



# Second Unitarian Church of Omaha

## **Endowment Fund Committee (EFC) Implementation Procedures of Articles 13, 14, 15 of the Bylaws**

**Prepared by:** Endowment Fund Committee  
(Jan Afrank, Rod Baumann, Gene Kopecky and volunteer Darla Zink)

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## 1. Purpose and Intent

The purpose of this document is to implement Articles 13, 14, and 15 of the bylaws (Bylaws) of the Second Unitarian Church of Omaha (Church), a copy of which are attached hereto as Appendix A. Articles 13-15 of the Bylaws establish the Endowment Fund.

This document establishes detailed procedures, a project plan, and an annual schedule for the Endowment Fund Committee (EFC) to administer the Endowment Fund. The EFC shall be as defined in Article 14 of the Bylaws. Article 14.2 of the Bylaws provides for how the EFC members are elected, Article 14.3 provides for how nominations to the EFC are to be conducted, and Article 14.4 provides for how vacancies of the EFC are filled.

The intent of these procedures is to provide a consistent and standardized approach for the EFC to administer distributions from the Endowment Fund.<sup>1</sup>

## 2. Distribution Requirements

### A. Prohibited Distributions

- i. Except as authorized by subparagraph (ii) hereof, no Endowment Fund distributions shall be made:
  - a. To fund the annual operating budget or support services of the Church; and
  - b. Unless the fair market value of the Endowment Fund over the previous four (4) calendar quarters is greater than or equal to \$250,000.
- ii. Endowment Fund distributions may be made to fund the annual operating budget or support services of the Church if *all* the following conditions are met:
  - a. The Church is experiencing particular, temporary, difficult circumstances;
  - b. The Endowment Fund distribution does not violate any gift restriction as documented in Sections 2(B) or 3(C) below; *and*
  - c. The congregation approves the Endowment Fund distribution by a two-thirds (2/3) majority of the voting members of the Church present at a congregation meeting called to discuss such Endowment Fund distribution (for the particular, temporary, difficult circumstance of funding the annual operating budget or support services of the Church).

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<sup>1</sup> Per Article 11.1 of the Bylaws and Article IV.C.7. of the Standing Rules Committee and Board of Trustees of the Church.

## B. Authorized Distributions

- i. Endowment Fund distributions may be made for any of the following purposes:
  - a. Bylaws Article 15.3.a. Upkeep of the Church, including, but not limited to, maintenance of buildings, capital improvements or renovations, or debt reduction.
  - b. Bylaws Article 15.3.b. Outreach into the community, including, but not limited to, grants to Church camps and conferences, theological schools, local social service agencies or institutions to which the congregation relates, and to special programs designed for those persons in our community who are in spiritual or economic need.
  - c. Bylaws Article 15.3.c. Wider mission of Unitarian Universalism, including, but not limited to, stipends for ministerial interns in training with the Church or grants to the Unitarian Universalist Association for new church development, leadership training, community and educational ministries, world mission, or capital financing.
  - d. Bylaws Article 15.3.d. Scholarships or grants to members of the Church, or their dependents, for the purpose of attending college, graduate school, theological, nursing, or medical school or such other training which enables members of the congregation to grow in faith and service to Unitarian Universalism.
- ii. Members of the congregation may submit written requests for Endowment Fund distributions to the EFC for consideration in the form of Appendix B, Church Member Application for Endowment Fund Distributions. The EFC will recommend Endowment Fund distributions to the Board of Trustees.
- iii. The Board of Trustees shall select and authorize the Endowment Fund distributions. The Board of Trustees selected recipients shall be approved by a simple majority of the members present at the annual meeting of the congregation.

## 3. **Distribution Amount Calculations**

### A. \$250,000 Threshold, Calendar Quarter Calculation, and Frequency of Distributions

- i. Distributions from the Endowment Fund shall not be made unless the fair market value of the fund over the previous four (4) quarters is at least \$250,000.

- ii. The EFC acknowledges the fair market value of the Endowment Fund changes continuously. For purposes of calculating Endowment Fund distributions, the EFC shall orient to the reasonable, verifiable method of determining the fair market value of the Endowment Fund at the end of each calendar quarter.
- iii. To determine the fair market value of the Endowment Fund over the previous (4) calendar quarters for purposes of evaluating whether an Endowment Fund distribution is authorized, the EFC shall use the calculations set forth on the official statement from the investment firm(s) holding the Endowment Fund. If official statements are provided by the investment firm more frequently than quarterly, the EFC shall use the official statement at the end of each calendar quarter.
- iv. The EFC may evaluate whether Endowment Fund distributions are authorized at any time. If Endowment Fund distributions are authorized, there is technically no limit on the frequency of such distributions. To best convey their recommendations to the Board of Trustees, the EFC shall annually make Endowment Fund distribution recommendations pursuant to Section 4, Distribution Procedures and Schedule, set forth below unless there are exigent circumstances warranting a more frequent analysis.

B. Amount of the Distribution

- i. First and foremost, the EFC acknowledges the guardrails established by the Bylaws which is to only recommend Endowment Fund distributions of the *lesser of* (1) a portion of the net investment income earned by the then-existing principal of the Endowment Fund (including reinvestments); or (2) a portion of the fair market value of the Endowment Fund (comprised of the principal and net investment income on any Calculation Date). These guardrails clearly establish the intent of the drafters to preserve a substantial portion of the Endowment Fund for future use. For example, the first prong of the distribution test (the net investment income prong) requires reinvestment of 50% of the net investment income earned by the Endowment Fund while the second prong of the distribution test (the fair market value prong) requires 95% of the total fair market value of the Endowment Fund to be preserved. In developing its recommendations for the Board of Trustees, the EFC must comply with these well-defined guardrails set forth in the Bylaws for preservation of the Endowment Fund.
- ii. As of any Calculation Date, the amount of the Endowment Fund distribution shall be the *lesser of* the following:
  - a. Income Prong: 50% of the net investment income earned by the Endowment Fund over the previous four (4) calendar quarters; or
  - b. FMV Prong: 5% of the average fair market value of the Endowment Fund over the previous thirteen (13) calendar quarters.
- iii. The Endowment Fund distribution calculation is set forth in Appendix C.

- iv. Net investment income of the Endowment Fund shall mean dividends, interest or distributed capital gains of any investment assets (for example, mutual funds) held by the Endowment Fund. Net investment income shall be determined by the official recordkeeping of the Endowment Fund investment firm – represented by the account statements provided as part of investment account maintenance.
- v. Net investment income shall *not* include unrealized capital gains or losses of the Endowment Fund. The unrealized capital gains and losses of the Endowment Fund are included to calculate the FMV Prong.
- vi. Any net investment income not distributed in an Endowment Fund distribution shall be reinvested.
- vii. Neither the Income Prong nor the FMV Prong of the Endowment Fund calculation shall be modified as a result of an Endowment Fund distribution. After a distribution, the Calculation Date analysis considers the impact of the distribution on the fund by reflecting the lower fair market value (because of the distribution from the fund) and potentially lower income because of such lower fair market value.

C. Restricted and Unrestricted Funds

- i. Both restricted and unrestricted funds shall be included in the Endowment Fund distribution calculation pursuant to Section 3.
- ii. Upon computation of the amount of the Endowment Fund distribution pursuant to Section 3.B., the EFC shall evaluate and determine whether the distribution may be made from restricted funds or must be made from unrestricted funds. A distribution may be made from restricted funds if the distribution complies with the restrictions set forth in the gift. Gift restrictions are set forth in Appendix D Restricted Funds.
- iii. When the EFC provides the Endowment Fund distribution amount to the Board of Trustees for approval, the EFC shall designate to the Board of Trustees whether the distribution amount is recommended from restricted or unrestricted funds.

**4. Distribution Procedures and Schedule**

A. Distribution Procedures

- i. The EFC shall calculate the Endowment Fund distribution amount (including designation of such distribution amount from unrestricted and/or restricted funds) pursuant to Section 3, Distribution Amount Calculations, above no less frequently (may be more frequently) than annually.
- ii. The Board of Trustees alone has the authority to approve the amount of the Endowment Fund distribution and whether such distribution shall be made from unrestricted and/or restricted funds. The Board of Trustees may be assisted by the

EFC's recommendation, but the Board of Trustees shall not be obligated to follow the EFC's recommendation.

- iii. Once the Endowment Fund distribution amount (including designation of such distribution amount from unrestricted and/or restricted funds) is determined as of any given Calculation Date and approved by the Board of Trustees, the distribution amount shall *not* be required to be changed or recalculated even if there are changes in the net investment income or fair market value of the Endowment Fund.
  - a. Nothing herein shall prohibit the EFC from recommending an additional distribution amount from the Endowment Fund so long as any separate distribution amount meets the requirements of these Procedures and is approved by the Board of Trustees.
  - b. If the fair market value of the Endowment Fund decreases after the Calculation Date, the distribution amount approved by the Board of Trustees may nonetheless be distributed.
  - c. Nothing herein prohibits the Board of Trustees from modifying the distribution amount for market changes (increases or decreases) occurring after the Calculation Date.
- iv. After approval of the recipient(s) of an Endowment Fund distribution by the Board of Trustees (whether such recipient(s) were identified by virtue of a congregational application or otherwise by the Endowment Fund Committee), a simple majority of the congregation present at the annual meeting (or a congregation meeting called to discuss such Endowment Fund distribution) shall approve recipients of such distributions.

#### B. Schedule

An outline of the schedule of implementation for the Endowment Fund distributions is as follows:

By January 31            EFC performs the Endowment Fund distribution calculation set forth in Appendix C to determine the distribution amount.

EFC advises the Board of Trustees of the distribution amount from the Endowment Fund, including if the distribution amount is zero.

Quarterly reporting to the Board of Trustees on the financial records of the Endowment Fund (end of December calendar quarter). EFC continues to track net investment income and fair market value of the Endowment Fund each calendar quarter.

February                Board of Trustees approves the Endowment Fund distribution.

March	EFC advises the congregation of (1) the distribution amount; and (2) procedures for the congregation to make application to the EFC for uses for the distribution amount. The procedures published to the congregation shall include the prohibited and authorized distributions for Endowment Funds and a deadline for response.
April	EFC reviews congregation applications in the form of Appendix B for Endowment Fund distribution amounts.  Quarterly reporting to the Board of Trustees on the financial records of the Endowment Fund (end of March calendar quarter). EFC continues to track net investment income and fair market value of the Endowment Fund each calendar quarter.
May	EFC recommends use of Endowment Fund distribution amount to the Finance Coordinating Council and the Board of Trustees.  Board of Trustees authorizes the Endowment Fund distribution in amount and purpose.
June	Simple majority of the voting members of the congregation present at the annual meeting approve the Board of Trustees' Endowment Fund distribution uses.  In written minutes, the Board of Trustees authorizes EFC to take all actions necessary to implement the Endowment Fund distribution for the approved uses.
July	Quarterly reporting to the Board of Trustees on the financial records of the Endowment Fund (end of June calendar quarter). EFC continues to track net investment income and fair market value of the Endowment Fund each calendar quarter.  As required, EFC conducts Audit.  Report EFC distribution, if any, in the Church's annual report.
October	Quarterly reporting to the Board of Trustees on the financial records of the Endowment Fund (end of September calendar quarter). EFC continues to track net investment income and fair market value of the Endowment Fund each calendar quarter.
December	On an ad hoc basis or at the request of the Board of Trustees or the congregation, the EFC may evaluate out-of-cycle Endowment Fund distribution requests.

January  
(subsequent year)      Begin Endowment Fund distribution calculation process again (see above).

Quarterly reporting to the Board of Trustees on the financial records of the Endowment Fund (end of December calendar quarter). EFC continues to track net investment income and fair market value of the Endowment Fund each calendar quarter.

[SCHEDULE CONTINUES PER ABOVE]

## 5. Powers and Duties

### A. Audit, Recordkeeping and Reporting

- i. Audit means the biannual audit performed by a certified public accountant or other appropriate person who is *not* a member of the EFC as set forth in Article 14.8 of the Bylaws.
- ii. Beginning in the fiscal year<sup>2</sup> following the first fiscal year of distributions from the Endowment Fund (expected to be FY ending June 30, 2022), the Endowment Fund's first biannual Audit shall be conducted. The cost of the Audit, if any, shall be paid from the funds of the Endowment Fund. The first Audit is expected to be conducted for the period July 1, 2021 through June 30, 2023.
- iii. Beginning in the fiscal year following the first fiscal year of distributions from the Endowment Fund (expected to be FY ending June 30, 2022), the EFC shall report the financial records of the Endowment Fund to the Board of Trustees no less frequently than calendar quarterly (may be more frequently).
- iv. Following an Audit, the EFC shall render a full and complete audited account of the administration of the Endowment Fund during the previous two years to (1) the Board of Trustees; and (2) to the congregation at the annual congregational meeting. In years where an Audit is *not* performed, the EFC is only required to render a full and complete account of the administration of the Endowment Fund during the previous one year.
- v. The EFC shall keep a permanent record of the terms and restrictions of all gifts made to the Endowment Fund.
- vi. The EFC shall account for the Endowment Fund according to generally accepted accounting principles applicable to the Church.
- vii. All assets of the Endowment Fund shall be held in the name of the Church.

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<sup>2</sup> The fiscal year of Second Unitarian Church of Omaha is July 1 to June 30.



## B. Advisory Members

- i. Advisory Members of the EFC means investment advisors or legal advisors as authorized by Article 14.9 of the Bylaws.
- ii. If the EFC deems it to be in the best interest of the Endowment Fund, the EFC may hire Advisory Members for (1) financial counseling on investment; or (2) legal matters. Advisory Members shall be paid from the funds of the Endowment Fund.

## 6. **Liability and Conflict of Interest Statement**

### A. Liability

- i. The Board of Trustees shall have sole authority to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects, manage and control the assets of the Endowment Fund, including stocks, bonds, debentures, mortgages, notes, or any other security. The Board of Trustees shall exercise such authority by applying judgment and discretion as they deem prudent and in accordance with the religious values of the congregation.
- ii. For financial transactions set forth in Section 6, subparagraph (A)(i), the EFC may:
  - a. make recommendations to the Board of Trustees (applying the same standard applicable to the Board of Trustees); and
  - b. take all actions necessary to execute any financial transaction approved by the Board of Trustees.
- iii. Members of the EFC shall not be liable for any loss that may be incurred upon the investment of the assets of the Endowment Fund except to the extent that such loss shall have been caused by bad faith or gross negligence. No member shall be personally liable if they act in good faith and with ordinary prudence. Each member shall be liable only for their own willful misconduct or omissions and shall not be liable for the acts or omission of any other member. No member shall engage in any self-dealing or transactions with the Endowment Fund in which the member has a direct or indirect financial interest and shall always refrain from any conduct in which their personal interests would conflict with the interest of the Endowment Fund.

B. Financial Conflict of Interest Statement

- i. A Financial Conflict of Interest (COI) Statement shall be the statement required by Article 14.2 of the Bylaws.
- ii. Each fiscal year, the Secretary of the Board of Trustees shall collect a COI Statement in the form of Appendix E from the following individuals: (1) the minister; (2) the Chair of the Board of Trustees; (3) all members of the Finance Committee that serve as Advisory Members of the EFC; and (4) all members of the EFC.

Approved by the Board of Trustees  
October 13, 2021

**APPENDIX A**  
**ARTICLES 13, 14 AND 15 OF THE BYLAWS**

## APPENDIX A - Excerpt of Articles 13, 14 and 15 of the Bylaws

at least one of whom is a Board member, as the Board chooses. The Board shall review all audits.

### Section 12.5. Bonding.

The Treasurer shall be bonded in sufficient amount to cover all negotiable assets as determined by the Board of Trustees.

### Section 12.6. Protection of Non-Profit Status.

Neither the Board of Trustees nor any officer or employee of the Church shall take any action or allow any activity or use of church property which shall jeopardize the tax-exempt status of the Church or its property. Nothing in these Bylaws shall be construed to allow a violation of this section.

### Section 12.7. Insurance.

The buildings and contents owned by the Church shall be adequately insured and the Church shall carry liability and other forms of insurance in amounts and with such carriers as determined by policy of the Board of Trustees.

## **Article 13 The Second Unitarian Church of Omaha Endowment Fund**

### Section 13.1. Name.

The Church shall establish and maintain a fund known as The Second Unitarian Church of Omaha Endowment Fund, hereafter called the "Endowment Fund."

### Section 13.2. Purpose.

The purpose of the Endowment Fund (1) to enhance the mission of Second Unitarian Church of Omaha and (2) to promote Unitarian Universalist Principles in the Community. No distributions from the fund will be made until it surpasses \$250,000.

## **Article 14. The Endowment Fund Committee (EFC)**

### Section 14.1. Custodian.

Endowment Fund Committee (hereinafter called the "EFC") shall be the custodian of the Second Unitarian Church of Omaha Endowment Fund.

### Section 14.2. EFC Membership.

The Endowment Fund Committee shall consist of three (3) members, all of whom shall be voting Members of the Second Unitarian Church of Omaha for a minimum of one (1) year prior to the start of their term on the committee. One member will be elected each year at the Annual Meeting. The term of each member shall be three (3) years. No member of the EFC shall serve more than two (2) consecutive three (3) year terms. After a lapse of one (1) year, former EFC members may be re-elected. The Minister, the Chair of the Board of Trustees, and a representative from the Finance Committee shall be advisory, nonvoting members of the EFC. All members will complete a financial conflict of interest (COI) statement each year to file with the board secretary.

### Section 14.3. Nominations.

The Nominations and Leadership Development Committee shall nominate new members for the EFC.

Section 14.4. Vacancies.

In the event of a vacancy on the EFC, the Board of Trustees shall appoint a qualified member of the Congregation to fill the vacancy until the next annual meeting, at which time the Congregation shall elect a member to fulfill the term of the vacancy.

Section 14.5. Meetings.

The EFC shall meet at least quarterly, or more frequently as deemed by it in the best interest of the Endowment Fund. A quorum shall consist of three (3) members. A majority present and voting shall carry any motion or resolution.

Section 14.8. Audit.

Starting the year following the first year when distributions can be made from the Endowment Fund, the financial records of the Endowment Fund shall be audited biannually by a certified public accountant or other appropriate person who is not a member of the EFC. Costs of the audit shall be paid from the proceeds of the Endowment Fund, independent of the normal distribution requirements. The EFC shall report on a quarterly basis to the Board of Trustees and, at each annual meeting of the Congregation following each audit, shall render a full and complete audited account of the administration of the Endowment Fund during the previous two years. In years when an audit is not performed, the Committee shall report a full and complete account of the administration of the fund during the previous year at the annual congregational meeting.

Section 14.9. Advisory Members.

The EFC may request other persons vetted by the EFC, serve as advisory members and, at the expense of the Endowment Fund, independent of the normal distribution requirements, may provide for such financial counseling on investment or legal matters as it deems to be in the best interest of the Endowment Fund.

Section 14.10. Liabilities.

Members of the EFC shall not be liable for any loss that may be incurred upon the investment of the assets of the Endowment Fund except to the extent that such loss shall have been caused by bad faith or gross negligence. No member shall be personally liable as long as she or he acts in good faith and with ordinary prudence. Each member shall be liable only for his/her own willful misconduct or omissions and shall not be liable for the acts or omissions of any other member. No member shall engage in any self-dealing or transactions with the Endowment Fund in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which her or his personal interests would conflict with the interest of the Endowment Fund.

Section 14.11. Assets.

All assets are to be held in the name of the Second Unitarian Church of Omaha

## Endowment Fund.

### Section 14.12. Financial Recommendations to Board.

Recommendations to hold, sell, exchange, rent, lease, transfer, convert, invest, reinvest, and in all other respects to manage and control the assets of the Endowment Fund, including stocks, bonds, debentures, mortgages, notes, or other securities, as in their judgment and discretion they deem wise, prudent and in accordance with the religious values of the congregation, are to be made by the EFC for approval by the Board of Trustees, with subsequent execution by the EFC.

## **Article 15. Distributions From The Endowment Fund**

### Section 15.1. Gift and Accounting Records.

The EFC shall abide by and keep a record of the terms and restrictions of all gifts to the Endowment Fund and shall determine the principal and income of the Endowment Fund according to accepted accounting procedures.

### Section 15.2 Restriction on Use for Operating Budget

No portion of distributions from the Endowment Fund shall be used for the annual operating budget or support services of the Congregation except only in particular, temporary, difficult circumstances, where integrity of gift restrictions permit, and with the approval by a two-thirds (2/3) majority of the voting Members present at a congregational meeting.

### Section 15.3. Distribution Requirements.

Distributions from the Endowment Fund shall not be made unless the fair market value of the fund over the previous four (4) quarters is at least \$250,000. Upon meeting this condition, distributions may be made from the Endowment Fund annually and at other such times as deemed necessary and/or feasible, with the total annual distributed amount not to exceed 50% of the interest earned by the Endowment Fund over the previous four (4) quarters, or not to exceed 5% of the average fair market value of the Endowment Fund over the previous thirteen (13) quarters, whichever is least, to accomplish the following purposes, with the remaining interest being added to the principal through re-investment:

15.3.a. Upkeep of the physical plant of Second Unitarian Church, such as but not limited to maintenance of buildings, capital improvements or renovations, or debt reduction;

15.3.b. Outreach into the community, including, but not limited to, grants to UU camps and conferences, theological schools, local social service agencies or institutions to which this congregation relates, and to special programs designed for those persons in our community who are in spiritual or economic need;

15.3.c. Wider mission of Unitarian Universalism, including, but not limited to, stipends for Ministerial Interns in training with Second Unitarian Church, or grants to the Unitarian Universalist Association for new church development, leadership training, community and educational ministries, world mission, or capital financing;

15.3.d. Scholarships or grants to members of the Second Unitarian Church, or their dependents, for the purpose of attending college, graduate school, theological, nursing, or medical school; or other such training which enables members of this Congregation to grow in faith and service to Unitarian Universalism.

**Section 15.4. Congregational Approval of Distributions.**

Programs for support shall be suggested by Members of the Congregation, recommended by the EFC, and approved by the Board for funding. The Committee will review the status of the Endowment Fund by January 31 of each year. At such time that it is determined that distributions may be made from the Endowment Fund, the EFC will, through the newsletter to be published the following March, notify the Congregation of the approximate amount available for distribution, remind the Congregation of the allowed purposes, and identify the date by which the EFC must receive written requests for Endowment Fund distribution recipients. The EFC will review the submitted requests and make recommendations for funding to the Board of Trustees by the May meeting. The Board of Trustees will announce selected recipients and amounts of the distribution(s) during the annual meeting of the Congregation, at which time the Congregation will act on the selections. Congregational approval of recipients of distributions will require a simple majority of members present. Any funds remaining from the allowed distribution amount shall be added to the principal of the Endowment Fund.

**Article 16. Legal Matters**

**Section 16.1 Legal Counsel.**

Legal Counsel may be appointed by the Board of Trustees. The Counsel may or may not be a Member of the Church. The Counsel shall respond to questions from the Board of Trustees regarding the legality of policies and/or actions.

**Section 16.2. Indemnification.**

The Church shall indemnify all employees, elected and appointed representatives of the Church, and all members of the Board of Trustees against any liability asserted against such person and incurred in the course and scope of her/his duties or functions within the Church to the maximum extent allowable by law, provided the person acted in good faith and did not engage in an act or omission that was intentional, willfully or wantonly negligent, or done with conscious indifference or reckless disregard for the safety of others. The provisions of this article shall not be deemed exclusive of any other rights to which such person may be entitled under any Bylaw, agreement, insurance policy, vote of Members or otherwise.

**Section 16.3. Dissolution.**

In the case of dissolution of the Church, all of its property, real and personal, after all just claims upon it are paid, shall be conveyed to and vested in the Unitarian Universalist Association, the MidAmerica Region of the Unitarian Universalist Association, or another Unitarian Universalist entity as determined by the Board of Trustees. The Board of Trustees shall perform all actions necessary to effectuate

**APPENDIX B**  
**CHURCH MEMBER APPLICATION FOR**  
**ENDOWMENT FUND DISTRIBUTIONS**

Instructions:

1. Please complete this form in its entirety. Incomplete forms may not be considered by the Endowment Fund committee.
2. Endowment Fund distributions may *only* be made for Authorized Distributions (four criteria set forth below). Endowment Fund distributions may *not* be made to fund the annual operating budget or support services. *See, e.g.*, Endowment Fund Committee Implementation Procedures, Section 2. Examples of prohibited Endowment Fund distributions include but are not limited to: support staff or minister salaries, insurance expenses, other periodic recurring expenditures (postage, IT, lawn mowing, snow removal, heat/air/water expenses, etc.), Applications made to apply Endowment Fund distributions to items that are part of the annual operating budget or support services may be rejected by the Endowment Fund Committee.
3. The Endowment Fund Committee respectfully asks that you perform due diligence to determine the estimated amount of any expenditure before requesting an Endowment Fund distribution.
4. The Endowment Fund Committee is charged with the responsibility to recommend the recipient(s) of Endowment Fund distributions to the Board of Trustees for approval. The Endowment Fund Committee hereby reserves the right to reject any application received that does not comport with the religious values of the congregation.

Church Member Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Are you a member of the Second Unitarian Church of Omaha?  Yes  No (select one)



**Part I.**

Please indicate which one (or more) of the four criteria below applies to your Endowment Fund distribution request:

Criteria	Application Meets Criterion?
<p><u>Bylaws Article 15.3.a.</u> Upkeep of the Church, including, but not limited to, maintenance of buildings, capital improvements or renovations, or debt reduction.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No (select one)  (If yes, complete Part II. below)</p>
<p><u>Bylaws Article 15.3.b.</u> Outreach into the community, including, but not limited to, grants to Church camps and conferences, theological schools, local social service agencies or institutions to which the congregation relates, and to special programs designed for those persons in our community who are in spiritual or economic need.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No (select one)  (If yes, complete Part II. below)</p>
<p><u>Bylaws Article 15.3.c.</u> Wider mission of Unitarian Universalism, including, but not limited to, stipends for ministerial interns in training with the Church or grants to the Unitarian Universalist Association for new church development, leadership training, community and educational ministries, world mission, or capital financing.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No (select one)  (If yes, complete Part II. below)</p>
<p><u>Bylaws Article 15.3.d.</u> Scholarships or grants to members of the Church, or their dependents, for the purpose of attending college, graduate school, theological, nursing, or medical school or such other training which enables members of the congregation to grow in faith and service to Unitarian Universalism.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No (select one)  (If yes is selected, complete Scholarship Application here [insert link])</p>

If “No” is selected for all of the four criteria above, then your Endowment Fund request will not be considered.

**Part II.**

Please explain the details of your application and how it meets the above criteria. Include any relevant information for the Endowment Fund Committee to evaluate your application. These help us understand your goals and application further! (If you prefer, you may submit a separate document)

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What is the total dollar amount of your requested Endowment Fund application? (round to the nearest dollar) \$ \_\_\_\_\_  
(format XX,XXX)

Please include an itemized list and detailed estimate for how you derived the total dollar amount reported above.  
[allow submission of estimate]

Thank you for your passion for our shared faith! We look forward to reviewing your application!

Endowment Fund Committee

**SECOND UNITARIAN CHURCH OF OMAHA**  
**ENDOWMENT FUND**  
**SCHOLARSHIP APPLICATION**

Instructions and Requirements:

Any scholarship awarded by the Board of Trustees of the Second Unitarian Church of Omaha (the “Church”) shall be subject to the following conditions:

1. Bylaws Article 15.3.d. Scholarships or grants to members of the Church, or their dependents, for the purpose of attending college, graduate school, theological, nursing, or medical school or such other training which enables members of the congregation to grow in faith and service to Unitarian Universalism.
2. The scholarship recipient must be a “candidate for a degree” (as defined below) at an educational institution that maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance at the place where it carries on its educational activities; *and*
3. The amounts the scholarship recipient receives are used to pay for tuition and fees required for enrollment or attendance at the educational institution or for fees, books, supplies, and equipment required for courses at the educational institution.<sup>3</sup> The Church retains the right to pay the educational institution directly.

“Candidate for a degree”<sup>4</sup> shall mean a full-time or part-time student who:

- Attends a primary or secondary school or is pursuing a degree at a college or university; or
- Attends an accredited educational institution that is authorized to provide (1) a program that is acceptable for full credit toward a bachelor’s or higher degree; or (2) a program of training to prepare students for gainful employment in a recognized occupation.

The Endowment Fund Committee is the committee of the Church charged with evaluating your scholarship application. Submission of a scholarship application does *not* guarantee that a scholarship will be authorized by the Board of Trustees of the Church.

**DISCLAIMER:** The Endowment Fund Committee and the Board of Trustees hereby reserve the right to reject any application received that does not comport with the religious values of the congregation.

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<sup>3</sup> Richard R. Hammar, 2021 Church & Clergy Tax Guide, p. 197-98. Scholarship funds may *only* be used for authorized expenses. Scholarship funds specifically may *not* be used to pay for room and board, travel, teaching, research service expenses and any other prohibited services or expense.

<sup>4</sup> *Id.*

Church Member Name: \_\_\_\_\_

Parent or Guardian Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Is the applicant a member of the Second Unitarian Church of Omaha?

- Yes       No (select one)

Is the applicant a dependent of a member of the Second Unitarian Church of Omaha?

- Yes       No (select one) If yes, list member(s) name(s): \_\_\_\_\_

Please indicate the purpose of the scholarship (select one):

Attending college (list college: \_\_\_\_\_)

Attending graduate school (list graduate school: \_\_\_\_\_)

Attending theological training (list theological training institution: \_\_\_\_\_)

Attending medical school (list medical school: \_\_\_\_\_)

Attending such other training which enables members of the congregation to grow in faith and service to Unitarian Universalism. If this option is selected, explain, in detail, how this training will enable members of the congregation to grow in faith and service to Unitarian Universalism: (if you prefer, you may upload a separate document)

[allow upload of document]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If you are selected as the recipient of a scholarship, do you agree to comply with the restrictions of this scholarship grant including, but not limited to, use of the scholarship funds only for the purposes set forth above?  Yes       No (select one)

Please attach the following information: (allow submission of documents)

- A. A personal statement/essay of no less than three typewritten pages that indicates how and why your scholarship application meets the criteria for award of the scholarship (set forth above). The personal statement should include all the following:
  - i. An introduction of yourself to the Endowment Fund Committee.
  - ii. A summary of your educational goals.
  - iii. Your personal motivations.
  - iv. A summary of your school (or work) activities in which you've been an active member (including any leadership roles).
  - v. A summary of your church involvement (including service to the Church that you have performed).
  - vi. A response to these two questions:
    - 1. How has the Second Unitarian Church of Omaha influenced your life?
    - 2. If you are selected as the scholarship recipient, how will this scholarship award allow you to grow in faith and service to Unitarian Universalism?
  - vii. Reasons why you should be awarded the scholarship.
- B. A recent official academic transcript (either high school or college);
- C. Two letters of recommendation which can be from a high school teacher, a college professor, a current or previous employer, a minister or other person of authority (letters of recommendation should *not* be from someone related to you); and
- D. A summary of the estimated costs of your attendance at the educational institution or a receipt or invoice showing the amount of tuition or other allowable expense.

Conclusion: By this application, I (1) authorize the Endowment Fund Committee of Second Unitarian Church of Omaha to verify my GPA, my course credits, my class load; and (2) confirm that everything included with this application is true and correct to the best of my knowledge.

/s/ \_\_\_\_\_ (signature)

Date: \_\_\_\_\_

**APPENDIX C – ENDOWMENT FUND DISTRIBUTION CALCULATION**

[Contact Endowment Fund Committee for current calculation]

**APPENDIX D**  
**RESTRICTED FUNDS**

Contact Endowment Fund Committee for  
Restricted Funds Information

**APPENDIX E**  
**CONFLICT OF INTEREST POLICY**

The Bylaws of the Second Unitarian Church of Omaha with respect to conflicts of interest requires that (1) the minister; (2) the Chair of the Board of Trustees; (3) all members of the Finance Committee that serve as advisory members of the Endowment Fund Committee (EFC) and (4) all members of the EFC (collectively referred to herein as the “Financial Parties”), avoid any conflict between their own interests and the interest of the Second Unitarian Church of Omaha, which specifically includes but is not limited to, the Endowment Fund (collectively referred to herein as the “Church”). Moreover, all Financial Parties should avoid any conflict between their own interests and the interests of any affiliated person or legal entity having a business relationship with the Church.

The Conflict of Interest Policy, periodically updated from time to time, is located on the Church website: [Governing Documents | Second Unitarian Church of Omaha \(2uomaha.org\)](https://www.2uomaha.org/governing-documents)