

**UNITARIAN UNIVERSALIST FELLOWSHIP OF MANHATTAN**  
**MINUTES OF THE EXECUTIVE BOARD MEETING**  
**FEBRUARY 11, 2014**

**CALL TO ORDER:** The regular monthly meeting of the Executive Board of the Unitarian Universalist Fellowship of Manhattan was called to order by Board Chair Tom Phillips at 7:07 pm, on Tuesday, February 11, 2014, at the Fellowship Building, 481 Zeandale Road, Manhattan, Kansas.

**EXECUTIVE BOARD OFFICERS IN ATTENDANCE:** Tom Phillips, Katie Kingery-Page, Betty Banner, Scott Tanona, and Laura Bonella. A quorum was present.

**STAFF IN ATTENDANCE:** Sandy Nelson, DRE; Susan Turner, fellowship administrator

**COMMITTEE REPRESENTATIVES PRESENT:** Brice Hobrock and Michael Oldfather, Finance Committee.

1. **FINANCIAL MANAGEMENT REFORM REPORT:** By consensus, Board members accepted previously submitted reports, including monthly Finance report and Treasurer's report submitted by Betty Banner, and DRE's monthly report, submitted by Sandy Nelson (*see attached reports*), in order to move directly to the requested report from the UUFM Finance Committee outlining a proposal for Financial Management Reform (*see attached report*).

Michael Oldfather and Brice Hobrock presented the report. They reflected that they approached this project with the philosophy that the presentation of budgeting information must reflect the Fellowship's commitment to the democratic process. Their hope is to make Fellowship finances more accessible and transparent.

The Committee suggested that the Fellowship move away from accepting directed contributions and offer a choice of four funds for donations:

- 1) the *Operating Fund*, where annual pledges, Sunday collections, and fundraising proceeds are placed, in a mix of checking and savings accounts, to cover normal operating expenses.
- 2) the *Capital Fund*, devoted to covering major, long-term needs such as building and grounds maintenance and expansion.
- 3) the *Expendable Savings Fund* would replace our current "Endowment" fund, which, in fact, is not an endowment fund, and would continue to be available at up to 5 percent each year with Board approval, or more, if approved by congregational vote.
- 4) the new *Endowment Fund*, where contributions are given in perpetuity, and income from the fund's holdings would be available annually to add to any of the other three funds, or reinvest in the endowment.

Michael Oldfather noted that several available endowment funds had been considered, including the UUA Endowment Fund, and after careful consideration, the committee recommends investment of the UUFM Endowment Fund in the Manhattan Community Foundation Fund.

Brice and Michael responded to questions from the Board concerning a move away from "targeted" or "directed" contributions. It is recommended that the congregation as a whole should democratically determine where available funds are most needed, rather than allowing financially well-off members to direct Fellowship spending. It is strongly recommended that this change be presented to the congregation in a positive way, avoiding negative terminology.

Board members expressed some concern about tying up large amounts of money in a true endowment fund, where the principle would be inaccessible to the Fellowship. Michael Oldfather strongly recommends offering this giving option to Fellowship members who wish to be able to give in a way that will continue to benefit the Fellowship in years to come. He also noted that Michael Nelson had

stated that ministers looking for a new church are favorable impressed by a solid endowment fund.

Katie Kingery-Page expressed support for the visible stability offered by a solid endowment fund, and noted that she had heard positive reports from other community organizations concerning the Manhattan Community Foundation Fund. It was noted that at this point in time, the Fellowship has already invested \$10,000 in the Manhattan Community Foundation Fund.

The UUFM fund currently called the Endowment Fund, in not, in fact, and true endowment fund, as the principle is accessible at 5% per year with Board approval, or more with a 2/3 congregational vote.

Sandy Nelson noted that the security and confidence inspired by a secure endowment fund might very well be something that some contributors desire.

There was a question of what would happen to principle funds in an endowment, should UUFM cease to exist. Michael Oldfather explained that the principle would then revert to the UUA. In answer to Sandy's question concerning the possibility of setting up our current endowment fund as a true endowment fund, Michael noted that he had looked into the possibility of setting up a private endowment; however, the management/administrative costs are prohibitive, and he does not recommend that course of action.

Scott Tanona offered some clarification of the on-going conversation up to this point, pointing out that the discussion really involved two distinct issues:

- 1) Setting up a true Endowment Fund, separate from the Fellowship's investment funds, and
- 2) determining what to do with "targeted" donations that have already been accepted and received by the Fellowship.

There was a suggestion that already existing "directed" funds should be grandfathered in, and used as directed when the contributions were originally accepted. As we continue forward, using the new "4 Funds" option suggested by the Finance Committee, directed or targeted contributions will no longer be accepted.

The consensus of the Board was that continuing discussion of endowment investment options should be offered to the congregation, before any vote is called.

Michael Oldfather recommended shifting all current Investment Funds into the new "Expendable Savings Fund." He advised consulting the congregation concerning the disposition of funds to the new Endowment Fund.

Scott Tanona expressed his concern that it would be an overwhelming project to solicit individual opinions and direction from each congregational member; however, he agrees that fully informing the congregation is vital. He suggested offering a Board developed and approved proposal to the congregation and bringing it to a vote at the Annual Meeting in April.

The Board approved and accepted the Finance Committee's report on Finance Management Reform. It was agreed that the Board had received enough information to act, and that as the Executive Board, there is a responsibility to be sure available funds are wisely invested to work for the congregation.

Discussion of further action will continue at the next Board meeting on March 11, 2014.

Adjournment was moved and seconded. The meeting adjourned at 8:56 pm.

Respectfully submitted,

Susan Turner  
Fellowship administrator