

Guidelines for Endowment Fund

STRUCTURE AND OPERATING POLICIES

The University Baptist Church Endowment Fund (the Fund) provides a means whereby individuals may give lifetime gifts of cash or property, and/or bequeath property, and/or cash to benefit the future of the Church. Inherent in the concept of an endowment fund is the permanency of the gift principal with only earnings being available for expenditure. Therefore the principal of the Fund is designated as an Endowment and may not be expended without consent of the church body, or the donor if so restricted.

The Fund is not intended to supplement the general budget. It should in no way detract from the scriptural command to tithe.

I. Structure

The Endowment Fund is currently composed of five (5) sub-funds which will be kept separate for accounting but not investment purposes.

Requests for expenditures from each of the sub-funds will generally be initiated by the Committee, Council or program most closely associated with the purpose of the sub-fund but may also be initiated by any church member.

Requests for expenditures will be submitted to the Finance Committee for review. The Finance Committee will then send them to Church Council for final approval/disapproval.

A. Existing Sub-Funds

1. Undesignated Fund

- a) Purpose: This fund is to be used as a general endowment. The income is generally to be used for special projects that shall arise from time to time that are not covered by other sub-funds or the general budget. Monies from this fund may also be used to supplement projects in areas covered by other sub-funds when additional monies are needed.
- b) Contributions: All gifts, bequests, and memorial gifts not designated for a particular endowment sub-fund or expressly or implicitly given to the church's general operating fund may be transferred to this fund by the Finance Committee. Also gifts may be given to the Church specifically for the UBC Undesignated Fund – Endowment Fund.

2. Missions Fund

- a) Purpose: The Missions sub-Fund will provide funding for Church endorsed mission projects primarily as defined by the Missions Ministry Committee but may also include other mission projects of the church.
- b) Contributions: All gifts, bequests, and memorial gifts designated for the Missions sub-fund or designated by the Finance Committee for the Missions sub-fund.

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3. Education Fund

- a) Purpose: The Education sub-fund will be used for education projects including but not limited to Church sponsored seminars or educational events, further training for ministers or lay members of the Church.
- b) Contributions: All gifts, bequests, and memorial gifts designated for the Education sub-fund or designated by the Finance Committee for the Education sub-fund.

4. Music and Worship Fund

- a) Purpose: The Music and Worship sub-fund will be used to enhance the music ministry or worship experience.
- b) Contributions: All gifts, bequests, and memorial gifts designated for the Music and Worship sub-fund or designated by the Finance Committee for the Music and Worship sub-fund.

5. Facilities and Property Fund

- a) Purpose: This sub-fund will be used for facility expansion or renovation projects as recommended by the Building and Grounds Committee, the acquisition of property or other building/facilities projects of the church.
- b) Contributions: All gifts, bequests, and memorial gifts designated for the Facilities and Property sub-fund or designated by the Finance Committee for the Facilities and Property sub-fund.

B. Creation of additional sub-fund

- 1. The Endowment Fund Trustees, with the approval of the Finance Committee, may create other sub-funds of the Endowment Fund. The purpose and policies covering requests for expenditures and contributions for newly created sub-funds will be as endorsed by the Finance Committee and approved by Church Council.

II. Operating Policies

- A. Three Endowment Fund Trustees will be elected by the church for six year terms with one trustee being elected every two years. Trustees will not be eligible for re-election until the lapse of two years. The Trustees will elect a chair annually. The Church Treasurer will be an ex officio member of the Endowment Fund Trustees (from the by-laws).
- B. Prior to accepting any endowment, the Endowment Fund Trustees will review all of its terms and conditions. They will then accept, reject, or attempt to renegotiate the terms of the endowment on behalf of the church consistent with the trustees' understanding of church policies (from the by-laws).
- C. The Endowment Fund Trustees shall be responsible for all investments of the Fund, and shall submit a written report to the Church at the first quarterly church conference of each calendar year.

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- D. The Endowment Fund Trustees are empowered with the sole authority to determine the amounts available for distribution from each of the funds or sub-funds annually and provide this information to the Finance Committee during the third calendar quarter of each year. The Endowment Fund Trustees should adopt guidelines to be followed in determining amounts available for distributions; such policies may be changed from time to time.
- E. All Endowment Fund expenditures shall require the approval of Church Council.
- F. It is the responsibility of the Endowment Fund Trustees to manage the fund and apply the income there from in a manner consistent with the laws of the Commonwealth of Virginia, applicable federal regulations, and the governing documents of the Church.
- G. No assets of the Fund or income derived there from may be diverted to the operating budget of the Church or borrowed from the Fund for such purpose without the direct authorization of the congregation.
- H. No assets contained within the fund may be pledged or used as collateral. It is the responsibility of the Church Treasurer to notify any creditors of the Church in advance of any signature on any debt instrument that the assets of the Endowment Fund are not assignable.
- I. The Endowment Fund shall be separate and apart from all other funds and accounts of the Church with appropriate accounting procedures to be established by the Endowment Fund Trustees and strictly followed.
- J. All books of the Endowment Fund shall be open for inspection by the Finance Committee or their designee. The Endowment Fund will be subject to audit by the Church at any time. Any cost of such audits authorized by the Church shall be paid from the Endowment Fund assets and may not exceed one audit per calendar year.