

## DECLARATION OF TRUST

### **First Unitarian Universalist Society of Albany Operations Trust to Support Annual Budgets**

This Declaration of Trust is made this 23<sup>rd</sup> day of May 2019, by the Board of Trustees of the First Unitarian Universalist Society of Albany (herein after referred to as the "Society", or Albany UU), a New York religious corporation, with its office located at 405 Washington Avenue, Albany, New York 12206.

WHEREAS, the Board of Trustees of the First Unitarian Universalist Society of Albany (hereinafter referred to as "Society Trustees" or "Society Board") wishes to establish an Operations Trust for the purposes of prudently managing *inter vivos* gifts and testamentary bequests made to the Society for the purpose of supporting the Society's Annual Budgets, and,

WHEREAS, this Operations Trust will enhance the long-term financial security of the Society, in that the income produced by this Trust will provide a source of revenue for the Society which will supplement the Annual Budget, and

WHEREAS, most Unitarian Universalist Congregations in the US that have Endowments use them to support their annual operations, and

WHEREAS, the Endowment Trustees have learned of interest by our members in contributing to a Trust that supports the annual operations, and

WHEREAS, the Society Board has determined that it is in the best interests of the Society and its members that this Operations Trust be established;

NOW, THEREFORE, the Board of Trustees of the First Unitarian Universalist Society of Albany declares as follows:

- 1) The name of this Trust shall be "The First Unitarian Universalist Society of Albany Operations Trust" (hereinafter referred to as the "Operations Trust").
- 2) The purpose of this Trust shall be to invest and manage certain *inter vivos* gifts and testamentary bequests made to the Society by its members and other individuals or entities. The primary objective of this Trust shall be to assure potential donors that their bequests will be honored and administered to protect in perpetuity a principal fund (except as noted in paragraph 6) which will generate income which may be used from year to year to supplement the Annual Budget of the Society.
- 3) This Trust shall be managed and directed by the same five (5) Trustees as is the original Endowment Trust, and the Society's Treasurer (hereinafter referred to as the "Operations Trustees" or the "Operations Board"). The Society's Treasurer shall be Treasurer of both Trusts and shall be a nonvoting member of the Operations Board. However, the funds in the Operations Trust and the Endowment Trust are to

remain completely separate, never commingled and must be managed independently.

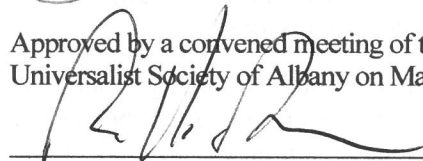
- 4) All the provisions concerning the selection, duties and responsibilities of these Trustees, as specified in paragraphs 3, 4, 5, and 7 of the Endowment Trust Declaration are hereby adopted for the Operations Trust.
- 5) The Operations Board shall set the policy that determines the amounts distributed annually in the Annual Budget. This policy shall be consistent with the perpetual preservation of the Trust principal but, allows disbursement of more or less than the investment yield in a particular year so as to provide a more stable distribution from year to year to facilitate planning the Annual Budget. All distribution of Trust fund proceeds to support the Annual Society Budget would be made after meeting the expenses of the Trust fund management adjusted for inflation as determined by the Operations Trustees.
- 6) The Society Board may, under extraordinary circumstances, request the Operations Trustees to make distributions of the Operations Trust principal to the Society Board. In such a case:
  - a) The Society Board shall make a written request to the Endowment Trustees specifying the purpose for which a distribution from principal is requested, the amount of the requested distribution, and setting forth the compelling circumstances which justify a distribution from the principal of the Trust.
  - b) The Operations Trustees shall meet, within thirty (30) days of the receipt of the request to decide whether the requested distribution from principal is justified. If the Operations Trustees decide the request is justified, they shall present a resolution to approve the requested distribution to the congregation of the Society at either a special meeting to be called for that purpose (the date to be determined by the Society Board) or at the next annual meeting. If the Operations Trustees decide the request is not justified, there shall not be further action taken with respect to the request during the Society's fiscal year.
  - c) If the Operations Trustees decide to present such a resolution, the notice for the special meeting shall include a specific notice that a resolution to approve a distribution from the principal of the Trust will be considered at the meeting, and the notice shall include a statement of the purpose for which the distribution is sought, the amount of the proposed distribution, and the compelling circumstances which would justify a distribution from the principal of the Trust.
  - d) The distribution from principal shall be made only if a resolution authorizing the distribution is approved by a vote of a majority of a quorum of the congregation of the Society at the special or annual meeting.
  - e) If the amount of the distribution from principal exceeds the amount needed to accomplish the purposes for which the distribution is requested, the Society Board shall return the remaining balance to the Operations Trust.

- 7) The authority and responsibilities of the Operations Trustees shall include, without limitation, the following;
  - a) To invest, reinvest and otherwise manage the assets of the Trust in a prudent and responsible manner, and insofar as possible, invest in socially responsible enterprises.
  - b) To hire such investment advisors, accountants and other professionals as the Operations Trustees shall deem necessary and prudent to manage the assets of the Trust.
  - c) To have conducted an annual financial review of the Trust.
  - d) To take appropriate action to recognize and acknowledge gifts and bequests to the Trust, including the establishment of a wall plaque or other memorial upon which the names of donors to the Trust may be inscribed.
  - e) To publish and distribute or cause to be published or distributed such written materials and take such other actions or cause such other actions to be taken as the Trustees may determine to be useful in encouraging members of the Society and other persons and entities to make contributions to the Trust.
  - f) To accept and add to the principal of the Trust inter vivos gifts and testamentary bequests made specifically to this Trust.
  - g) To administer any specific, inter vivos gift or testamentary bequest in such a manner as will fulfill any conditions attached to said gift or bequest by the donor, to the extent that said conditions are not inconsistent with the purposes of the Trust, as set forth herein.
  - h) Solely and exclusively for the purposes contained herein, to receive, hold and administer all property (real, personal or mixed) invest, reinvest, sell convey, mortgage or pledge the same, and to carry on all activities incident thereto.
  - i) To cover reasonable Trust management expenses, the Operations Board is authorized to spend money out of the Operations Trust.
  - j) To take all such actions as the Trustees in the exercise of their reasonable and prudent discretion deem necessary to carry out the purposes set forth herein.
- 8) The fiscal year of the Operations Trust shall coincide with the fiscal year of the Society.
- 9) The Treasurer of the Society Board shall be liaison between the Operations Board and the Society Board.
- 10) It is intended that the Operations Trustees, in discharging their responsibilities under this Declaration of Trust, shall consider any opinions and concerns communicated by the Society Board. However, the final authority and responsibility for any decisions concerning the management and administration of the Trust shall rest exclusively with the Operations Trustees.

- 11) Notwithstanding any other provision of this Declaration of Trust, this Trust is established exclusively for one or more of the purposes as specified in Section 501c (3) of the Internal Revenue Code of 1954 as amended.
- 12) In the event of the dissolution of this Trust, all the remaining assets and property of the Operations Trust shall after necessary expense thereof be distributed to the First Unitarian Universalist Society of Albany, or in the event such a distribution is not possible, to the Unitarian Universalist Association.
- 13) This Declaration of Trust may be amended by a two-thirds vote of a quorum of the Congregation of the Society at a special or annual meeting.
- 14) If a majority of the Trustees or a majority of the Society Trustees decide to present such a resolution, the notice for the meeting shall include a specific notice that a resolution to amend this Declaration of Trust will be considered at the meeting and the notice shall include the proposed amendment.
- 15) This Declaration of Trust will be reviewed at the end of two years from its inception in accordance with paragraph 13 and 14 above.

*Thomas Mercer, Chair of Endowment Trust*

Approved by a convened meeting of the Board of Trustees of the First Unitarian Universalist Society of Albany on May 23, 2019.

  
Richard H. Dana, President