

PROPOSED REVISIONS ARTICLES 3, 4 AND 6.

ARTICLE 3 – DEFINITIONS

3.1 “Congregation” means the First Unitarian Universalist Congregation of the Palm Beaches.

3.2 “Board” means the Board of Trustees of the Congregation.

3.3 “Voting Member” means a member of the Congregation **who meets the qualifications to vote as set forth qualified to vote in Article 4 of these By-laws..**

3.4 “Vote of the members” means the vote of a majority of the Voting Members ~~that are~~ present at a legally convened meeting of the Congregation.

3.5 “Minister” means the Minister of the Congregation as called and/or under contract and employed by the Congregation under the provisions of Article 9 of these By-laws.

¶ 3.6 is moved to Article 4 (“Membership”) and renumbered ¶ 4.5, see below.

3.67 “Congregation Manual” means the manual which shall contain the compilation of policies, procedures and standing committee descriptions and responsibilities as established by the Board.

3.78 “Annual Meeting” means the regular congregational meeting held each year prior to May 1 (the start of the fiscal year) on a date designated by the Board at which the annual budget is adopted and leaders are elected.

ARTICLE 4 – MEMBERSHIP

4.1 Qualification – Any person sixteen years of age or older, and who is in sympathy with the stated vision of the Congregation, may become a member of the Congregation upon satisfaction of the following requirements:

4.1.1 Completing and submitting a desire-to-join form with contact information

4.1.2 Completing and submitting a pledge card and making a financial contribution of record to the Congregation.

4.1.3 Signing the Membership Book in the presence of either the Minister, the President or a member of the Membership Committee

4.2. Voting Eligibility - **A member is eligible to vote at any meeting of the Congregation at which a vote is taken if the member has (a) made a pledge for the fiscal year in which the meeting is held and (b) made a financial contribution of record during the twelve (12) months preceding such meeting. All new members shall become eligible to vote twenty (20) days after they complete the membership process.**

4.3. Termination of Membership – The Membership Committee may recommend, and the Board may accept, the termination of membership of any member by reason of written resignation, permanent removal from the area, lack of either a pledge or a financial contribution of record during both the current and the previous fiscal years, or death.

4.4 Members Emeritus – The Board ~~of Trustees~~ may deem a longtime member a Member Emeritus if that person: (a) has previously been active in involvement and generous in stewardship, (b) ceases active participation or pledging due to extenuating circumstances, and (c) still resides in the greater Palm Beach area. Members Emeritus may be reinstated as ~~regular~~ Voting Members at any time they resume the requirements of voting membership.

4.5 The Membership Committee shall maintain a current listing of all members of the Congregation. Twenty (20) days prior to the Annual meeting, or ten (10) days prior to a special meeting, the Membership Chair, in conjunction with the Treasurer, shall certify the Voting Members for that meeting.

4.65 Friends – Persons wishing to participate regularly in the Congregation’s functions and make a financial pledge or contribution of record but choose not to become members may be included in the directory as Friends of the Congregation

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ARTICLE 6 – CONGREGATIONAL MEETINGS

6.1 Meetings – The Congregation shall hold an annual meeting (“the Annual Meeting”) as defined in Article 3. Special meetings can be called by at least five (5) members of the Board or by the petition of at least fifteen percent (15%) of all Voting Members. Congregational meetings may be carried out by having members present together in the same location in person or virtually by electronic means. A member is “present” at a meeting when the member is in the room at an in-person meeting or is signed in, in real time, at a virtual meeting.

6.2 Quorum – A quorum of twenty-five percent (25%) of the Voting Members of the Congregation must be present to transact business at any meeting of the Congregation unless a higher percent is otherwise required elsewhere in these By-Laws.

6.3 Voting Method – At all meetings of the Congregation, whether in person or virtual, the method of voting shall be by a show of hands or by an open electronic vote in real time, unless otherwise provided by the By-Laws. In the case of elections where there is more than one candidate for any one office, the voting for that office shall be by secret ballot.

6.4 Voting Required – Except as provided elsewhere in these By-Laws or in the Articles of Incorporation, a simple majority of the votes cast shall be sufficient for the adoption of any matter, question or proposal which may properly come before the meeting. **Cumulative and proxy voting shall not be permitted.**

6.5 Notice – Notice of all Annual Meetings shall be announced either electronically or by mail no less than twenty (20) days prior to the date of the meeting. The notice of the Annual Meeting shall include the names of nominees ~~for the Nominating Committee, as described in Article 7.3, and~~ for all offices to be filled by election ~~and the proposed Annual Operating Budget to be voted on at the Annual Meeting.~~ Special Meetings of the Congregation may be called with no less than ten (10) days advance notice. Notice of all meetings of the Congregation may be included in the Congregation newsletter (electronic or paper), or emailed, and announced from the pulpit on Sundays before any meeting.

PROPOSED REVISIONS ARTICLES 7 AND 8

NOTES:

Article 7 (“Elections”) is deleted, and the revised Article 7 (“Nominations and Contested Elections”) below is substituted.

This is largely organizational. The provisions relating to the election and terms of the officers and trustees have been moved to Article 8 (“Board of Trustees”), and the provisions relating to the election and terms of the Endowment Committee members have been moved to Article 11 (“Endowment Committee”). The provision relating to the initial staggering of terms for Nominating Committee members is no longer relevant and has been deleted, and all of the responsibilities of the Nominating Committee are now included in one paragraph.

There are two substantive additions noted below in ¶¶ 7.2 and 7.3.

ARTICLE 7 – NOMINATIONS AND CONTESTED ELECTIONS

7.1 Nominating Committee — The Nominating Committee is a committee of the Congregation, not a committee of the Board. It is the responsibility of this committee to give consideration throughout the year to possible candidates to be nominated for election at the Annual Meeting. The committee shall consist of three members serving staggered three-year terms with one member being elected at each Annual Meeting. . No member may be elected or appointed to the Nominating Committee unless the member shall have been a Voting Member for three consecutive years immediately preceding the member’s election or appointment. Committee members may not serve consecutive terms, but after a lapse of a year ~~from the end of his or her term~~, a member may be elected to a new three-year term. The members shall designate one of their numbers to serve as chair of the committee.

7.2 Nominations — At least twenty (20) days prior to each Annual Meeting, the Nominating Committee shall give to the Clerk the names of, and background information about, one (1) candidate for each office, trusteeship and committee membership to be filled at that meeting. Any other person wishing to become a candidate or to nominate a candidate for election at the Annual Meeting may do so by filing with the Clerk, not later than fifteen (15) days prior to the meeting date, a petition signed by at least ten (10) Voting Members. Nominations from the floor will not be accepted or permitted at the Annual Meeting.

NOTE: This provision has been amended to clarify the process by which members may nominate themselves or others as candidates to stand for election against the Nominating Committee’s candidates and makes clear that nominations from the floor are not permitted.

7.3 Multiple Candidates — In the event of a tie between two candidates for a single position, the candidate nominated by the Nominating Committee shall be elected. In the event of more than two candidates for a single position, and none receives a majority vote, there shall be an immediate run-off election between the two candidates who received the highest numbers of affirmative votes cast.

NOTE: This provision has been amended to provide that a tie between two candidates in a two-candidate election will be resolved by the election of the candidate nominated by the Nominating Committee. The current by-law provision provides that a tie is to be resolved by a second election, but this could, and most likely would, result in another deadlock, so it is not an effective solution. An alternative solution would be for the President to vote and break the tie, or for the Board as a whole to resolve the tie, but the Board is in agreement that the better solution is to recognize the work and importance of the Nominating Committee in our governing structure .

7.5 Vacancies — If vacancies occur among officers, trustees or elected committee members during the course of the fiscal year, they shall be filled by appointment of the President with approval of the Board until the following Annual Meeting when the unexpired terms will be filled by the procedure set forth in this Article. At the Annual Meeting, members appointed by the Board to fill vacancies will be eligible to be nominated to complete that unexpired term.

ARTICLE 8 – BOARD OF TRUSTEES

NOTE: The revisions to Article 8 are also largely organizational. The only substantive change is the elimination of the Assistant Treasurer. The Board's view is that this position is superfluous and that, in a small congregation, unnecessarily reduces the number of members available for other leadership positions.

8.1 The Board of Trustees derives its powers from the membership of the Congregation and on behalf of the Congregation shall have general charge of the property of the Congregation, the conduct of its business affairs, and its administration.

8.2 Composition – The Board of Trustees shall consist of four (4) Trustees and ~~four five (45)~~ Officers: President, Vice President, Clerk, ~~and Treasurer~~ ~~and Assistant Treasurer~~. The Officers shall ~~be elected at the Annual Meeting to~~ serve one ~~(1)~~ year terms commencing on May 1. The Officers may serve three (3) consecutive terms. The Trustees shall ~~each~~ serve ~~one~~ terms of four ~~(4)~~ years on a staggered basis with one ~~(1)~~ Trustee being elected each year at the Annual Meeting. ~~After the lapse of one (1) year, Officers and Trustees may be reelected to their former position. Any Trustee whose term of office has not expired on the effective date of this amended By-Law 8.2 shall continue to serve until the expiration of his/her term or earlier resignation whichever shall first occur.~~ Only Voting Mmembers ~~qualified to vote~~ shall be eligible for election to the Board of Trustees. ~~The President shall act as the presiding officer at all meetings and shall have a vote only in case of a tie.~~ The immediate past President may sit on the

Board without a vote for a period of one (1) year. ~~The minister shall be an ex-officio member. No spouses shall.~~ Members of the same household may not serve on the Board simultaneously, nor shall anyone be eligible to serve on the Board when a member of their household ~~his or her spouse~~ is a paid employee of the Congregation.

NOTE: The deleted provision above ~~pertaining to the initial election of staggered terms for Trustees has expired and is no longer relevant. The deleted sentence with respect to the President has been moved to ¶ 8.9.1 (Duties of the President). The deleted sentence with respect to the minister has been moved to Article 9 (“The Minister”).~~

8.3 Responsibilities and Duties – The Board shall be responsible for the management of the operations and affairs of the Congregation, ~~including the hiring of all employees and the determination of the level of compensation and benefits, if any;~~ overseeing and directing the safekeeping of all assets of the Congregation except those which are the responsibility of the Endowment Committee; establishing policies and procedures with regard to said operations and affairs; the maintenance and use of its assets; ~~such other actions as provided for in these by-laws;~~ and providing leadership. NOTE: The provision above with respect to the hiring of employees is moved here from ¶ 8.3.2 below.

~~8.3.1 The administration of the Annual Operating Budget with the authority to spend up to \$3,500 in excess of the approved budget for unanticipated operating expenses.~~

~~8.3.2 The hiring of all employees and the determination of the level of compensation and benefits, if any.—~~

~~8.3.3 Approval or modification of an Annual Operating Budget following the Annual Canvass and recommendation thereof to the members of the Congregation at the Annual Meeting.~~

~~8.3.4 The convening of Special Meetings of the Congregation as deemed necessary or as required elsewhere in these By-Laws.~~

~~8.3.5 The establishment of committees as deemed necessary or desirable and the appointment of voting members as Chairs.~~

~~8.3.6 Consideration of resignations of membership and applications for the formation and sponsorship of auxiliary organizations.~~

~~8.3.7. The recognition and approval of organizations within or to be sponsored by the Congregation upon the consideration of a request for such affiliation or sponsorship.~~

NOTES: The provisions in ¶¶ 8.3.1 and 8.3.3 above pertaining to the annual operating budget have been moved to Article 10 (“Finance”). The remaining deleted provisions above are redundant, as they are provided for elsewhere in the By-laws where applicable.

8.4 Regular Meetings – Regular meetings of the Board shall be scheduled no less than once per month, excepting July and August, with date, time and place determined by the Board. All meetings of the Board shall be open with the exception of executive sessions requested by the President or a majority of the Board. The President, consulting with others in ~~their his/her~~ discretion, is responsible to prepare the agenda for each meeting, which shall be sent to Board members with notice of a Board meeting.

8.5 Special Meetings – Special Meetings of the Board may be held at such times as the Board may determine, or at the call of the President, or at the written request of at least three (3) Trustees made to the President.

8.6 Notice – Notice of all Regular and Special Meetings, if time allows, shall be announced either in an electronic or paper copy of the Congregation newsletter. Notice of Special Meetings may be given by telephone, ~~text, or email~~ provided that such notice is given no less than twenty-four (24) hours prior to any such meeting. Special Meetings may be held without notice in case of an emergency provided that the emergency is documented in the Minutes of said meeting.

8.7 Quorum – At all meetings of the Board, the next whole number more than half of board members shall constitute a quorum.

8.8 Votes Required – The affirmative vote of a majority of the members present shall be necessary to take or authorize action ~~except as otherwise provided in these by-laws:~~

8.9 Duties of Officers – The duties of each officer shall include, but not be limited to, the following:

8.9.1 President – The President shall 1) preside at all meetings of the Congregation and the Board, and represent the Congregation at all occasions where such representation is appropriate or necessary; 2) make such appointments as directed, authorized or required, including the appointment of Standing Committee Chairs, subject to approval of the Board; 3) execute all documents necessary to carry out the purposes and functions of the Congregation; 4) be responsible for carrying out the directives and requirements of applicable law, these By-Laws, and the Articles of Incorporation; and 5) serve as an ex-officio member, without a vote, on ~~the Council and on~~ all committees except the Nominating Committee. ~~The President shall have a vote at a meeting of the Board or of the Congregation only in the event of a tie.~~

8.9.2 Vice-President – The Vice-President shall 1) be the Chair of the Congregation Council; 2) assist the President in the duties of that office; 3) execute the duties of the office of President in the absence of the President; 4) have the authority to receive all funds on behalf of the Congregation in the absence of the Treasurer; ~~and~~ 5) maintain ~~and keep current the Congregation Manual. a manual of all the Committees with a description of their functions (“Congregation Manual”); and 6) ensure that further actions on Board decisions are taken if necessary.~~

8.9.3 Treasurer – The Treasurer shall be responsible for: 1) receiving all funds and assets, other than real property and other than contributions to the Permanent Endowment Fund, for the Congregation; 2) depositing all moneys, checks and drafts in

the name of the Congregation at such banks or depositories as the Board may authorize; 3) disbursing funds of the Congregation for all appropriate expenditures authorized by the Board or by a Vote of the Members; 4) keeping a full and accurate record of all income and disbursements in records kept for such purpose which shall be the property of the Congregation and available upon request at reasonable times to all Voting Members (This excludes individual pledge records, which shall be kept confidential and shall only be made available to persons requiring them for the performance of their duties.); 5) preparing written monthly and annual reports reflecting the current financial condition of the Congregation; 6) keeping a record of all financial contributions toward pledges; 7) preparing individual pledge status statements twice a year; 8) verifying that each person on the membership list furnished by the Membership Committee is or is not qualified to vote at each Congregational meeting; and 9) filing any tax and other financial or corporate reports as may be required by applicable law. **The Treasurer shall be an ex officio member, without a vote, of the Finance and Endowment Committees and of the Council.**

~~8.9.4 Assistant Treasurer – The Assistant Treasurer shall, 1) have all the duties and obligations as specified for the Treasurer; and 2) cooperate in all ways with the Treasurer in carrying out these duties.~~

8.9.4 Clerk – The Clerk shall be responsible for: 1) taking detailed and accurate notes of the proceedings of all meetings of the Congregation and the Board and prepare from such notes Minutes of each meeting which shall be kept in a binder and be the property of the Congregation; 2) preserving and overseeing the safekeeping of all records, reports and official documents of the Congregation in keeping with the laws of the State of Florida as laid out by the State Comptroller’s Office; 3) preparing and filing reports and items other than those which are the responsibility of the Treasurer; 4) preparing and sending notices of all meetings of the Congregation and the Board or, in the event mailing of Board notices is not practical, to communicate such notice in the most expedient manner; 5) conducting all official correspondence in the name of the Congregation; and 6) being the custodian of the Corporate Seal of the Congregation and keeping available a current copy of Robert’s *Rules of Order*, newly revised.

8.10 Removal of Elected Officer – Any Officer or Trustee shall automatically be removed from office if they fail to qualify as a Voting Member or upon the occasion of the third unexcused absence from a regular meeting of the Board. Excused absences are to be approved by the Board of Trustees.

NOTE: This provision is moved here, unchanged, from Article 16.

PROPOSED REVISIONS ARTICLES 10, 11 & 12

NOTES: The current Articles 10, 11, 12 & 13 are deleted, and the new Articles 10, 11 & 12 below are substituted. The changes are principally organizational. Substantive changes are noted where applicable.

ARTICLE 10 – FINANCE

NOTE: This article combines existing Article 10 (“Finance”) and existing Article 13 (“Operating Funds”). The substantive changes are as follows:

1. The creation of a Stewardship Committee to oversee all fundraising. See ¶ 10.4 below.
2. The creation of an advisory role for the Finance Committee. See ¶ 10.2 below.
3. The requirement that the Finance Committee present its proposed budget to the Board no less than 40 days before the scheduled Annual Meeting. See ¶ 10.5 below.
4. The Treasurer is no longer a voting member of the Finance Committee. Instead, is an ex officio member (see Article 8, ¶ 8.9.3). This is to avoid the Treasurer voting twice on the Finance Committee’s advisory recommendations to the Board.

These revisions have been approved by the Finance Committee.

10.1 The fiscal and administrative year of the Congregation shall be the 12-month period from May 1 through April 30.

10.2 The Board of Trustees shall remain responsible for the finances of the Congregation subject to power reserved by the Congregation and the restrictions contained in these By-Laws.

10.3 Finance Committee – The President shall appoint, with approval of the Board, a Finance Committee consisting of the chair, who shall be a Voting Member, and four additional Voting Members. Members shall be appointed for one year terms and may not serve more than five consecutive terms. This Committee shall function as a Committee of the Congregation, not a Committee of the Board. Its duties and responsibilities shall include those set forth in this Article and such additional advisory responsibilities as the Board may from time to time request or assign.

10.4 Stewardship Committee — The President shall appoint, with approval of the Board, a Stewardship Committee consisting of the chair and four additional members. Members shall be appointed for one year terms and may not serve more than five consecutive terms. This Committee shall function as a Committee of the Congregation, not a Committee of the Board. The Stewardship Committee shall, in accordance with policies established by the Board, be responsible for all fundraising, including for the Annual Operating Budget, the Capital Reserve Fund, and the Permanent Fund. Fundraising proposed by other committees, auxiliary organizations or congregants must be approved by the Board.

10.5 Annual Operating Budget — The Finance Committee shall prepare a proposed Annual Operating Budget for both income and expenses and present it to the Board after the annual Pledge Canvass and not less than 40 days prior to the scheduled Annual Meeting. The Board shall consider the recommendations of the Finance Committee and present a final proposed Annual Operating Budget for the Congregation's approval by a Vote of the Members at the Annual Meeting.

10.5.1 Administration — The Board has responsibility for the administration of the Annual Operating Budget with the authority to spend up to \$3500 in excess of the approved budget for unanticipated operating expenses.

10.5.2 Modification — Once an Annual Operating budget is adopted by the Congregation, the Board may transfer budget allocations from one item to another within a main category by an affirmative vote of sixty (60) percent of Board members present and voting and may transfer budget allocations from one main category to another main category by a unanimous vote of Board members present and voting, provided that any such modification shall not result in an increase in the overall budget. The Congregation may modify the budget by a Vote of the Members at a special meeting called for that purpose.

10.5.3 Insurance — The Finance Committee shall recommend to the Board property and liability insurance in such amounts and with such carriers as to provide adequate coverage for the building and contents owned by the Congregation and for the Officers and Trustees serving the Congregation. Funding for such coverage shall be considered an essential expenditure for inclusion in the Annual Operating Budget.

10.6 Operating Funds — All operating funds shall be maintained in bank accounts insured by the Federal Deposit Insurance Corporation or a depositor's insurance policy which has been reviewed and determined to be equivalent to the FDIC coverage. Two signatures are required on any check drawn on any Congregation account except the Minister's Discretionary Account. The President, Vice President, Treasurer, and Clerk shall be authorized signatories on all monetary accounts of the Congregation as approved by the Board of Trustees and shall be authorized agents to sign evidences of indebtedness as approved to be issued by the Board or by Vote of the Members. Additional signatories may be authorized by the Board. Such signatories must be updated at least annually.

10.6.1 Annual Operating Fund — There shall be an Annual Operating Fund, comprised of: 1) pledge income, 2) fundraising proceeds as specified by a fundraising policy as enacted by the Board, 3) rental income, and 4) all receipts not specified for another fund (e.g. Sunday collection) pursuant to these By-Laws.

10.6.2 Board Designated Funds — The Board may create such special funds as it deems necessary or desirable. These funds are intended for emergency repairs, capital maintenance, or special projects. Money for these funds may come from fundraising approved by the Board or Congregation, by designated gifts, or by allocations from the Annual Operating Budget. Board designated funds may accumulate money from year to year.

10.7 Annual Audit — The Board shall each year appoint an Audit Committee consisting of the chair and two (2) additional members, all of whom shall be Voting Members, to review the financial records of the Congregation following the close of the fiscal year and charge the Committee to submit a report to the Board and to the Congregation within one hundred fifty (150) days.

10.8 Sale or Lease of Property — At a legally convened meeting with a forty percent (40%) quorum and a sixty percent (60%) affirmative vote, the Congregation shall have the authority to: buy or sell real estate, except Endowment Fund property; grant rights in or lease the entire Congregation property for more than a month, or encumber any real estate except as to repairs thereon.

ARTICLE 11 – ENDOWMENT COMMITTEE

NOTE: The revision of Article 11 is organizational and clarifying only, to bring the provisions into alignment with current practice. In particular, it is made explicit that the Endowment Committee has the authority to hire investment advisors and to invest funds in managed portfolios. Any provision relating directly to the endowment funds has been moved to Article 12.

11.1 Duties and Responsibilities - The Endowment Committee is a committee of the Congregation, not of the Board. It shall manage and direct the investing of all components of the Overall Endowment . The overall plan for this investing shall be approved by the Board. The Committee shall meet at least quarterly, or more frequently as it deems necessary. At each Annual Meeting of the Congregation, the Committee shall provide a full report of the administration of the Overall Endowment and its components during the preceding fiscal year.

11.2 Composition - The Committee shall consist of five (5) members, all of whom shall be Voting Members of the Congregation. Except as herein limited, the term of each member shall be five (5) years. In the event a vacancy on the Committee occurs between Annual Meetings, the Board shall appoint a member to fill temporarily the vacancy until the next Annual Meeting of the Congregation. At each Annual Meeting, the Congregation shall elect one (1) member for a term of five (5) years and other members necessary to fill unexpired terms of vacant positions which had been filled temporarily. No member shall serve more than six consecutive years. After a lapse of one (1) year, former Committee members may be reelected.

11.2.1 The Committee shall elect from its members a Chair, Financial Secretary and Recording Secretary. The Chair, or member designated by the Chair, shall preside at all Committee meetings.

11.2.2 The Recording Secretary shall maintain complete and accurate minutes of all meetings of the Committee and supply a copy thereof to each member, including ex office members, of the Committee and to the chair of the Stewardship Committee.

11.2.3 The Financial Secretary shall assist the Congregation's Treasurer in maintaining complete and accurate records of accounts for the Overall Endowment. The records shall be audited annually by a certified public accountant or other appropriate person who is not a member of the Committee, as approved by the Congregation Audit Committee or by the Board.

11.3 Professional Services - The Committee may, with the approval of the Board and at the expense of the Overall Endowment, provide for such professional services regarding investments or legal matters as it deems to be in the best interest of the Overall Endowment.

11.4 Liability - Members of the Committee shall not be liable for any losses which may be incurred upon the investments of the assets of the Overall Endowment except to the extent such losses shall have been caused by bad faith or gross negligence. No member shall be personally liable as long as he/she acts in good faith and with ordinary prudence. No member shall engage in any self dealing or transactions with the Overall Endowment in which the member has direct or indirect financial interest and shall at all times refrain from any conduct in which his/her personal interests would conflict with the interest of the Overall Endowment.

ARTICLE 12 – ENDOWMENT FUNDS

NOTE: These revisions were recommended by the Endowment and Finance Committees. The substantive changes are as follows:

- 1. A statement of purpose reflecting current practice has been added. See ¶ 12.1.**
- 2. The Operating Reserve Fund, which has not been funded or used for many years, has been eliminated as a mandatory component fund of the endowment. If such a component fund is deemed desirable in the future, the Endowment Committee has the discretionary authority to create one.**

12.1 Overall Endowment – The purposes of the Overall Endowment are threefold: to generate current income that, when combined with the revenue from other sources, will support the programs and ministries of the Congregation; to ensure the future sustainability of the Congregation's program and ministries; and to provide a foundation for the long term growth of the Congregation.

12.2 Component Funds – The specific components of the Overall Endowment shall include: (1) the Permanent Fund and (2) the Capital Reserve Fund. The Endowment Committee, with the approval of the Board, may from time to time establish additional component endowment funds. All endowment funds shall at all times be held in the name of the First Unitarian Universalist Congregation of the Palm Beaches Endowment Fund, or an acceptable abbreviation thereof, and kept separate from operating funds. The individual endowment funds may be commingled for investment purposes but shall be separated from each other for reporting purposes.

12.3 Permanent Fund – The purpose of the Permanent Fund is to ensure the long-term future of the Congregation while providing current budgetary support. To honor the donors who created and contributed to this Fund, all expenditures from this Fund need careful, thoughtful, forward looking consideration. This Fund may be spent using the following criteria:

12.3.1 Annual Distributions — An expenditure of up to four percent of the amount in the account of December 31st of the preceding year may be approved by a favorable vote of 60% of the Board of Trustees at a legal meeting and a legally convened congregational meeting with a quorum of thirty (30%) of the Congregational Members and approved by a favorable vote of 51% of those present.

12.3.2 Additional Distributions — Expenditures over four percent of the amount in the account on December 31st of the preceding year may be approved by a favorable vote of 60% of the Board of Trustees at a legal meeting and a legally convened congregational meeting with a quorum of forty percent (40%) of the Congregational members and approved by a favorable two-thirds vote (66.67%) of those present. For calculation purposes, the amount in the account on December 31 of the preceding year shall include bequests made to the Permanent Fund in the preceding calendar year even if the bequests have not yet been deposited in the account.

12.3.3 For any withdrawals to be made, the value of the Fund at the beginning of a calendar year must be greater than a threshold value indexed upward or downward by inflation as measured by the Consumer Price Index starting at a value of ~~\$300,000~~ **500,000** on January 1, ~~1998~~ **2021**.

12.4 Capital Reserve Fund – The Capital Reserve Fund shall be used 1) to reduce debt, or 2) to maintain or improve the physical plant of the Congregation including, but not limited to, emergency repairs, maintenance of buildings, and capital improvements or renovations. All Capital Reserve Fund expenditures shall be approved by a simple majority vote of the Board of Trustees.

Proviso:

- The Board is also authorized to borrow up to a total of \$180,000 from the Endowment Fund during the fiscal years 2017-2018, 2018-2019, 2019-2020, and 2020-2021 to support the appointment of a full time minister. This is in addition to the four percent. Repayment of the loan would begin during the 2021-22 fiscal year at a rate to be agreed by the congregation at the 2021 Annual Meeting.