

Endowment Committee report for 2018

As reported previously, in 2014 the Pennsylvania Southeast Conference (PSEC) Endowment Committee was asked to review the current endowment investments and policy to determine if changes are necessary to better manage the funds. The Committee consulted with PSEC auditors and legal counsel and produced a number of recommendations which were subsequently approved.

In this most recent year the Endowment Committee has worked to continue to implement these recommendations. In particular, the following is an update on the status of the Committee's work:

- 1. Determine which of the funds are subject to the Act 141 all-inclusive procedure.** *(Completed)* Each fund was reviewed and a determination made as to the applicability of Act 141 (allowing the use of a fixed percentage drawdown)
- 2. Establish a category of temporary restricted and consistory designated funds and transfer all unrestricted funds to this new designation.** *(Completed)* Categories of funds were reviewed to assure that existing funds were being handled consistently with donor wishes.
- 3. Establish new criteria for use of and method of using these new fund designations.** *(Completed)* Six categories of funds were established to coordinate major purposes of these funds.
- 4. Determine if the remaining sub-funds can be combined in the various general categories to ease the administration requirements.** *(Completed)* Subfunds were organized into the six categories.
- 5. Review donor restrictions and if possible, ask donors to remove these restrictions. If the funds are small enough, make the consolidations even without donor approval, so long as the general categories are respected.** *(Completed)* There are some older funds that are donor restricted. The Committee has determined that for the most part these can be waived. In one case, it is likely that court approval would be necessary, so the committee is not recommending any action at the present time. That fund does generate interest and dividends that are applied to the purposes intended..
- 6. For the two funds that are older and have use restrictions that are currently impossible to implement, prepare petitions in Orphans Court to remove these restrictions or to replace them with purposes that are close enough to the original (cy pres).** *(Completed)* As reported last year, no further action is contemplated at this time.
- 7. Begin using a three year average of values to determine the appropriate amount to take each year under act 141.** *(Ongoing)* A three year average was instituted in 2014. Each year the committee re-evaluates the appropriate percentage. This year the average required a reduction in the amount taken to 5%.

8. **Develop a gift acceptance policy.** (*Completed*) The gift acceptance policy is complete. .

9. **If possible, consolidate Fund Managers to ease administration.** (*Ongoing*) This is an ongoing process. In 2018 the performance of the UCC funds was carefully analyzed and discussion with the manager was held. The performance of the fund was satisfactory.

10. **Consider ways to increase interest and dividends for those funds that are not subject to act 141.** (*Completed*) The investment manager of this fund was contacted and the yield has been increased

The Endowment Committee continues its work by meeting quarterly.

Last year the Endowment Committee began work on establishing a planned giving campaign. An initial meeting was held with a representative from the finance committee to coordinate efforts within the conference. However, because of existing plans to deal with other conference financial issues, it was decided to discontinue work until the conference work is completed..

Finally, in accordance with the direction of the UCC Polity, the Committee authorized the transfer of an additional 10% of the UCFunds investments into the XENERGY fund that excludes fossil fuel investments.