

## **Policy 3.8: Investments**

### **Policy**

The UUFC Investment Committee shall direct and control endowments and other investments for the benefit of long-term financial stability of the Fellowship. Article VII, Section 4.2 of the UUFC Bylaws states that "The purpose of the Investment Committee shall be to select specific investments for Fellowship funds, including endowments. The investment guidelines shall be set by the Board of Trustees in consultation with the Investment Committee."

The Committee seeks primarily to maximize income for the congregation's operational expenses, while protecting the principal. However, as a religious organization, the congregation and its members are involved in a variety of social and environmental causes. This policy outlines how the Investment Committee might invest funds in a socially responsible manner, while at the same time achieving the Committee's primary goals.

### **Criteria for Selection**

1. The Investment Committee shall invest in socially responsible equities, funds, and bonds if they appear to provide a return comparable to that achieved by following only the primary investment purposes.
2. The socially responsible investment opportunities shall have a positive record and continue to be under competent management.
3. The socially responsible investment opportunities may:
  - a. Screen out investments in stocks and bonds of companies that have a major source of income in products used primarily by the military.
  - b. Screen for corporations whose primary source of revenue is derived from the production or sale of alcohol or tobacco products, from the generation of nuclear energy, from the extraction of fossil fuels, or from the manufacture of handguns.
  - c. Screen corporations for their work environment and environmental protection record.
  - d. Include companies that cultivate diversity in order to attract and recruit the best talent and broaden their markets in profitable new directions.
  - e. Include companies that produce renewable energy or equipment to generate renewable energy.

### **Community (Local) Investment**

The Investment Committee may invest in local enterprises that conform to UU principles and offer opportunities to the community even though the rate of return on investment may be less than other investments. An investment target of 5% of total funds is to be used but additional investments can be made if they make economic sense for UUFC. The Investment Committee shall exercise ordinary business care and prudence in making these investments and follow related standards in the Uniform Prudent Management of Institutional Funds Act.

## Reporting

The Investment Committee shall report directly to the Board of Trustees, through either the Treasurer or the Board liaison to this Committee, and annually to the congregation. The Committee shall report on its socially responsible investments periodically to the Board and in its annual report to the congregation.

## Procedures

1. Funds will be invested for income and growth, with a benchmark to meet the distribution directive of the Bylaws (nominally 5% per year).
2. Generally accepted risk models will be used, with a balance among equity, fixed-income, domestic, and foreign market allocations.
3. The socially responsible investing policy will be followed.
4. Any endowment directives will be followed.
5. The Investment Committee will meet periodically to reach consensus with regard to any change in investments.

Approved by the Board of Trustees on December 13, 2010

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James W. Good, President

Revised by the Board of Trustees on April 4, 2016

  

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Kyle Jansson, President