

1 **1 Purpose and General Policy**

2 1.1 The purpose of this Endowment Policy is to faithfully guide securing and managing  
3 property and funds received by the Maine Conference of the United Church of  
4 Christ (hereafter, the “Conference”).

5 1.2 It is the general policy of the Conference:

6 1.2.1 To offer diverse opportunities to all constituencies for support of the Conference;

7 1.2.2 To communicate such opportunities to constituents on a regular basis; and

8 1.2.3 To provide resources for full and effective stewardship and planned giving  
9 programs for the benefit of donors and the Conference.

10 **2 Authority**

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12 Pursuant to the Conference Charter and By-laws, the Coordinating Council has  
13 responsibility for stewardship concerns of the Conference. In addition, the Charter and  
14 By-laws delegate management of the Endowment to the Board of Trustees. The  
15 Coordinating Council and the Trustees may implement this legitimate authority through  
16 persons, committees, task forces, advisors, staff and others as it sees fit within the  
17 confines of Conference policy and the Conference By-laws.  
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19 **3 Sunset**

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21 The Coordinating Council shall review this policy a minimum of every five years. The  
22 five years commence with this policy’s approval date.  
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24 **4 Policy Overview**

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26 The Conference Endowment consists of restricted and unrestricted funds that have been  
27 received in trust or as a gift to provide income and capital for support of Conference  
28 programs and purposes. This policy provides guidelines regarding the sources and uses of  
29 Endowment funds, including gifts, bequests, charitable remainder trusts, memorials,  
30 securities, real property and life insurance.  
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32 The expectation that the Endowment will continue to grow and will exist in perpetuity  
33 will be taken into consideration in determining the acceptability of gifts and the amount,  
34 purpose and frequency of withdrawals. The Coordinating Council, under guidelines  
35 established below, will monitor the Endowment.

36 **4.1 What This Policy Provides:**

37 4.1.1 **Guidance** for the advancement of the Maine Conference – United Church of  
38 Christ ministries;

39 4.1.2 **Management Practices and Procedures** to secure and protect the trust of the  
40 local churches, volunteers, the Conference, its Coordinating Council, Board of  
41 Trustees and staff; and

42 4.1.3 **Information** for the Conference’s volunteers, advisors, donors and prospective  
43 donors.

44 **5 Advancement of the Maine Conference – United Church of Christ**  
45 **Ministries**

46 5.1 The Coordinating Council shall cause the build up of the Endowment through new  
47 gifts to existing and new program areas. Endowment funds are to be employed and  
48 disbursed to promote and secure the mission/program of the Conference in  
49 accordance with and under the provisions of the uses and purposes for which they  
50 have been received and held. Income from the Endowment shall be distributed  
51 quarterly and at such other times as deemed necessary and/or feasible to  
52 accomplish purposes of the Conference in existing and new program areas.

53 **5.1.1 Existing Gifts**

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55 5.1.1.2 For nearly 200 years, members, congregations and other friends have blessed the  
56 Maine Conference United Church of Christ with permanent gifts. Those gifts  
57 support many Conference purposes, ministries, programs and projects as follows.

58 5.1.1.1.1 Resourcing the Local Church

59 5.1.1.1.2 Maine Conference General Support

60 5.1.1.1.3 Pilgrim Lodge General Support

61 5.1.1.1.4 Pilgrim Lodge Facility Maintenance and Improvements

62 5.1.1.1.5 Pilgrim Lodge Camper Scholarships

63 5.1.1.1.6 Maine Ministerial Relief Society

64 **5.1.1.2 New Gifts and New Program Areas**

65 5.1.1.3 **Receipt of New Gifts.** The Conference may accept undesignated or donor  
66 designated gifts in keeping with the donor's intent and Conference purposes,  
67 subject to the *General Development Guidelines* attached to this policy.

68 5.1.1.3.1 **Donors Intent.** Funds accepted by the Conference shall be held for the benefit of the  
69 Conference, in compliance with the intent of the donor as expressed in any writing  
70 delivered by the donor to the Conference at the time of the donation, to the extent that  
71 such intent is in furtherance of the religious and charitable purposes of the  
72 Conference. If, in the opinion of the Coordinating Council, it shall be impractical,  
73 uneconomical, inefficient, or inconsistent with the purposes of the Conference or this  
74 Endowment Policy to accept any gift, the Coordinating Council may refuse to accept  
75 such gift.

76 5.1.1.3.2 **Undesignated Gifts.** Undesignated gifts will be considered unrestricted funds and  
77 will be allocable by usual and ordinary budget and spending policies and procedures.

78 5.1.1.3.3 **Designated Gifts.** Designated gifts will be considered permanently restricted funds.  
79 The donor may designate gifts and the income from such gifts to the Conference's  
80 specific purposes, ministries, programs and projects listed in Section 5.1.1.2 above. In  
81 addition, the Conference will receive donor-designated gifts for any new purpose or  
82 program not listed in this policy pending acceptance of the gift by the Coordinating  
83 Council.

84 5.1.1.3.4 **New Designation Purposes.** The following categories for guiding acceptance of new  
85 gifts and spending for new purposes will include but not be limited to the following

86 5.1.1.3.4.1 *Education and Leadership Development.* For scholarships or grants to members of  
87 the Maine Conference to grow in Christian faith and service to God's people.

88 5.1.1.3.4.2 *Community Mission.* For outreach into the community including, but not limited to,  
89 grants to colleges, seminaries, social service agencies, institutions and agencies to  
90 which the Conference relates, and to special programs designed for persons in Maine  
91 who are in spiritual and/or economic need.

92 5.1.1.3.4.3 *Wider Mission.* For the wider mission of the Conference at home and overseas,  
93 including, but not limited to, grants for new church development, professional  
94 leadership, educational ministries, world mission, capital financing, and ecumenical  
95 ministries.

96 5.1.1.3.4.4 *Facilities and Equipment.* For capital improvements, debt reduction, or the building  
97 program of the Maine Conference.

98 5.1.1.3.4.5 *Other Proposals.* The Coordinating Council shall consider all proposals for  
99 acceptance of gifts and distribution of income under this policy, and make its  
100 decision on acceptance and for distribution of income known in a timely manner.

101 **5.1.1.3.5 Size of New Purpose Designated Gifts.** The Conference encourages that gifts  
102 designated for a new purpose be not less than \$10,000. This is because the smaller the  
103 gift, the more management costs tend to dilute the annual returns of the gift. The  
104 Coordinating Council may accept a new purpose donor designated gift of less than  
105 \$10,000 only after a ¾ vote of those present and voting to accept the gift.  
106 Furthermore, the Conference encourages donors who seek to contribute less than  
107 \$10,000 to make unrestricted gifts to the Conference or contribute to an existing  
108 purpose.

109 5.2 The Coordinating Council shall cause awareness of endowment opportunities  
110 through various methods (not all inclusive) of communication, resource and  
111 educational efforts aimed at explaining donation opportunities and methods of  
112 giving. Communication methods and interpretive efforts might include:  
113

114 5.2.1 Estate planning seminars

115 5.2.2 Personal financial planning seminars

116 5.2.3 Brochures

117 5.2.4 Personal outreach through a special gifts committee

118 5.2.5 Mailings, news articles, web publishing and other publicity

## 119 **6 Management Practices and Procedures**

### 120 6.1 ***Board of Trustees Duties***

121 6.2 The Trustees in managing the Endowment on behalf of the Conference are  
122 authorized to exercise the following specific duties on behalf of the Conference in  
123 accordance with the Conference Charter and By-laws.

124 6.2.1 To hold, sell, exchange, rent, lease, transfer, convert, invest and reinvest the  
125 Endowment assets and in all other respects to oversee the management and  
126 control of said assets, exercising discretion in a reasonable and prudent manner, in  
127 order to enhance income, growth and security of those assets;

128 6.2.2 To authorize the signing of all checks and other necessary documents in dealing  
129 with the assets, subject to guidelines and other prior approval requirements  
130 established from time to time by the Coordinating Council in accordance with the  
131 Charter and By-Laws of the Conference;

132 6.2.3 To hire or otherwise obtain the services of investment advisors, accountants,  
133 attorneys, custodians, depositories or such other agents the Trustees determine to

- 134 be in the best interests of properly managing the assets and to compensate said  
135 individuals or entities from the income and/or principal of the assets;
- 136 6.2.4 To determine the allocation of receipts and disbursements between principal and  
137 income on a reasonable basis according to generally accepted accounting  
138 principles and provisions of applicable law;
- 139 6.2.5 To develop rules and procedures to aid in the operation and administration of the  
140 Endowment, provided such rules, procedures and guidelines are consistent with  
141 this policy;
- 142 6.2.6 To distribute income from the assets of the Endowment at such times and in such  
143 amounts and to such recipients as it deems appropriate in accordance with  
144 established policy;  
145

146 **6.3 Disposition of Funds**

147 6.3.1 Endowment funds shall be held in perpetuity. No distribution of principal of the  
148 Endowment funds shall be made, except according to the provisions specified in  
149 this policy. The principal of Endowment funds shall be held, invested and  
150 reinvested and accumulated for the purposes described in this policy. The income  
151 of Endowment funds shall be distributed or accumulated as set forth.

152 6.3.2 Funds received by the Trustees and held in the Endowment, shall be kept with the  
153 principal intact, expending income according to existing spending policy. The  
154 income from Endowment funds shall be disbursed by the Trustees to the  
155 Conference Treasurer no less frequently than quarterly to be used as determined  
156 by the Coordinating Council but in accordance with the acceptance of such funds;

157 6.3.3 Unrestricted Gifts. From time to time, in the discretion of the Coordinating  
158 Council, unrestricted gifts may be held by the Trustees as Endowment funds.  
159 While there is no encumbering donor restriction limiting use of unrestricted gifts,  
160 the Coordinating Council may add unrestricted gifts to the Endowment as good  
161 stewardship of scarce resources. Lacking any other Conference or Coordinating  
162 Council policy or directive, all such unrestricted Endowment funds shall be held,  
163 managed and used as described in sections 6.3.1 and 6.3.2.

164 **6.4 Investment Policy**

165 6.4.1 Endowment funds are invested according to policies established by the Board of  
166 Trustees following an opportunity for advice from the Coordinating Council.

167 **6.5 Records, Accounting and Reporting**

168 6.5.1 The Trustees shall render to the Coordinating Council a complete and accurate  
169 statement of account of the assets held as Endowment funds, and all income and  
170 expenses, thereof.

171 6.5.2 The Trustees shall render to the Coordinating Council a management report on a  
172 quarterly basis and, at each annual meeting of the Conference, shall render a full  
173 and complete audited accounting of endowment funds during the preceding year.

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## 175 **7 General Development Guidelines**

176 7.1 **Introduction.** The Conference welcomes expressions of interest and financial  
177 support, regardless of size or form, from any local church member, friend, church,  
178 corporation, foundation or similar source.

179 7.2 **Information for Potential Donors.** Conference volunteers, staff or designated  
180 representatives shall be available to meet in confidence with any prospective donor,  
181 without obligation, to discuss areas of interest and opportunities to support any area  
182 of the church's life and types of commitments, options for payment, estate planning,  
183 and the tax planning implications of a possible gift commitment so as to provide  
184 comprehensive information to a prospective donor. Conference volunteers may  
185 inform and request but shall not advise prospective donors about the form or  
186 amount of their gifts.

187 7.3 **Designated Endowment Gifts.** Donors interested in establishing a named  
188 Endowment fund are encouraged to consult with the Conference representatives or  
189 staff prior to making the gift so that the donor's intentions are appropriately  
190 established in writing. In designating an Endowment gift for a specific purpose, the  
191 donor is encouraged: (a) to describe that purpose as broadly as possible; (b) to  
192 avoid detailed limitations and restrictions; and (c) to provide a clause granting the  
193 Conference maximum flexibility to make use of designated funds in a manner most  
194 consistent with the intent of the donor and with the interest of the Conference  
195 should developments make it impossible to apply such funds to the designated  
196 purpose.

197 7.4 **Approval of Solicitations Required.** No solicitation of donations for gifts of funds  
198 or real property for the benefit of the Conference shall be made by anyone without  
199 the approval of the Coordinating Council or its designated representative. All gift  
200 and grant proposals from the Conference to potential donors must be prepared or  
201 reviewed by the Coordinating Council or its designated representative.

202 7.5 **Planned Giving Administration.** The Coordinating Council shall cause planned  
203 gifts to be held and administered by competent designated agents. All gifts to the  
204 Conference should be directed to the Conference office where they will be  
205 accepted, acknowledged and administered in accordance with the policies of the  
206 Coordinating Council and donor's wishes.

207 7.6 **Form of Donor Commitments.** Commitments to the Conference and/or payment  
208 of same may take the form of one, or a combination, of the following: 1) cash; 2)  
209 pledges; 3) appreciated securities or other personal assets; 4) deferred or planned  
210 gifts including trusts, annuities, insurance policies, gifts of residence with or  
211 without a retained life interest, and/or bequest intentions.

212 7.7 **Planned Giving Agreements and Arrangements.** Duly appointed or designated  
213 representatives of the Coordinating Council shall have authority to sign planned  
214 giving agreements on behalf of the Conference. Any agreement which does not  
215 follow the format of the specimen agreements or otherwise meet the current  
216 guidelines established in the specimen agreements attachment (TBA) to this policy  
217 shall require the approval of the Coordinating Council or its designated  
218 representatives.

219 7.8 **Right to Accept or Reject Any and All Gift Commitments.** The Coordinating  
220 Council reserves the right to accept (or, in cases where absolutely necessary, to  
221 decline) any commitment that is offered to the Conference.

222 7.9 **Receipting of Gifts.** The Conference, its staff, volunteers and designated  
223 representatives will provide receipts to donors as appropriate for both business and  
224 tax purposes.

225 7.10 **Recognition of Gifts.** Commitments will be recognized publicly and/or  
226 commemorated consistent with guidelines adopted by the Coordinating Council  
227 and publicized to the churches of the Conference. When a gift has been recognized  
228 and/or commemorated with the name of the donor or designee, that name will not  
229 be disassociated from the named facility, program, or endowment without the  
230 express written request of the donor or his/her heirs and assigns and the  
231 authorization of the Coordinating Council. Donor requests for anonymity will be  
232 honored. Furthermore, the Coordinating Council reserves the right to determine  
233 how any commitment will be credited, and/or recognized.  
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- 235 7.11 **Advice and Counsel on Tax and Legal Matters.** Although representatives or  
236 designees of the Conference will provide appropriate assistance (see paragraphs  
237 above), the ultimate responsibility regarding evaluations, tax deductibility, and/or  
238 similar federal, state and/or local legal compliance issues rests with the donor  
239 and/or with the donor's counsel. Representatives of the Conference shall  
240 recommend donors retain competent legal counsel related to the legal implications  
241 of giving to the Conference.
- 242 7.12 **Charitable Intent.** The Conference, its staff, volunteers and designated  
243 representatives, will not accept gifts from individuals who do not exhibit obvious  
244 charitable intent.
- 245 7.13 **Donor's Interest.** The Conference, through its Coordinating Council, other  
246 volunteers, officers, or paid employees, will not knowingly seek, nor accept, any  
247 commitment regardless of size, designation or other condition which they believe is  
248 not in the potential donor's best interest.
- 249 7.14 **Donor Withdrawal of Commitment.** Except in the case of an irrevocable estate  
250 note, a donor may, upon written request and without explanation, withdraw or  
251 modify a pledge commitment.
- 252 7.15 **Encumbered Property.** The acceptability of gifts of encumbered property will be  
253 evaluated on a case-by-case basis.  
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- 256 **7.16 Policies Pertaining to Certain Types of Commitments**
- 257 7.16.1 **Gifts of publicly traded securities** will be receipted at the mean value within  
258 which the security traded on or about the date of the gift; such securities will be  
259 conveyed to the Conference's broker for sale or to the Conference staff consistent  
260 with established Conference policies.
- 261 7.16.2 **Gifts of closely held stock** will be receipted at the donor's appraised value and  
262 will be held until liquidated, at which time the funds will be used consistent with  
263 the gift intentions of the donor and the established Conference policies. If the  
264 stock is finally revalued for Federal tax purposes, it will be credited in accordance  
265 with such revaluation.
- 266 7.16.3 **Fully paid up, or otherwise vested, insurance policies** of which the Conference  
267 is owner and sole beneficiary will be credited at the fair market value of the  
268 policy.
- 269 7.16.4 **Bequest intentions, commitments of unpaid insurance policies, and other**  
270 **revocable deferred gifts** will be recorded as deferred gifts to the Conference at  
271 the value established in writing by the donor through a bequest intention form, a

272 letter, a copy of appropriate sections of a will, insurance document, a trust  
273 document, etc. Such revocable gift commitments will be recognized, subject to  
274 the donor's specific request and intent, only when the funds are irrevocably  
275 committed to the Conference or when the gift matures.

276 **7.16.5 Bequest intentions for which the donor does not know a specific gift value**  
277 and/or does not provide an estimate of a residuary bequest will be credited as  
278 deferred gifts at a value of \$1.00.

279 **7.16.5.1 Bequests will be credited to the Conference as received.** Such bequests will  
280 be credited, recognized and/or commemorated at the fair market value  
281 established for purposes of the decedent's federal estate tax return, or, if no such  
282 return is filed, the fair market value at the time of probate and/or on the date of  
283 the gift.

284 **7.16.5.2 Outright gifts of real estate, bargain sales, and/or partnerships** will be  
285 credited, recognized and/or commemorated at the appraised value of the  
286 property at the time it is transferred to the Conference, less any encumbrances.

287 **7.16.5.3 Outright gifts of tangible personal property** will be credited, recognized  
288 and/or commemorated at the appraised value of the property at the time it is  
289 transferred to the Conference less any encumbrances.

290 **7.16.5.4 Liquidation of Tangible Personal Property.** Unless otherwise authorized by  
291 the Coordinating Council, the Conference will seek to liquidate such assets in  
292 order to secure the cash needed to fund its capital or operating programs and/or  
293 to invest such assets in ways consistent with the currently authorized Conference  
294 investment strategies.

295

296 **7.17 Guidelines Concerning Gifts of Tangible Personal property:**

297 **7.17.1.1 Additional Expenses from Accepting Gift.** Generally, the Conference's  
298 acceptance of tangible personal property cannot involve significant additional  
299 expense for present or future use, display, maintenance, or administration.  
300 Generally, no burdensome financial or other obligations should be incurred,  
301 directly or indirectly, by the Conference as a result of its acceptance of such  
302 gifts.

303 **7.17.1.2 Appraisals of Tangible Personal Property.** The Coordinating Council and  
304 Conference Staff cannot furnish valuation or appraisals to donors in connection  
305 with gifts of tangible personal property to the Conference.

306 **7.17.1.3 Loans of Tangible Personal Property.** Except in those cases where the  
307 Coordinating Council determines that it is in the best interest of the Conference

308 to do so, the Conference will not accept gifts of tangible personal property (such  
309 as paintings) if such gifts are to be made on the condition, understanding, or  
310 expectation that the gifted items will be loaned to the donor or to persons  
311 designated by the donor for life or for an extended period of time as determined  
312 by the donor.

313 7.17.1.4 **Gifts In-kind.** Any gifts in-kind that could be liquidated will be credited on a  
314 per item basis.

## 315 **7.18 Administrative Procedures Relating to Certain Planned Gifts**

316 7.18.1 **Funds Received for Annuities and Trust Agreements.** Funds received for  
317 annuities and trust agreements are administered by Coordinating Council  
318 designated representatives and subject to policies and procedures as agreed to  
319 with the designated representatives.

320 7.18.2 **Gifts of Real Estate with Retained Life Interest.** The gift of a primary  
321 residence, a vacation home, or a farm with retained life interest on the part of the  
322 donor shall be arranged without a trust agreement. The donor deeds the property  
323 to the Conference immediately. Calculation of the remainder interest, which is  
324 allowed for Federal Income Tax Deduction Credit, is calculated as provided in  
325 Section 7520 of the Internal Revenue Code, as amended.

326 7.18.3 **Life Insurance.** Gifts of life insurance may be accepted by the Conference after  
327 ownership is transferred to the Conference and the insurance company has  
328 established present fair market value.

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330 **8 Glossary of Terms<sup>1</sup>**

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<sup>1</sup> This glossary is by no means exhaustive at this point in the drafting process. The intent is to get the key terms defined and added during the final comment and legal portions of the drafting process. The included Glossary from Pp. 505 – 509 of the *AICPA Audit and Accounting Guide for Not-for-Profit Organizations* (American Institute of Certified Public Accountants, Inc. New York, New York, 1999) is intended for one-time educational use on what might be included in a final glossary of terms for this Endowment policy draft. Permitted use of the glossary for inclusion in a final draft endowment policy is being negotiated with the American Institute of Certified Public Accountants, Inc.