



FIRST UNITARIAN UNIVERSALIST SOCIETY IN NEWTON

FUUSN Issuance 2018-27

Policy Information

From: Catherine Morocco
Chair, Board of Trustees

Date: May 16, 2018

Subject: **FUUSN Board of Trustees Endowment Loan Policy**

Purpose: To define an endowment loan policy for the Board of Trustees of the First Unitarian Universalist Society in Newton.

Background: A loan from the endowment was included in the budget for Fiscal Year 2017 but was not drawn on. This did, however, draw attention to the fact that the Society has no clear policy governing loans from the endowment. As part of the revisions to the Society's financial policies, the Board of Investment and the Financial Oversight Committee have proposed a policy to govern future endowment loans as follows.

It was adopted by the Board of Trustees at its meeting held on December 12, 2017.

Policy: Any loans from the endowment for operations, capital expenditure or any other purpose shall be subject to the Endowment Loan Policy approved by the Board of Trustees. Any funds borrowed from the endowment must be authorized by a formal motion of the Board of Trustees. The motion must explain the purpose of the loan.

Any funds withdrawn from the endowment to cover an operating budget deficit, or for any reason other than a withdrawal authorized by the Endowment Spending Policy, shall be considered a loan from the endowment and shall be subject to this policy.

At least 20% of the original amount of each loan must be repaid each year. No interest is to be paid on loans.

No loan may be authorized that would cause the total amount of loans outstanding at the time to exceed 5% of the total market value of the unrestricted endowment fund.

The Board of Investment shall report to the Congregation at the Annual General Meeting of the amount, terms and purpose of any borrowing, whether new or pre-existing.