



Endowment Fund Grant Process

Basic Principles

As specified in the Fellowship Bylaws (Article XVI) available Endowment Fund income (defined by the Endowment Fund Committee (EFC) as accrued gains above capital corpus) shall be used to “enhance the mission” of the Fellowship, “apart from the general operating budget”. The Bylaws also state that “Programs for support shall be recommended by the EFC and approved by the Board of Trustees (BoT) for funding. Suggestions or requests for funding are due by November 1 of each year.”

The purpose of this present document is to describe the process by which the latter operations should occur. This document is intended as a guideline; depending on specific circumstances, the EFC and BoT may need to deviate from it, but in all cases are entrusted to act in covenant with the Bylaws and generally accepted practices for responsible stewardship of the Endowment Fund.

In particular, the timeline presented herein has been designed to find an appropriate balance between that covenant and the real-world constraints within which the Fellowship’s Committees operate.

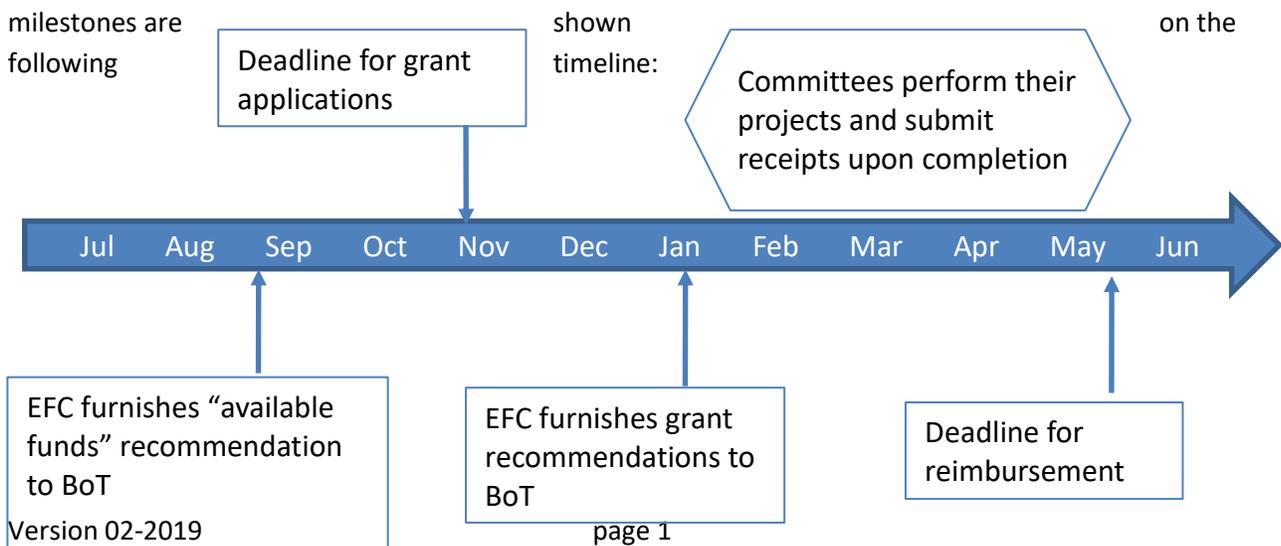
With respect to “available funds”, one real-world constraint is that the Endowment Fund is subject to unpredictable market fluctuations. The balance available for expenditure may, in certain extraordinary circumstances, change dramatically during the grant funding process, and in particular, between the granting approval and actual disbursement. In extreme situations, moneys deemed “available” may in fact no longer be available, which should lead to a reconsideration of grant amounts.

Endowment Grant Timeline

The only date specified in the Bylaws is the target of requests for funding by November 1.

In order to facilitate EFC accounting, the EFC recommends that grants be limited to a single Fellowship Fiscal Year, that is, to be used by June 30. (See below for discussion of special cases.)

The major milestones are following





Detailed Process Description

1. Each year by September at the latest, the Endowment Fund Committee (EFC) informs the Board of Trustees (BoT) of the amount of available funds for granting from the Endowment Fund accrued income. Common practice is to withhold in reserve sufficient margin to protect against market fluctuations that would deplete the Endowment Fund below its capital corpus level.
2. Committees may apply for grants until November 1, unless otherwise specified by the EFC. A grant application form is available from the Fellowship Office. In urgent situations, the BoT may request an emergency grant which the EFC may approve without waiting to complete the remainder of the review process.
3. Grant applications for major capital expenses or facilities improvements should follow de facto procurement best practices when possible. Any single expenditure for more than 50% of the available grant funds is encouraged to obtain at least 2, and preferably 3, independent cost estimates to accompany the grant application.
4. The EFC will seek clarification and additional information as necessary during the months of November and December. In addition, if the total of all grant applications is significantly below the available funds, the EFC may follow up with Committees to elicit additional applications.
5. The EFC will review the applications which are received, prioritize them, and furnish recommendations to the BoT in January for BoT approval. BoT approval will be communicated to the relevant Committees and the Bookkeeper.
6. Once expenditures have been approved, Committees are authorized to engage their projects.
7. Upon completion of their expenditures, Committees will submit final receipts for reimbursement from the Endowment Fund. The Bookkeeper and the BoT may generate the request directly from the UUA Fund manager in Boston or from local sources when portions of the Endowment Fund have been deposited locally. The Bookkeeper and BoT shall inform the EFC of these transactions.

Notes:

- a) No withdrawals from the Endowment Fund may be performed without prior explicit agreement from the EFC.
- b) Except as otherwise preauthorized by the BoT and EFC, all grants shall expire at the end of the ongoing Fellowship fiscal year, i.e. June 30.
- c) The requesting Committee and the BoT are jointly responsible for overseeing the successful achievement of the purchase and/or project for which grant money is allocated. The EFC will not be involved in management of the operation. The EFC recommends that the Coordinating Council act as the oversight body, especially in cases where no progress is made within reasonable timeframes from grant approval.



- d) All receipts for expenditures shall follow normal Fellowship practices. In addition, the EFC requests that they receive receipts for expenditures for which grants have been approved before withdrawals are performed.
- e) The EFC recommends that in cases where moneys must be advanced, such as for deposits or retainers, that those funds be taken from the General Fund and reimbursed from the Endowment Fund upon completion of the works.
- f) To facilitate Endowment Fund accounting and not interfere with succeeding year grant review, all requests for withdrawal from the UUA fund should be initiated early enough before May 31 for the UUA to process the withdrawal in June.
- g) Special Cases such as multi-year projects or unavoidable delays in completion of approved projects beyond June 30: The BoT and the EFC shall decide on a case-by-case basis how to handle such projects.