

Amended and Restated Bylaws of
THE FIRST UNITARIAN CHURCH OF DES MOINES
ENDOWMENT FUND
(Adopted June 2021)

ARTICLE I

NAME AND PURPOSES

The membership of the First Unitarian Church of Des Moines created an Endowment Fund on March 15, 1987. Its stated purpose is to provide an opportunity for the members and friends of The First Unitarian Church to make gifts and bequests of money or property to express their lasting appreciation for the blessings and bounty bestowed upon them and for the services, work, and influence of the Church on community life. This document restates and replaces the original Bylaws of the Endowment and includes amendments thereto. The membership of the First Unitarian Church of Des Moines approved this document at its annual meeting on June 4, 2017 with an effective date of July 1, 2017.

1. Name: This endowment fund shall be known as THE FIRST UNITARIAN CHURCH OF DES MOINES ENDOWMENT FUND, and all proceeds thereof, including both principal and income, shall be exclusively for the benefit of the First Unitarian Church of Des Moines, (hereinafter referred to as the “Church”) or any successor thereto.
2. Purpose: The purpose of this Fund shall be to solicit and receive money and property from donors including any person, corporation, partnership, trust, foundation or other organization, by gift, contribution bequest under will, devise or other transfer, to be invested and reinvested, and the income and principal used as provided herein.
3. Other Church Funds: This Fund is not intended to be and shall not be used as a replacement or substitute for the regular Church budget receipts, nor any other special Funds of the Church, nor any expenditures therefrom.
4. Restricted Gifts: Donors shall be encouraged to make gifts and bequests to this Fund without any restrictions as to the use of the principal and income, other than as provided herein. The Endowment Committee shall determine acceptance of any gifts or bequests with special conditions or restrictions attached, with input from the Director of Finance and Administration. Upon acceptance, any such conditions or restrictions shall be made a matter of record and recorded in the accounts. Such gifts or bequests shall be used only in compliance with such conditions or restrictions, subject only to the jurisdiction of the courts.

5. Membership: The terms “membership of the Church,” “members of the Church,” and similar terms used in this instrument shall mean those persons who are eligible to vote at Membership Meetings as defined in the Bylaws of the Church then in effect.

6. Limitations: This fund is dedicated exclusively for the use and authorized purposes of the Church as a non-profit tax-exempt corporation. This Fund is subject to the Articles of Incorporation and the Bylaws of the Church, and no powers granted in this instrument, including the power of amendment, shall be exercised in conflict therewith. Any questions arising in connection with the property, receipts, disbursements, or administration of this Fund shall be resolved in favor of preserving all Federal, State, and local tax exemptions, the tax deductions and designated purposes of the donors, and all vested rights of third parties. No powers granted in this instrument, including the power of amendment, shall be exercised in conflict therewith.

ARTICLE II

USE OF FUNDS

1. Definition of Principal: The Principal of the Fund as of December 31 of each year is the balance as of December 31 of the previous year plus the sum of all receipts and disbursements occurring during the current year, including all money and property (real estate, securities and personal property) that has been received and liquidated, as per Article IV, Section 1, Paragraph g), from any donor during the current year, all current year income (interest, capital gains and losses from the sale of any property or securities and dividends received in the form of stock from the paying corporation), and current year unrealized gains or losses (change in market value), less any fees and/or expenses.

2. Annual Grant Disbursement: The Committee shall make available up to 2% of the Endowment Fund Principal balance as computed as of December 31 of the prior calendar year and excluding restricted gifts. This 2% may be used to fund grants during the ensuing calendar year, January 1 to December 31, as authorized by the Committee, as described in Article IV, Section 2. Grants that may be funded through this provision are intended to supplement, not supplant, general fund budgeted expenditures. Any awarded grant monies not used within one year of the award approval date will revert to the Endowment Fund and future availability will not be carried forward without written request to, and approval of, the Endowment Committee.

3. Disbursement Limitation: Disbursements, other than those for grants noted in Article II, subsection 2, may only be made once the Fund balance has reached \$600,000; further there may not be a disbursement thereafter, including grants, which would reduce the Principal balance to less than \$400,000. Restricted funds may only be disbursed in accordance with terms of the gift.
4. Procedure: Disbursements of this Fund, other than those for grants noted in Article II, subsection 2, shall be authorized upon the recommendation of the Board of Trustees by resolution adopted in an open meeting with a quorum present, as well as by majority vote of the Endowment Committee. Approval by the membership of the Church shall be secured at the Annual Meeting or at a special meeting of the members called in accordance with the by-laws of the Church then in effect. At such meeting the resolution shall be adopted only upon receiving the affirmative votes of a 2/3 majority of the members present and voting.

ARTICLE III

ADMINISTRATION OF THE FUND

1. A committee comprised of five (5) members shall manage the Fund as described herein. Committee members will be nominated by the Board of Trustees and shall be elected by the Membership of the Church at its Annual Meeting or a special meeting called for such a purpose. Only those nominees who have agreed to serve may be nominated and considered.
2. Terms are for three (3) years and begin July 1 and end on June 30 of the appropriate year. Terms should be staggered so that no more than two members leave the committee in a single year having completed their full term. Any vacancy on the Committee shall be filled by an appointment by the Board of Trustees of the Church for the balance of the unexpired term.
3. The Committee is responsible for the investment, disbursement and development of the Fund, as described in Article IV. In recruiting and nominating members to serve on the Committee, the Board of Trustees shall consider that amongst the members there is sufficient expertise to fulfill all Committee functions.
4. The Committee shall elect from their own numbers a chairperson, a secretary and any other officer that they deem necessary for the orderly administration of the Fund. Officers shall be elected annually.

5. The Committee shall meet at least once per quarter to discuss and review investment performance, strategy, recent contributions and bequest activity and other items as deemed necessary.
6. The Committee shall receive no compensation. The Committee, in conjunction with the Director of Finance and Administration, may employ and obtain professional assistance in the management and sale of property, making investments, and when the nature and the amount of the Fund and management thereof requires such services as bank trust departments, real estate agents, appraisers, or other professional services.

ARTICLE IV

RESPONSIBILITIES OF THE COMMITTEE

1. Investment Responsibilities:
 - a. The Committee shall receive and promptly acknowledge all gifts and bequests. The committee is also responsible for determining whether to accept all gifts and bequests. Acceptance of gifts with special conditions, restrictions or concerns relating to matter of policy shall be determined by the Endowment Committee with input from the Director of Finance and Administration.
 - b. The Committee shall be responsible for the management, supervision, and investment of all assets of the Fund. It is the primary duty of the Committee to preserve the principal of the Fund for the future use of the Church.
 - c. All investments are to be held in the name of the Endowment Fund of First Unitarian Church of Des Moines, Iowa.
 - d. Allowed investments include deposits, stocks, bonds, funds, debentures, mortgages, notes, or other securities, that are deemed prudent for the growth and preservation of the Fund.
 - e. Changes to the investment strategy (buy/sell decisions, etc.) shall be subject to a majority vote of the Committee and submitted in meeting minutes. If the Committee needs guidance on specific issues, it may consult the Board of Trustees.
 - f. Members of the Committee shall not be liable for any losses that 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 she or 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 and shall at all times refrain from any conduct in which her or his personal interests would conflict with the interest of the Fund.

- g. The Committee is directed to liquidate any property, including all real estate, personal property and securities, promptly upon receipt, but may retain such items for a sufficient period of time to avoid sacrificing them at a less than normal value, or to realize additional income, or to accomplish some particular advantage or specific purpose.
- h. Review and Reporting: The Committee shall review the Fund's investments and shall keep minutes of all such meetings. The Committee, with the support of the Director of Finance and Administration, shall:
 - i. Maintain a list of the names and addresses of all donors, the description of all gifts and bequests, including any restrictions attached thereto.
 - ii. Maintain records itemizing all receipts, including those in the form of securities or property, and disbursements identifying any condition imposed thereon.
 - iii. Prepare an Annual Financial Report, on a calendar-year basis, including all receipts, disbursements, property received, liquidated or retained, all balances of principal, income, and property on hand as of December 31 of each year.
 - iv. Submit the Annual Report to the membership of the church at its Annual Meeting.
- i. The Annual Report of the Endowment shall be included in any audit of the financial records of the First Unitarian Church by a certified public accountant or other qualified person.
- j. The above notwithstanding, the Committee shall abide by the Iowa Code Chapter 540A, which governs institutional funds management for entities organized for charitable purposes.

2. Disbursement Responsibilities:

a. Grants

- i. Pursuant to Article II subsection 2, the Committee shall review and approve, by majority vote, applications for grants. It is an expectation of grant receipt, that the grantees will file a report on the funded purchases and programs after all funds have been expended, no later than the end of the fiscal year.
- ii. Priority is to be given to funding new programs reflecting the “passions” of our members. Grants to manage building and grounds enhancements that add to the use and enjoyment of the facility will be considered as long as they meet the general grant funding criteria.
 - Projects funded may involve both church members and non-church members; however only church members or church groups may apply.
 - Applications may be received at any time. However, funding will be considered on a first come, first served basis starting January 1 until all available monies (see Article II, Section 2) have been committed.
 - Funds awarded must be used within one year of the award; the Committee must approve any exceptions. Unexpended funds are to be returned to the Endowment Fund.
 - Funds may not be used to pay church members or their family members, current staff or former staff within one year of termination, but may be used to hire other outside experts for an event or program.
 - If other funding is available those funds should be expended first.
 - The Endowment Committee will review all submissions and inform the applicant(s) of its decision no later than 60 days after receiving the application.
- iii. The Committee is responsible for obtaining and reviewing the final reports of each funded program.
- iv. The Committee is responsible for providing the Director of Finance and Administration with details of all approved grants/payments prior to their disbursement.

b. Other Disbursements

- i. The Committee may loan principal to the Church for capital improvements and major repairs. Loans must meet the following criteria:
 - Loan requests must be approved by a majority of the Board of Trustees and include how the funds will be used.
 - Loans must be evidenced by a written promissory note with interest negotiated between the Fund (as lender) and the Church (as borrower).
 - Loan and the terms are subject to a majority vote of the Committee.
- ii. All other funding requests must adhere to the procedure described in Article II, Use of Funds, Section 4.

3. Development Responsibilities:

- a. The Committee is responsible for building awareness and interest in sustaining and growing the Fund through promotion of the Fund and the various means for supporting the Fund.
 - i. Outright donations
 - ii. Memorial donations
 - iii. Gifts/bequests in wills and trusts
- b. The Committee is responsible for making material – electronic and print – readily available to members and friends that describe the Fund, how it is governed, the benefits of the Fund and various means to support it.
- c. The Committee shall communicate with the Board of Trustees and membership on Grant progress and impact on the Church and community.

ARTICLE V

SITUS

This Endowment Fund shall have its situs in the State of Iowa and all questions pertaining to its validity, construction and administration shall be determined in accordance with the laws of the State of Iowa.

ARTICLE VI

POWER OF AMENDMENT AND REVOCATION

The Membership of the First Unitarian Church of Des Moines may, from time to time, by 3/4 majority vote of the members, present and voting, at an Annual Meeting or a special meeting of the Membership of the Church, modify, amend or revoke, in whole or in part, the Endowment Fund.

IN WITNESS WHEREOF, the Membership of the Unitarian Church of Des Moines, Des Moines, Iowa, has caused this instrument to be executed by its duly authorized officers of this 6th day of June, 2021.

By _____
President of the Board of Trustees

By _____
Secretary of the Board of Trustees

A signed copy of this document may be obtained from the Endowment Committee