

First Universalist Church Board of Trustees  
March 21, 2024  
Board Packet

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**First Universalist Church of Minneapolis**  
**Board of Trustees Meeting**  
**March 21, 2024**  
**6:30 - 9:00 pm**  
**First Universalist Church**  
[Cummins Room & Google Meet \(multiplatform\)](#)

Start	Duration	Topic	Lead
6:30 PM	5	<b>Call to Order</b>	<b>Jeff</b>
		<b>Lighting the Chalice</b> <i>May this flame that burns before us light our way, informed by the wisdom of leaders gone before, and inspired by the trust that we have been given as stewards of this Church. May we have vision, compassion, and courage as we serve this congregation now and for the generations to come.</i>	<b>All</b>
6:35 PM	5	<b>Agenda Approval</b>	<b>Jeff</b>
6:40 PM	20	<b>Executive Session</b> Somatic Grounding Spiritual Community Building	<b>Matt Jen/Arif</b>
7:00 PM	5	<b>Consent Agenda</b> - Approval of February meeting minutes - Approval of policy change to align family leave provisions for all staff (not just ministers) to be 3 months of paid leave. Jen will include notes on this in the senior minister report - Monitoring: Acceptance of attendance and membership numbers & trends - Monitoring: Acceptance of staff and significant volunteer changes - Monitoring: Congregant grievances - Monitoring: Staff & Volunteer grievances - Monitoring: Exit interviews	<b>All</b>
7:05 PM	30	<b>Finance</b> - Investment Status - 2023-24 Budget Status - 2024-25 Budget - Updated Budget Priorities & Assumptions	<b>Marc</b>
7:35 PM	10	<b>Stewardship</b> - Pledge Drive Update	<b>Emily/Will</b>
7:45 PM	10	<b>IDI</b> - Small Group Check-ins	<b>All</b>
7:55 PM	5	<b>Break</b>	<b>All</b>
8:00 PM	30	<b>Governance</b> - Discussion on possible approaches to reaching a common congregational understanding of governance. - What are reasonable YE goals for the Governance Committee?	<b>All</b>
8:30 PM	10	<b>Board Visibility</b> - Feedback from Matt & Emily B.	<b>Matt/Emily All</b>
8:40 PM	15	<b>Visionary Goals</b> - What's next? - How do we live into our visionary goals as individuals & as a board?	<b>Arif/All</b>
8:55 PM	5	<b>Gratitudes</b>	<b>All</b>
9:00 PM		<b>Adjourn</b>	<b>All</b>

**Roles, responsibilities, and resources for Board Members**

JOB DESCRIPTION: First Universalist Board of Trustees

Church Bylaws

Governing Policies Handbook

2023-24 Monitoring Schedule

**Senior Minister Board Report**  
**Prepared by Rev. Jen Crow**  
**March 19, 2024**

**Spiritual Grounding**

This past Sunday, I shared the reading, “if bell hooks wrote First Corinthians,” by Tess Baumberger. As we continue to discern how our new visionary goals might take shape in our lives and in this congregation, I encourage us to carefully consider our definition of the word “love,” as part of our discernment process.

“If bell hooks Wrote First Corinthians,” by Tess Baumberger

Love is caring, affectionate, and loyal

It recognizes, knows, and respects the other.

Love is committed and trusting.

Love takes the risk of loving

Love is never hurtful, abusive, or neglectful.

It does not coerce or dominate,

Neither does it spoil or over-indulge.

Love is ethical, accountable and responsible.

Love does not lie to avoid conflict or to manipulate.

Love does not lie to trick or deceive.

Love is open and honest, but with a positive slant.

Love lives with integrity that wills cooperation

Though it is satisfying to love,

Love is not about getting one’s needs met,

nor solely about meeting others’ needs.

True love is made of mutuality.

Love is a generous giver, and in giving it learns to receive.

Love places another’s interest on the same footing as our own.

Love is not so much a feeling as an action,  
A continuing active choice to nurture another's wellbeing.

There can be no love without justice and equality.  
Therefore love requires that we subvert patriarchy,  
White supremacy, consumerism, ableism, anti-queerness,  
and all other forms of oppression.

Reflection Questions:

- What images or phrases from this reading catch your attention, and why?
- In what ways might the definition of love shared in this reading impact our congregational life together? Your leadership?

### **Information Items**

#### **Ministerial Internship(s) 2024-25**

We've been approached by two potential ministerial interns for the upcoming church year, and have now opened a process for application. We are open to either or both a 2 year part-time and a 1 year full-time internship. While in the last 2 cycles we have focused specifically on providing a ministerial internship for BIPOC candidates, in this cycle we will move to an application process open to all who are interested. Funding for any internship will be supported solely by the Cummins Ministerial Internship Fund. Applications are being accepted until 4/15.

#### **Doctor of Ministry program at Pittsburgh Theological Seminary**

I have recently made the decision to withdraw from the Doctor of Ministry program in Creative Writing and Public Theology, set to begin in June of 2024. I do intend to continue writing for publication, but within a less structured, more flexible, and self-directed manner.

#### **Meadville Lombard Theological School Board of Trustees**

I have recently been invited to join the M/L Board, and have gratefully accepted this role. I am delighted to be able to serve my alma mater and such an important school in the education of future UU ministers and lay leaders.

#### **Where You Go I Will Go**

Shoshana Jedwab, author of the song, "Where You Go I Will Go," that we sing to close our Sunday services - has publicly rescinded her permission for people who accuse Israel of genocide following the acts of October 7th to sing this song. Jedwab is not against calls for ceasefire or peace, but she does raise her concerns about the use of the word genocide and the ways she believes that it incites antisemitism. As your worship leaders, we are aware of this public statement, and plan to invite a congregational conversation about the writer's request, individual and collective feelings and possible actions.

#### **Sunday, April 21 at 1pm - Congregational budget meeting at church**

## **Monitoring Items**

### **Attendance and Membership Trends**

Please see attached information.

### **Staff and Volunteer Transitions:**

We recently welcomed Paolo Debuque as Choir Director. Paolo's contract includes choral direction and Sunday morning worship support.

### **Congregant Grievances**

There have been no congregant grievances.

### **Staff & Volunteer Grievances**

There have been no staff or volunteer grievances.

### **Exit Interviews**

This summer, Lou Quast and Cindy Marsh reviewed all exit interviews from the last several years and identified trends for board and staff review. There have been no staff departures since that time, and no further exit interviews to review.

## **For Board approval:**

### **Current policy:**

#### ***Parental Leave of Absence***

Time away from work for parental leave is granted according to relevant state and federal legislation. Up to seven weeks of paid leave is provided for employees with a minimum of one year of service at First Universalist. An additional five weeks of unpaid leave is also provided. The employee will submit a timetable for approval by their Supervisor.

### **Proposed new policy**

#### ***Parental Leave of Absence***

Time away from work for parental leave is granted according to relevant state and federal legislation. Up to 12 weeks of paid leave is provided for employees with a minimum of one year of service at First Universalist. The employee will submit a timetable for approval by their Supervisor.

**First Universalist Church of Minneapolis**  
**Board of Trustees Meeting**  
**February 15, 2024**  
**6:30 - 9:00 pm**  
**First Universalist Church**  
**Cummins Room & Zoom (multiplatform)**

Start	Duration	Topic	Lead
6:30 PM	5	Call to Order Absent: Jeff Snyder, Ilo Leppik	Sarah
		<i><b>Lighting the Chalice</b></i> <i>May this flame that burns before us light our way, informed by the wisdom of leaders gone before, and inspired by the trust that we have been given as stewards of this Church. May we have vision, compassion, and courage as we serve this congregation now and for the generations to come.</i>	All
6:35 PM	5	<b>Agenda Approval</b> <b>Approved</b>	Sarah
6:40 PM	20	<b>Executive Session</b> Somatic Grounding Spiritual Community Building	Sarah Arif
7:00 PM	5	<b>Consent Agenda</b> <b>Approved</b> - Approval of January meeting minutes - Monitoring: Acceptance of attendance and membership numbers & trends - Monitoring: Acceptance of staff and significant volunteer changes - Monitoring: Congregant grievances - Monitoring: Staff & Volunteer grievances - Monitoring: Exit interviews - Monitoring: Review of annual workplan - Monitoring: Staff compensation/benefits	All
7:05 PM	40	<b>Finance Committee</b> - Second Quarter financials - 2023-24 Budget Gap Closure <b>Current projection of -\$127,000 versus a negative \$100,000 for year end. Focus on 2024/25 Budget.</b> <b>Discussion around a one time bonus of 10% of one paycheck</b>	Marc

		<p>of employees that work over 15 hours/week.. Estimate of \$3500.00</p> <p>We can have a recognition of Arif and Ashley's extra work in Jen's absence. \$1800.00 combined extra.</p> <p>Total cost of \$5300.00.</p> <p>There are about 10 restricted funds over the years that can be released from restriction and that totals about \$5000.00</p> <p>Proposed that we approve a budget variance of \$5300.00.</p> <p><b>Approved</b></p> <p>Proposed that we release the restricted funds to cover this bonus variance. <b>Approved</b></p> <ul style="list-style-type: none"> <li>- 2024-25 Budget Arif shared the goals (see Finance report)</li> <li>- Preliminary Budget Expense Outlook Discussion around Priorities and Annual Giving. Paint a picture for the congregation.</li> <li>- Budget Assumptions/Guardrails Target a balanced budget</li> </ul>	
7:45 PM	10	<p><b>Stewardship Committee Update Emily B. gave an overview to date on updating the Stewardship plan. Stressed asking for giving year around and multi-year.</b></p>	Emily/Will
7:55 PM	5	Break	All
8:00 PM	30	<p><b>Governance Committee</b></p> <ul style="list-style-type: none"> <li>- Discussion on committee plans and how newly approved Visionary Goals factor into them A summary of comments from some congregants. How do you establish a way of reviewing governance on a regular basis? What does it look like etc? Looking at adding 2 more on this committee.</li> </ul>	Lou, Sarah
8:30 PM	15	<p><b>IDI</b></p> <ul style="list-style-type: none"> <li>- Next Steps</li> </ul> <p>Jeff assigned the board into triads for monthly connection. Look at our own plans and share with our small groups. Is IDI a useful tool to open up into a wider group? The board should push themselves to utilize the IDI tools. Meet for the first time before the next board meeting. Check in as the small groups at the March Board meeting.</p>	All
8:45 PM	5	<p><b>Board Visibility</b> Let's have listening sessions at the monthly dinners. Even monthly dinners that don't have breakout sessions. March 6 is the next dinner (Cathy, Lou and Marc can attend and will work on the agenda). We can expand how the visionary goals are put into practice and in context of what we are learning within the context of IDI.</p> <p>Emily B and Matt to meet and discuss the many ways we can meet with segments of the congregation.</p>	All

<b>8:50 PM</b>	<b>10</b>	<b>Gratitudes</b>	<b>All</b>
<b>9:00 PM</b>		<b>Adjourn</b>	<b>All</b>



**Statistical Report for February 2024**

**Board Meeting March 21, 2024**

**MEMBER MEMORIAL SERVICES:**

**MARRIAGES/SERVICES OF COMMITMENT: 0**

**MEMBERS FOR APPROVAL: 0**

**MEMBERS REINSTATED: 1**

Duane Peterson

**MEMBERS FOR REMOVAL: 63**, due to membership lapses since 2019; letters sent Feb. 2023

**Jerry Sattinger, died Feb. 1**

Monica Olmschenk

Gary Grisbeck

Catherine Dorr

Sheryl Butrymowicz

Stephen Rueff

Chris Wilcox

Lark Lewis

Jennifer Feldt

Judith LaVercombe

Mike Beldon

Jess Lyons

Zach Pierce

Anne Herwig

Chip ten Besel

Melissa Burton

Malcolm Burton

Katy McArron

Jim Dier

Jim Wallace

Anne Dargent-Wallce

Trentt Cramer

Becki Campbell

Amy Cortright

Robin Westacott

Kathy Jelinek

Dan Weninger

Karen Rodriguez

Kate Cowley

Marit Appeldoorn

Catherine Bishop

Wayne Bishop

Renee Reed

Stephanie Mertz

Christopher

Watson

Kenneth Wood

Sherrilee Carter

Eric Schneider

Juliette Schneider

Jeanne Verdick

Mike Healey

Shelly Almaras

Brian Schubloom

Sylvia Scoggin

Chris Campbell

Rama Hart

J. Donovan Hart

Haydee Peterson

Cal Peterson

Mike Day

Daniel Wellvang

Nicole Wicklund

Charles Betz

Suzanne

Magdalene

Carley Saravia

Diane Bundley

Michael Nyland

Anna Willms

Nancy Nelson

Jennifer Beldon

Allison Stratton

Marjorie Petersen

Fran Bartley

Rita Peters

Carolyn Bowles

**CHILDREN DEDICATED: 0**

**Total members as of the last meeting: 1051**

**To be added: 1**

**To be removed: 63**

**TOTAL MEMBERS: 989**

## February Attendance

	2024						2023				
Adults	Sun. 9a Sanctuary	Sun. 10a Sanctuary	Sun. 11a Sanctuary	Sun. 11a Webinar	YouTube Views	Totals	Sun. 9a Sanctuary	Sun. 11a Sanctuary	Sun. 11a Webinar	YouTube Views	Totals
1st week	108		175	47	115	445	111	136	62	127	436
2nd week	118		129	35	113	395	118	152	56	113	383
3rd week		152		38	122	312	69	77	54	100	246
4th week	123		139	40	75	377	94	153	58	95	342
5th week											
Monthly Total	349		443	160	425	1529	392	518	230	435	1407
<b>Average for February</b>	<b>116</b>	<b>152</b>	<b>148</b>	<b>40</b>	<b>1065</b>	<b>382</b>	<b>98</b>	<b>130</b>	<b>58</b>	<b>109</b>	<b>352</b>
<b>RE</b>						<b>9 &amp; 11 RE</b>					<b>9 &amp; 11 RE</b>
1st week						131					163
2nd week						125					199
3rd week						8					46
4th week						110					184
5th week											
Monthly Total						374					592
<b>Average for January</b>						94					148
<b>Combined Average</b>						476					500

**First Universalist Church of Minneapolis**  
**Finance Committee Meeting Minutes**  
**14 March 2024**  
**6:30-8:00 pm**

Members present: Marc Gorelick, Julie Most, Dick Niemic  
Staff present: Jen Crow, Arif Mamdani, Brad Schmidt  
Stewardship liaison present: Will Hegeman

Meeting convened at 6:30 pm

1. Chalice Lighting
2. Minutes from the prior meeting were approved
3. Monthly finances – due to system issues, most recent (January) financials were not ready to review. Will be reviewed with treasurer prior to next board meeting and circulated to the committee.
4. Stewardship update.
  - a. Deadline for 2024-25 pledge commitments is 3/17/24. To date, approximately 70 pledging units have made a commitment (similar number to this point in the campaign to last year; 14 of the 70 were new pledges). Estimated congregational giving for 2024-25 is approximately \$900,000 to date.
  - b. Plan discussed for congregational messaging, including emails to those who have not yet pledged, and general messaging to the congregation via the Liberal and from the pulpit.
5. Budgeting process
  - a. Senior minister and staff will present preliminary budget scenarios (expected [based on pledged income], best case, and worst case]) to the finance committee at the April meeting.
  - b. Congregational budget meeting to be scheduled between April and May Board meetings
6. Policy review.
  - a. Julie Most presented a revised Reserve policy. Revised policy was approved by the committee for referral to the Board.

Meeting adjourned at 7:30 pm

Respectfully submitted,

Marc Gorelick, Treasurer

First Universalist Church John and Dru Cummins Ministerial Internship Fund

STATEMENT OF INVESTMENT AND SPENDING OBJECTIVES AND POLICIES

The following Statement of Investment and Spending Objectives and Policies has been adopted by the Board of Trustees ("the Board") of the Church and may be amended by the Board from time to time.

I. INVESTMENT PHILOSOPHY AND OBJECTIVES

The First Universalist Church John and Dru Cummins Ministerial Internship Fund (the Fund) is composed of restricted net assets, solicited regularly, and invested to generate temporarily restricted income to support the Ministerial Internship program at First Universalist Church. The Fund is made up of gifts to the Fund from members and friends of the church. The Fund has been established to:

- a. Support the Ministerial Internship program at First Universalist Church.
- b. Preserve capital for the long-term financial needs of the program.
- c. Provide reasonably stable and predictable distributions for the Church's Ministerial Internship operating budget.
- d. Preserve purchasing power by striving for long-term returns which either match or exceed the total of the spending policy (net of fees) and inflation.

The Fund's principal (the total of all grants received) will not be reduced except 1) as a result of declining market values of investments, or 2) pursuant to the "Goals and Spending (Payout) Policy" described in Section V of this policy statement.

II. GOVERNANCE AND REVIEW

The Board of Trustees shall be the custodian of the Fund and shall maintain a plan of operation setting forth the administration of the Fund in accordance with other Board policies. Accordingly, oversight of the Fund's assets and any changes to this Plan of Operation are ultimately the responsibility of the Board of Trustees. The Board may appoint or delegate to a committee, composed of members of the Board of Trustees, staff members, and/or other church members, to assist it in fulfilling its responsibility.

The Board will fulfill its fiduciary responsibility regarding the Fund, itself or through its appointed committee, in part, by:

- Developing and/or recommending these Investment and Spending Objectives and Policies in order to guide the Fund's investment, management, and annual pay-out.
- Considering proposed changes, as initiated by Board or staff, to these policies from time to time and presenting any such changes to the Board for its review and approval.
- Selecting and/or recommending an Investment Manager or Managers.
- Evaluating investment structure and performance at least quarterly to ascertain progress against the Fund's objectives, analyze returns, monitor the level of diversification and sector concentration compared with the broader market, and ensure compliance with relevant policies.
- Exercising ordinary business care and prudence with respect to the Fund.

### III. INVESTMENT POLICIES

Assets should be diversified to reduce risk, by manager (e.g. mutual funds), asset class (e.g. equities, bonds) and within asset classes (e.g. geography, economic sector, industry, quality and size). The purpose of diversification is to provide a reasonable assurance that no single sector or class of securities will have a disproportionate impact on the Fund. To insure this diversification:

- The total security position (debt and equity) in any one company, whether owned directly or as a mutual fund holding, should not exceed 10 percent of the Fund's portfolio.
- No more than 25 percent of the Fund's portfolio should be invested in one mutual fund or the securities of any one sector.

Socially responsible investments (SRI) will comprise a significant portion of the portfolio, maintaining a minimum of 20% in SRI assets. Socially responsible investments will consist of investments that are considered by the church's designated invested manager as representing "best of class," meaning that they include allocations to all major sectors and companies who have high SRI ratings relative to their peers.

In order to maintain risk levels consistent with the overall objectives of the Fund, and to achieve the investment objectives of the fund, the following ranges will be reflected:

<u>Class</u>	<u>Min.</u>	<u>Target</u>	<u>Max.</u>
--------------	-------------	---------------	-------------

Equities	50%	70%	90%
Bonds/Cash*	15%	23%	45%
Other/Alternatives	0%	7%	25%

\*Excluding cash needed for liquidity.

Assets may be invested in mutual funds meeting the guidelines defined in this section.

#### IV. INVESTMENT MANAGER

An Investment Manager, if selected, shall manage assets according to the representations made to the Church at the time of selection and according to a written agreement between the Church and the Investment Manager. Any significant deviation from the manager's policies or style will require notice to the Church and written approval from the Church.

Communication by the Investment Manager to the Church must include monthly written statements, regular meetings on a schedule determined by the Church, and written notice of any material change in firm ownership, organizational structure, financial condition, senior staffing and management, and assets under management.

#### V. SPENDING (PAYOUT) POLICY

Except as provided below, the annual payout shall be a maximum of 5% of the Fund's value, based on a 12-quarter trailing average of the market value of the Fund, with the 12th quarter ending on December 31st of the year prior to the church fiscal year in which the funds will be used. Payout amounts that are not used in the fiscal year for which they are intended may be carried forward to the following fiscal year for the purpose stated in Section I of these Policies.

## VI. PROXY VOTING

The Board may implement a proxy voting policy whereby the proxies issued by companies in which the Church holds a security position will be voted according to guidelines consistent with UU principles.

Policy Reviewed by: First Universalist Finance Committee, 2/12/24

Policy Approved by: Board of Trustees, 3/21/24

## First Universalist Church of Minneapolis

# Reserves Policy

### PURPOSE:

The purpose of the Reserves policy for First Universalist Church of Minneapolis (the “Church”) is to ensure the stability of the mission, programs, employment and ongoing operations of the Church. The Reserve fund is comprised of two components: 1) Operating Reserve 2) Building and Capital Asset Reserve. Each component serves a specific purpose as outlined in this policy.

### DEFINITIONS:

**Reserve Fund:** the designated fund set aside by action of the Board of Trustees to maintain ongoing operations and programs for a defined period of time

**Operating Reserve:** a subset of the reserve fund intended to be used for normal cash flow needs or situations resulting in a short-term cash flow issue

**Building and Capital Asset Reserve:** a subset of the reserve fund which provides a source of funds for repair or acquisition of buildings, leaseholds, furniture, fixtures, and equipment

### POLICY AND PROCEDURE:

- I. Reserve Fund
  - a. Contains the following two components:
    - i. The Operating Reserve Fund
    - ii. The Building and Capital Asset Reserve
  - b. Minimum amount to be designated as Reserve will be established in an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months
  - c. Serves a dynamic role and will be reviewed and adjusted in response to internal and external changes
  - d. Accounting details
    - i. Recorded in the financial records as “Board-Designated Reserve Funds”
    - ii. Will be maintained partially in a money market account held at a designated bank and partially in a designated investment account at known as the Reserve Account, in accordance with the Reserve Investment Policy
  - e. Requirements for use
    - i. Identification of appropriate use of reserve funds
      1. The Senior Minister and the finance department will identify the need for access to Reserve Funds and confirm that the use is consistent with the purpose of the reserves as outlined in this policy
      2. Identification of appropriate use requires the following:
        - a. analysis of the reason for the need
        - b. the availability of any other sources of funds





- d. Authority for use
  - i. Authority for use is delegated to the Senior Minister in consultation with the Finance Department and the Board Treasurer.
  - ii. Any use is reported to the Board at the meeting immediately following the use

Policy Reviewed by: First Universalist Finance Committee, 3/14/24

Policy Approved by: Board of Trustees, 3/21/24

# First Universalist Church Gift Acceptance Policies

## Purpose of Policies and Guidelines

Current and planned gifts are solicited by First Universalist Church (the “Church”) to fund ongoing operations and to secure the future of the Church. These policies and guidelines govern the acceptance of gifts by the Church and provide guidance to prospective donors and their advisors when making gifts to the Church. The provisions of these policies shall apply to all gifts, including annual pledges, memorials and bequests, planned gifts, as well as other gifts received by the Church for any of its programs or services.

## Unrestricted Gifts

Donations of gifts for unrestricted or general purposes provide maximum flexibility to the Church. Annual operating pledge payments from the membership are considered unrestricted gifts for use in that fiscal year, as are other current gifts from members and others that are not otherwise restricted by the donor for a specific purpose or future period.

Unrestricted bequests and other estate gifts will be allocated to the Legacy Fund, however 10% of each such gift may be retained for the general fund within the fiscal year in which the gift was received, at the discretion of the Board of Trustees.

## Restricted Gifts

The Church will accept gifts for specific programs and purposes, provided that such gifts are consistent with the stated Values, Mission and Visionary Goals of the Church. Gifts that violate the terms of the corporate charter, gifts that are too difficult to administer, or gifts that are for purposes outside the programmatic priorities of the Church may not be accepted.

The Board of Trustees, upon recommendation of the Gift Acceptance Committee, shall have final authority regarding the restrictive nature of a gift, and its acceptance or refusal.

## Gift Acceptance Committee

The Gift Acceptance Committee is charged with making recommendations to the Board of Trustees about gifts other than cash and publicly traded securities given to the Church as outlined in these policies. It is composed of at least four of the following:

- President of the Board of Trustees
- Treasurer of the Board of Trustees
- Member of the Ministerial Team
- Chair of the Planned Giving Team
- Chair of the Pledge Team
- Director of Finance and Administration

## Types of Gifts

1. Securities

Gifts of publicly traded securities shall be acknowledged as of the date received by the number and identification of the shares transferred. The value that the Church recognizes as a contribution (per IRA regulations) is based on the mean of the high and low trading values of the security on the date received by (subject to control of) the Church. The tax-deductible value of the gift should be determined by the donor. It is the policy of the Church to sell securities promptly following receipt.

## 2. Real Estate

Gifts of real estate may be accepted at the discretion of the Board of Trustees upon recommendation of the Gift Acceptance Committee. Because each parcel of real estate is unique, the acceptance and completion of a proposed gift will depend on the facts and circumstances of the potential gift, including any debt associated with the property. Therefore, following preliminary review by the Gift Acceptance Committee, a gift of real estate recommended for consideration will be handled in two phases:

- Review and due diligence including a qualified independent appraisal, an environmental assessment, and a title search. There should be a clear understanding with the donor as to who will incur related costs of this due diligence.
- Transfer of Title with both donor and Church advised by their respective legal counsel, and approval of final documents.

The Church will seek to sell most gifts of real estate and will apply the net proceeds according to the donor's wishes, subject to the other terms of these Gift Acceptance Policies. The Church may retain the services of a third party agency to receive and manage the sale of a gift of real estate.

## 3. Tangible Personal Property

The Church may accept gifts of tangible personal property if there is an immediate use for the property within a program of the Church or if the gift can be easily converted to cash. Gifts with an estimated value of less than \$5,000 for which there is no immediate use within a program of the church will not be accepted. For gifts estimated to be valued at \$5,000 or more for which there is no immediate use within a program of the church, acceptance is subject to the approval of the Board of Trustees, upon recommendation of the Gift Acceptance Committee.

If the donor intends to claim a tax deduction for such a gift with an estimated value of \$5,000 or more, it is the donor's responsibility 1) to obtain at his/her expense an independent qualified appraisal of the property documenting that the property is valued at \$5,000 or more, and 2) to establish that the property satisfies the IRS "related use" rule.

All accepted donations of tangible personal property immediately become the property of First Universalist Church with the understanding that the gifts for which there is no immediate use within a program of the Church will be converted to cash as quickly as possible. Acknowledgement of such gifts will refer only to a description of the property, with no reference to actual or assumed value.

## 4. Life Insurance

The Church may accept gifts of life insurance when the Church becomes both the owner and the irrevocable beneficiary of the policy. It also prefers life insurance policies that are fully paid. All partially paid policies must be accompanied by a written agreement regarding future payment of premiums. The

Church shall retain the right to surrender the policy at its sole discretion. Proposed gifts must be presented to and approved by the Board of Trustees, upon recommendation of the Gift Acceptance Committee prior to acceptance by the Church. Gifts will be recorded as of the date that the transfer of policy ownership is recorded by the insurer.

5. Qualified Retirement Plans

The Church may accept gifts of assets from qualified retirement plans, subject to IRS regulations. These may be in the form of gifts distributed directly by the plan custodian, as part of the donor's annual Required Minimum Distribution (RMD). Qualified retirement plan assets may also be designated as an estate gift, to be paid upon death. It is most advantageous for the donor to name the Church as a primary or secondary beneficiary of such plans in documents held by the plan custodian. Note: Intended gifts of retirement plan assets are revocable during the donor's life, and, consequently, do not result in an income tax deduction. For the same reason, they should not be considered an asset of the church.

6. Other Gifts

In addition to outright bequests, gifts of Charitable Gift Annuities, Charitable Remainder Trusts and Charitable Lead Trusts are welcome and are subject to the applicable provision of this Gift Acceptance Policy. Information is available from the Planned Giving Team or the Director of Finance and Administration.

**Recognition of Gifts**

First Universalist Church shall acknowledge all gifts and donations in a manner that respects and honors the wishes of the donor. The Church may presume that donors or their authorized representatives permit public announcement of any features of a gift. If a donor indicates a desire for anonymity or confidentiality, such requests should be made in writing and the Church will undertake its best efforts to hold details of the gift and investment information in confidence.

**Planning of Gifts**

First Universalist Church encourages donors to disclose their bequest intentions to the Church in writing to ensure the Church is able to carry out their wishes and that the gifts conform to the principles stated in this Gift Acceptance Policy.

## **Definitions**

***Current Gifts.*** As distinguished from Planned Gifts, these are gifts from living donors. These may be one-time, outright gifts, or pledges to be paid over a period of years. They may be restricted or unrestricted in purpose.

***Planned Gifts.*** These are commitments—or the result of commitments—to make a gift in the future, usually at the death of the donor. They may be simple bequests (an amount or a percent of an estate designated in the donor’s will or living trust), life insurance or retirement fund proceeds, or “split income” gifts such as charitable remainder trusts or charitable gift annuities. Split income gifts are financial instruments that provide income for life or a period of years to a living beneficiary (which may be the donor) and, at the end of the term or the beneficiary’s death, the “remainder” of the trust or annuity goes to the charity. They may be restricted or unrestricted in purpose. Planned gifts are also sometimes referred to as “estate gifts.”

***Restricted Gifts.*** These are gifts made with some stipulation by the donor regarding the use of the gift or its proceeds if the gift is illiquid. The restriction may be in purpose, time or both. Restricted gifts that are not specifically solicited for a restricted purpose (such as a capital campaign or an endowment fund) may be rejected by the charity if the donor’s restriction is contrary to the plans or best interests of the charity.

***Unrestricted Gifts.*** Gifts that are not restricted in their purpose or the time in which they must be used. These are the most flexible and desirable gifts because they allow the charity to apply the proceeds to the greatest needs, now or in the future.

***Real Estate.*** Gifts of tangible property that includes land and any structures or improvements on that land. Real estate can encompass various types of properties, such as residential homes, commercial buildings, vacant land, and other structures.

***Tangible Personal Property.*** Gifts of things rather than cash or marketable securities. Tangible personal property may be accepted and retained by a charity because it is needed or useful in meeting its charitable purpose, or it may be liquidated (sold) with the proceeds used by the charity for restricted or unrestricted purposes. The tax regulations that apply to gifts of tangible personal property are complex and must be reviewed carefully by the donor. For gifts valued at \$5,000 or more, the donor must obtain a qualified appraisal in order to claim a tax deduction for the current value of the gift. Generally, the charity will not acknowledge the value of such a gift; the gift acknowledgement will only provide a description of the property. The charity may reject a gift of tangible personal property at its sole discretion.

Policy Reviewed by: First Universalist Finance Committee, 2/12/24

Policy Approved by: Board of Trustees, 3/21/24

## First Universalist Church Legacy Fund

### STATEMENT OF INVESTMENT AND SPENDING OBJECTIVES AND POLICIES

Pursuant to Article VII<sup>1</sup> of the Bylaws of the First Universalist Church of Minneapolis (“the Church,”) the following Plan of Operation has been adopted by the Board of Trustees (“the Board”) of the Church and may be amended by the Board from time to time.

#### I. INVESTMENT PHILOSOPHY AND OBJECTIVES

The First Universalist Church Legacy Fund (“the Legacy Fund”) is composed of restricted net assets, invested to generate temporarily restricted income and appreciation to support the fulfillment of the mission of the Church. The Legacy Fund is made up of gifts to the Legacy Fund from members and friends of the church and other money transferred into the Legacy Fund from time to time by the Board of Trustees. The Legacy Fund is established to:

- a. Preserve capital for long term financial needs.
- b. Provide reasonably stable and predictable distributions for the Church's operating budget.
- c. Preserve purchasing power by striving for long-term returns which either match or exceed the total of the spending policy (net of fees) and inflation.
- d. Under extraordinary circumstances, provide a distribution of principal, as resolved by the members of the Church, following the requirements described in Article VII, Section 3, of the By-Laws.

The Legacy Fund's principal will not be reduced except 1) as a result of declining market values of investments, 2) pursuant to the “Spending (Payout) Policy” described in Section V of this policy statement, or 3) pursuant to the “extraordinary circumstances” described in subsection d of this Section 1.

#### GOVERNANCE AND REVIEW

The Board of Trustees shall be the custodian of the Legacy Fund and shall maintain a plan of operation setting forth the administration of the Legacy Funds in accordance with other Board policies. Accordingly, oversight of the Legacy Fund assets and any changes to this Plan of Operation are ultimately the responsibility of the Board of Trustees. The Board may appoint or delegate to a committee,

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<sup>1</sup> The title of Article VII is “The First Universalist Church Legacy Fund”

composed of members of the Board of Trustees, staff members, and/or other church members, to assist it in fulfilling its responsibility.

The Board will fulfill its fiduciary responsibility regarding the Legacy Fund, itself or through its appointed committee, in part, by:

- Developing and/or recommending these Investment and Spending Objectives and Policies in order to guide the Legacy Fund's investment, management, and annual pay-out.
- Considering proposed changes, as initiated by Board or staff, to these policies from time to time and presenting any such changes to the Board for its review and approval.
- Selecting and/or recommending an Investment Manager or Managers.
- Evaluating investment structure and performance at least quarterly to **ascertain progress against the fund's objectives, analyze returns, monitor the level of diversification and sector concentration compared with the broader market, and ensure compliance with relevant policies.**
- Exercising ordinary business care and prudence with respect to the Legacy Fund.

### III. INVESTMENT POLICIES

To reduce risk, assets should be diversified by manager (e.g. mutual funds), asset class (e.g. equities, bonds) and within asset classes (e.g. geography, economic sector, industry, quality, and size). The purpose of diversification is to provide a reasonable assurance that no single sector or class of securities will have a disproportionate impact on the fund. To insure this diversification:

- The total security position (debt and equity) in any one company, whether owned directly or as a mutual fund holding, should not exceed 10 percent of the Legacy Fund portfolio.
- No more than 25 percent of the entire Legacy Fund portfolio should be invested in one mutual fund or the securities of any one sector.

Socially responsible investments (SRI) will comprise a significant portion of the portfolio, maintaining a minimum of 20% in SRI assets. Socially responsible investments will consist of investments that are considered by the church's designated invested manager as representing "best of class," meaning that they include allocations to all major sectors and companies who have high SRI ratings relative to their peers.



In order to maintain risk levels consistent with the overall objectives of the fund, and to achieve the investment objectives of the fund, the following ranges will be reflected:

<u>Class</u>	<u>Min.</u>	<u>Target</u>	<u>Max.</u>
Equities	50%	70%	90%
Bonds/Cash*	15%	23%	45%
Other/Alternatives	0%	7%	25%

\*Excluding cash needed for liquidity.

Assets may be invested in mutual funds meeting the guidelines defined in this section.

#### IV. INVESTMENT MANAGER

An Investment Manager, if selected, shall manage assets according to the representations made to the Church at the time of selection and according to a written agreement between the Church and the Investment Manager. Any **significant deviation from the manager's policies or style will require notice to the Church and written approval from the Church.**

Communication by the Investment Manager to the Church must include monthly written statements, regular meetings on a schedule determined by the Church, and written notice of any material change in firm ownership, organizational structure, financial condition, senior staffing and management, and assets under management.

#### V. SPENDING (PAYOUT) POLICY

The payout from the Legacy Fund for the next fiscal year's operating budget will be considered annually at the time of the Board's **review of the annual budget and**, unless the provisions of Article VII, Section 3 of the By-Laws are implemented, shall not be greater than 7%. The calculation of this payout will be based on a 12-quarter trailing **average of the Legacy Funds' market value** (with the 12th quarter ending on December 31st of the year prior to the church fiscal year in which the funds will be used. The recommended target rate of payout for support of operations annually is 4%.

#### VI. PROXY VOTING

The Board may implement a proxy voting policy whereby the proxies issued by companies in which the Church holds a security position will be voted according to guidelines consistent with UU principles.

Policy Reviewed by: First Universalist Finance Committee, 2/12/24

Policy Approved by: Board of Trustees, 3/21/24

# First Universalist Church of Minneapolis

## Balance Sheet

	Actual As of <u>01/31/2024</u>
<b>Assets</b>	
<b>Current Assets</b>	
Cash	\$121,381.94
Investments	\$3,193,718.83
Other Current Assets	\$9,721.76
<b>Total Current Assets</b>	<u><b>\$3,324,822.53</b></u>
<b>Non-Current Assets</b>	
Fixed Assets	\$5,676,570.35
<b>Total Non- Current Assets</b>	<u><b>\$5,676,570.35</b></u>
<b>Total Assets</b>	<u><u><b>\$9,001,392.88</b></u></u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$108,698.15
Benefits Payable	\$28,579.83
Other Current Liabilities	\$16,375.85
<b>Total Current Liabilities</b>	<u><b>\$153,653.83</b></u>
<b>Long Term Liabilities</b>	
Loan Payable	\$1,493,795.47
Interfund Transfer	\$0.00
<b>Total Long Term Liabilities</b>	<u><b>\$1,493,795.47</b></u>
<b>Total Liabilities</b>	<u><b>\$1,647,449.30</b></u>
<b>Fund Balance</b>	
<b>Unrestricted Net Assets</b>	<b>\$4,175,710.29</b>
<b>Donor Restricted Net Assets</b>	<b>\$3,178,233.29</b>
<b>Total Fund Balance</b>	<u><b>\$7,353,943.58</b></u>
<b>Total Liabilities and Fund Balance</b>	<u><u><b>\$9,001,392.88</b></u></u>

# First Universalist Church of Minneapolis

## Income Statement

### Operating Budget

	Actual 07/01/2023 to 01/31/2024	Budget 07/01/2023 to 01/31/2024	Variance	Annual Budget 07/01/2023 to 06/30/2024
<b>Revenues</b>				
<b>Support</b>				
Annual Giving	\$740,300.06	\$648,340.31	\$91,959.75	\$1,049,750.00
Donations/Fundraising	\$152,270.37	\$179,961.54	(\$27,691.17)	\$293,750.00
<b>Total Support</b>	<b>\$892,570.43</b>	<b>\$828,301.85</b>	<b>\$64,268.58</b>	<b>\$1,343,500.00</b>
<b>Earned Revenue</b>				
Service/Rental Income	\$50,028.77	\$60,083.27	(\$10,054.50)	\$103,000.00
Investment Income	\$3.31	\$0.00	\$3.31	\$0.00
Other Income	\$876.30	\$6,416.65	(\$5,540.35)	\$11,000.00
<b>Total Earned Revenue</b>	<b>\$50,908.38</b>	<b>\$66,499.92</b>	<b>(\$15,591.54)</b>	<b>\$114,000.00</b>
<b>Total Revenues</b>	<b>\$943,478.81</b>	<b>\$894,801.77</b>	<b>\$48,677.04</b>	<b>\$1,457,500.00</b>
<b>Expenses</b>				
Personnel Expenses	\$687,572.12	\$707,797.35	\$20,225.23	\$1,205,464.00
Administrative Expenses	\$103,792.08	\$85,108.11	(\$18,683.97)	\$145,900.00
Program Expenses	\$45,637.04	\$46,666.43	\$1,029.39	\$80,000.00
Building & Grounds	\$72,749.61	\$66,352.73	(\$6,396.88)	\$116,800.00
Other Expenses	\$24,614.36	\$5,541.61	(\$19,072.75)	\$9,500.00
<b>Total Expenses</b>	<b>\$934,365.21</b>	<b>\$911,466.23</b>	<b>(\$22,898.98)</b>	<b>\$1,557,664.00</b>
<b>Investment Activity</b>				
Realized Losses	(\$148.23)	\$0.00	(\$148.23)	\$0.00
Unrealized Losses	(\$2,845.50)	\$0.00	(\$2,845.50)	\$0.00
Dividends & Interest	\$1,079.49	\$0.00	\$1,079.49	\$0.00
Realized Gains	\$63.89	\$0.00	\$63.89	\$0.00
Unrealized Gains	\$5,280.23	\$0.00	\$5,280.23	\$0.00

# First Universalist Church of Minneapolis

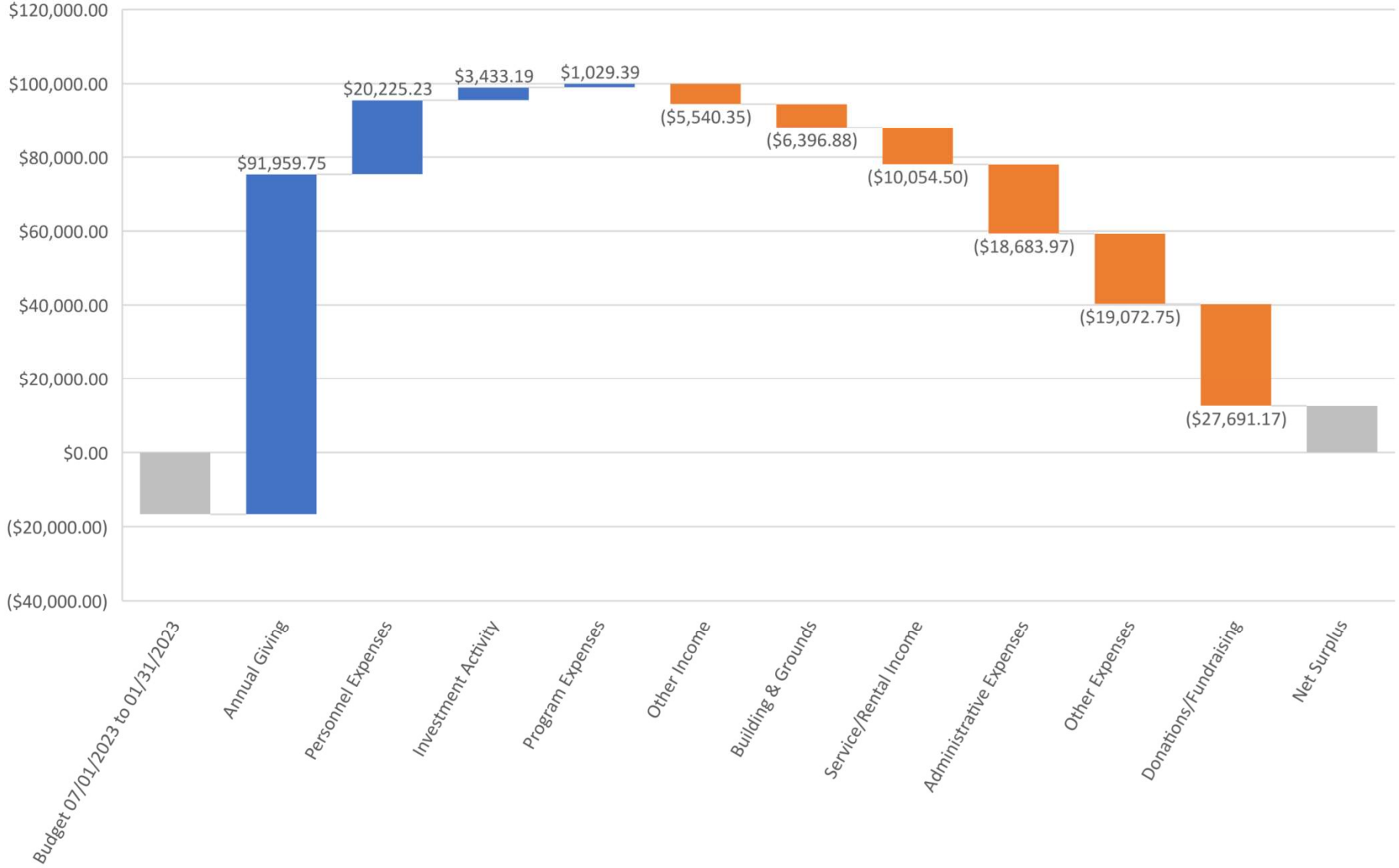
## Income Statement

### Operating Budget

	Actual 07/01/2023 to 01/31/2024	Budget 07/01/2023 to 01/31/2024	Variance	Annual Budget 07/01/2023 to 06/30/2024
<b>Total Investment Activity</b>	<u>\$3,429.88</u>	<u>\$0.00</u>	<u>\$3,429.88</u>	<u>\$0.00</u>
 <b>NET SURPLUS/(DEFICIT)</b>	 <u>\$12,543.48</u>	 <u>(\$16,664.46)</u>	 <u>\$29,207.94</u>	 <u>(\$100,164.00)</u>

### 2023-2024 Year to Date Net Income Actual vs Budget

■ Increase   
 ■ Decrease   
 ■ Total



# First Universalist Church of Minneapolis

## Income Statement

### Building & Capital Reserve Budget

	Actual 07/01/2023 to 01/31/2024	Budget 07/01/2023 to 01/31/2024	Variance	Annual Budget 07/01/2023 to 06/30/2024
<b>Revenues</b>				
<b>Support</b>				
Donations/Fundraising	\$13,355.00	\$90,708.31	(\$77,353.31)	\$155,500.00
<b>Total Support</b>	<b>\$13,355.00</b>	<b>\$90,708.31</b>	<b>(\$77,353.31)</b>	<b>\$155,500.00</b>
<b>Total Revenues</b>	<b>\$13,355.00</b>	<b>\$90,708.31</b>	<b>(\$77,353.31)</b>	<b>\$155,500.00</b>
<b>Expenses</b>				
Administrative Expenses	\$3.40	\$0.00	(\$3.40)	\$0.00
Building & Grounds	\$111,822.41	\$90,708.22	(\$21,114.19)	\$155,500.00
<b>Total Expenses</b>	<b>\$111,825.81</b>	<b>\$90,708.22</b>	<b>(\$21,117.59)</b>	<b>\$155,500.00</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(\$98,470.81)</b>	<b>\$0.09</b>	<b>(\$98,470.90)</b>	<b>\$0.00</b>