1. **Statement of Purpose: Endowment Fund**
    a. This statement of purpose is adopted by the Board of Trustees to provide guidelines for the management and uses of the Endowment Funds entrusted to this church.
    b. The Endowment Fund shall be used to assist in the financial support of the Church and help provide for its mission and outreach to the community, nation and world.
    c. This policy will help to establish the investment goals and objectives for all present assets and any future assets accepted by the Board of Trustees for inclusion in the Endowment Funds.
    d. This policy will establish guidelines for the Board of Trustees and investment manager(s) regarding the risk profile, asset allocation and oversite of The Endowment Funds.
    e. This document will establish criteria for the use of the Endowment Funds for the annual operating expenses, special projects and other uses as recommended and approved by the Board of Trustees.

2. **Definitions and Terminology**
    a. **Endowment Fund:** total assets including restricted funds, unrestricted funds and Parsonage Funds which have been gifted, and accepted by the Board of Trustees to be an asset of the Endowment Fund.
    b. **Restricted funds:** those assets the donor has gifted for a specific purpose or use. If accepted by the Board of Trustee, these funds may have legal directives for the use of income, dividends or principal.
    c. **Unrestricted funds:** those assets the donor has gifted with no restrictions placed on the use of the assets. The Board of Trustees can use these funds within criteria established by the Board of Trustees for use in the operating budget and/or special projects.
    d. **Parsonage Fund (Board Designated):** Funds held within the Endowment Fund which are available for a home loan for our pastor. This home loan should be at a competitive interest rate established by the Board of Trustees. The Parsonage Fund was established by the Board of Trustees action by setting aside assets totaling $151,000 (effective 5/31/2015) and accounting for these assets either by investment in a separate account or by applying a percentage of the total fund for accounting purposes for income and growth assignment.
    e. **Income:** the interest and dividends generated by the investments within the Endowment Fund and/or the interest being repaid to the investment account from our pastor's (borrower's) repayment of the Parsonage Fund Loan.
    f. **Capital Appreciation (Depreciation):** The increase (or decrease) of the fund value (capital gains or losses) of the Endowment Fund. The gains (or losses) shall be apportioned in the same proportion as the fund values in a blended account.
    g. **Investment Expenses:** These expenses shall include the sum of investment management fees, buy or sell commissions and other professional investment transaction fees or management fees which are charged to the Endowment Fund for professional services.
    h. **Total Return:** is the yearly percentage return on investments calculated from the sum of interest, dividends and capital gains or losses of assets after paying all investment expenses.

3. **Endowment Fund Investment Guidelines**
    a. Total return (Income and capital gains/losses) objectives: desired range is an average of 9% growth annually with preservation of principal desired.
    b. Balance of asset classes: prudent combination of cash, fixed income, and investment securities.

c. Generate income and stock appreciation: long term goal of reasonable income and securities appreciation to allow for utilization in the operating budget and growth of Endowment Funds.
d. Socially conscious investments: the consideration of investment areas or categories which are to be avoided, when feasible. Such categories may include tobacco products, alcohol products, defense stocks and fossil fuel based securities.
e. Portfolio Asset Allocation Guidelines: **See Table 1**

Table 1: Portfolio Asset Allocation Guidelines			
Asset Class	**Minimum**	**Maximum**	**Preferred**
Equities	**40%**	**70%**	**65%**
Fixed Income	**25%**	**55%**	**30%**
Cash and Equivalents	**Balance**	**Balance**	**Balance**

4. Spending Policy

a. Determination of following year spending from Unrestricted Endowment Funds.
   i. The portion of the unrestricted Endowment Funds to be used for the calculation of the allowable spending amount shall be the average of the unrestricted Endowment Fund year-end balance for the three prior years and the balance on October 31 for the current year.
   ii. The allowable spending amount to be used for the operating budget in the following year is to be in the 3 to 5% range of the average calculated above (¶4.a.i).
   iii. The income from the Parsonage Fund can only be used by a special vote of the Board of Trustees on a yearly basis.
   iv. The use of capital gains of the Parsonage Fund can only be used by a special vote of the Board of Trustees on a yearly basis.

b. Determination of following year's spending from Parsonage Endowment funds
   i. The Parsonage Fund is the source of funds for a loan to our pastor for a home purchase. The terms and interest rate are to be negotiated by the Board of Trustees or its representative.
   ii. The Board of Trustees may by a special vote of the Board of Trustees on a yearly basis use the Parsonage Fund to offset the portion of the pastor's compensation designated as "housing allowance." This amount may not exceed 5% of the previous year's Parsonage Fund balance.
   iii. Except as stated in i. and ii., above, the accrual of gains/losses and the principal of the Parsonage Fund assets shall not be used for operating expenses or special projects except by special vote of the Board of Trustees.

5. Definition of Gifts

a. Cash and/or financial gifts: gifts of cash, securities and like instruments shall be converted to cash when necessary as quickly as possible prior to incorporation into the Endowment Fund. The terms of the gift shall dictate to which portion of the Endowment Fund the gift shall be added.
b. Non-cash gifts: real estate, material objects and similar items shall be converted to cash as quickly as possible and added to the appropriate Endowment Fund segment. It is the responsibility of the donor to determine the value of the non-cash gift by appraisal.

6. Receipt of and Acceptance of Gifts

a. Subject to approval: all gifts (excluding memorial gifts) to the church and congregation are subject to approval and acceptance by the Board of Trustees.

b. Reserve the right to refuse gifts: the Board of Trustees reserves the right to refuse gifts for various reasons such as the terms of the gift or other aspects which may impose or limit the usefulness of the gift for the church and/or congregation.

c. Refer to the Policy for Memorial and Testamentary Gifts made to the Second Congregational Church UCC of Bennington established by the Board of Trustees.

7. Responsibilities

a. The Administrative Council is responsible for the oversight of the Board of Trustees.

b. The Board of Trustees is responsible for the oversight of the Endowment Funds and acceptance of gifts to the church.

c. The Endowment Committee will be composed of 3 to 4 members of the Board of Trustees, are responsible to the Board of Trustees for the periodic reporting to the Trustees, engagement with the financial manager(s) and monitors the adherence to the endowment policy by the financial manager(s).

d. Seeking growth of the Endowment Fund through gifts will be the responsibility of a separate committee established by the Board of Trustees.

e. The Financial service provider (s) [Financial manager] is appointed by the Board of Trustees, provides periodic updates on the Endowment Fund performance and conducts changes to the holdings of the endowment in accordance with the guidelines provided by the Endowment Fund policy and the economic and financial environment of the times.

8. Reporting of Endowment Funds

a. Quarterly summaries by financial manager shall be developed in concert with the endowment committee for reporting to the Board of Trustees.

b. An annual report summary for annual meeting shall be provided to include a summary of the prior year's activity and performance of the Endowment Funds by the financial manager(s) and the endowment committee.

9. Conflict of Interest

a. Those responsible for the management of Endowment Funds or for direction of disbursements from those funds must assure that there is no possibility of a conflict of interest, such that those parties might receive direct or indirect benefit from investment vehicles, commissions, the fashion in which funds are spent.

10. Merger or Dissolution of the Congregation

a. In the event the Second Congregational Church UCC of Bennington should merge with another congregation, the Endowment Funds shall pass to the new merged church.

b. In the event the Second Congregational Church UCC of Bennington ceases to exist through dissolution, to the extent permitted by law, the Vermont Conference of the United Church of Christ shall become trustee of the Endowment Fund to hold and use for the benefit of other UCC churches in the Conference.

...Adopted by the Board of Trustees on August 18, 2015
...Revised and Approved by the Board of Trustees (11.13.2025) and Admin Council (11.16.2025)