

Principal Assets Account Management Policy

<p>Purpose</p>	<p><i>This Policy is intended to guide the church in managing and utilizing its principal assets account. The principal assets of UUCB are defined here as liquid assets (cash, stocks, fixed income) that are distinct from those assets that normally provide for the year to year operating funds of the church--traditionally through our bank checking and savings accounts. (This Policy does not apply to the church's Property Fund, which is a separately managed principal account).</i></p> <p><i>Ideally, the funds in this account shall remain intact, providing for the security and future growth of the church.</i></p>
<p>Account Management & Income Distribution</p>	<ol style="list-style-type: none"> 1. The UUCB Finance Committee shall invest the assets of the account with the primary objective of growth, and a secondary objective of capital preservation, consistent with moderate risk. The Committee shall endeavor to invest the assets of the endowment in a socially responsible manner. 2. The Committee may provide for such professional counsel on investments or legal matters as it deems best, and it may incur reasonable expenses in the execution of its duties. The expenses shall be paid from the account. (In 2008 the account was managed by Raymond James Investments from their office in Augusta). 3. The Committee is authorized to distribute up to 5% of the total Unrestricted Reserve Fund value (three year rolling average) as a proxy for the earnings from interest and dividends generated in the account. This distribution may be included as part of the annual operating budget of the church. 4. All principal assets in the account may be pooled for investment management purposes. Funds may be designated in sub-accounts as provided for below.
<p>Donor Directed Funds</p>	<p>The Principal Assets Account shall be allocated into various sub accounts on the UUCB general ledger to reflect gifts from donors that carried restrictions for dedicated uses of funds. These funds (and any appreciation) may only be used for the stated purpose of the gift. The Committee, together with church administrative staff, shall separately track each of these sub accounts, recording gifts to and distributions from each of the sub accounts. Donor directed gifts and directed bequests to the Principal Assets Account will be designated for a sub accounts based on input and advice from the church board and agreement by the donor (the board recognizes the need to keep restricted accounts to a manageable number and in keeping with the mission of the church). Undesignated gifts shall be considered part of the Unrestricted Reserve Fund (see below).</p>

<p>Unrestricted Fund</p>	<p>Distributions from the Unrestricted Fund may be used for any purpose to further the work of the church. Prior to distributing funds from the Unrestricted Reserve Fund, the Committee, the Board, and the Congregation shall make every reasonable effort to find current sources of income to fund the work of the church. If no current sources are available, the Board must document what efforts were made to avoid spending the principal including special funding efforts and budget cuts.</p> <p>Distributions from the Unrestricted Fund used for the ordinary and customary operating expenses of the church in excess of \$5,000 in any given calendar year will require a two-thirds majority vote of the congregation.</p> <p>In addition to the distributions provided for above, and upon the request of the Treasurer, the Committee may from time to time loan money from the Unrestricted Fund to the church (general checking account) to help manage temporary cash flow needs caused by month to month variations in the collection of pledges and other gifts on such terms and at such rates of interest and in such amounts as the Committee deems appropriate. All such temporary loans must be paid back at the end of each fiscal year.</p>
<p>Endowment Fund</p>	<p>Funds shall be considered Endowment only if the instrument used to convey the asset indicates that the spending of the principal portion of the gift is prohibited. Therefore, assets allocated to the Endowment sub account shall only be used to generate income (dividends, interest).</p>
<p><i>Property Fund note</i></p>	<p><i>1. Distributions from the Property Fund shall only be used to help pay for major capital expenditures and significant improvement projects related to the church's buildings and real property, including grounds and landscaping, over and above regular maintenance.</i></p> <p><i>2. In addition to the permitted distributions, the Committee may from time to time loan money from this Property Fund to the church to help advance a particular improvement project on such terms and at such rates of interest and in such amounts as the Committee deems appropriate.</i></p>
<p>Date Approved by Board</p>	<p>March 18, 2008</p>