

# **ARTICLES OF ORGANIZATION OF THE ENDOWMENT OF BELIN MEMORIAL UNITED METHODIST CHURCH**

## **Article I - Purpose**

The Endowment exists to provide permanent financial support for Belin Memorial United Methodist Church. Funds are intended for needs beyond the Church's annual operating budget.

## **Article II - Gifts**

The Fund may accept gifts, bequests, and contributions of any type or size, subject to approval by the Endowment Committee. Gifts may be designated or undesignated.

- a) **Designated gifts** must align with the Church's mission and be approved by the Committee before acceptance. The Committee may seek Church Council approval in unusual circumstances.
- b) **Undesignated gifts** go into the general Endowment account.

## **Article III - Governance**

The Endowment Committee<sup>1</sup> manages the Fund.

- a) **Composition:** At least 6 members, each serving 3-year terms, appointed by the Nominations and Leadership Development Committee.
- b) **Qualities:** Integrity, stewardship commitment, investment knowledge, and familiarity with the Church's needs.
- c) **Vacancies:** Filled by appointment of the Nominations Committee.
- d) **Powers:** Manage assets as enumerated in Article VIII, appoint agents, remove agents, recommend policy changes, and report annually to the Church Council.
- e) **Officers:** Chair, Vice-Chair, and Secretary elected annually from members of the Endowment Committee.

## **Article IV - Meetings**

- a) **Annual Meeting:** Held in the October; financial and activity report submitted to the Charge Conference each year.
- b) **Regular Meetings:** At least biannually.
- c) **Special Meetings:** Called by the Chair or one-third of members with 72 hours' notice.
- d) **Quorum:** Majority of members present and eligible to vote.
- e) **Voting:** One vote per member; majority rules. All members present may vote on all business presented at meeting. Proxy voting is not permitted.

## **Article V - Fiscal Year**

- a) The Endowment Fund shall operate on a fiscal year ending on December 31 of each calendar year.

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<sup>1</sup> **History:** The Endowment Committee was established originally by the Charge Conference of the Church on October 2, 1995, amended on January 24, 2006, August 24, 2010, and August 2, 2021.

### **Article VI - Distributions**

- a) Distributions may only fund repairs, renovations, or improvements to Church property.
- b) Requests for distributions are to be made by the Church Council to the Endowment Committee.
- c) Annual distributions are limited to a maximum of 4.0% of the average of the prior three Q3-end market values of the Endowment Fund, in order to preserve the long-term value of the Fund.
- d) Undistributed amounts remain in the Endowment and do not increase future distribution limits.
- e) Changes to distribution policy require Church Council approval.

### **Article VII – Records & Amendments**

- a) Records kept by the Church Business Administrator and included in the annual audit.
- b) Amendments require Church Council approval.

### **Article VIII - Investments**

- a) Objective: Long-term return exceeding inflation + 4.0%.
- b) Principles: Diversification, prudence, professional management, liquidity.
- c) Allocation: 60% Equity (US 50%, International 10%), Fixed Income 35%, Cash 5%. Drift of the lesser of 20% of the position target or 4% of the portfolio value is permissible.
- d) Prohibited Investments: Commodities, options, private placements, real estate, short positions unless held indirectly through pooled funds.
- e) Oversight: Committee monitors; Investment Consultant advises; Custodian holds assets.
- f) Rebalancing: At least annually
- g) Review: Investment policy reviewed annually.