular or special meeting of the members in the following manner:
  - 1. When, by such three-fourths (3/4) vote of the Executive Board or the members of UUFHC, an action of the Endowment Board is ordered to be initiated, reversed or modified, then the Executive Board shall so notify the Endowment Board.
  - 2. Upon receipt of such notification, the Endowment Board shall produce within ten (10) calendar days, a plan for compliance in so far as possible with the directive of the Executive Board or membership. This plan must be so constructed as to result in substantial compliance with the requested changes, except that it is understood that there are practical matters which may interfere with full compliance. Such understanding must be agreed to by appropriate bodies.

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3. This plan shall be submitted to the President of the Executive Board and if it is not disapproved by a two-thirds (2/3) majority of the Executive Board within ten (10) days of submission in writing, then it shall be carried out by the Endowment Board.

4. If the plan submitted by the Endowment Board is rejected, then it shall be incumbent upon the Executive Board to generate such a plan. If the plan of the Executive Board then is adopted by a three-fourths (3/4) majority of said Executive Board, then it shall be carried out by the Endowment Board.

5. If the Endowment Board cannot be overruled by these actions, then the original action of the Endowment Board shall stand.

6. This procedure may be used also by the membership or the Executive Board to initiate certain actions by the Endowment Board.

F. A member may be removed from the Endowment Board by either a three-fourths (3/4) vote of the Executive Board, or by a four-fifths (4/5) vote of a quorum of the members at a duly constituted meeting of the members of the congregation. If any Endowment Board member has been removed, or has resigned, or died, then, within sixty (60) days, the Executive Board shall appoint another member of the Church as a replacement for the duration of the unexpired term. Failure of an Endowment Board member to attend three (3) or more regularly scheduled consecutive meetings may be considered cause for removal. If the chair of the Endowment Board notifies the Executive Board that, in a duly constituted meeting of the Endowment Board, the majority recorded a desire to have one of the members of the Endowment Board removed, then this shall be considered seriously by the Executive Board.

## **ARTICLE VI - Amendments**

These articles may be amended or repealed in the same manner that the UUFHC Bylaws may be amended or repealed, all as described in Article XIII (Amendments) of the UUFHC Bylaws.

## **Article VII Dissolution**

In the case of the dissolution of this Church, all of the property of all types under the management and control of the Endowment Board, after paying all just claims upon it, shall be conveyed to the Unitarian-Universalist Association or its successor under applicable law.