



WAJC Endowment Principles
As amended by Shir Shalom Vermont Board of Directors
July 15, 2021

1. The Endowment Fund shall be managed with the expectation that it shall be of permanent duration and that investment and spending practices shall be structured in such a way as to preserve the Fund's principal and allow it to grow. To the extent possible, spending shall be used for special programming, expanding current programs and other similar uses that contribute to the long-term viability of Shir Shalom.

2. The Endowment Fund shall be invested initially for 4 years without invasion, unless the Board decides that there is an "emergency" as defined in the Bylaws.

3. The Board shall have ultimate responsibility for the Fund. The Fund shall be invested "responsibly" by an Advisory Committee (A/C) with Board approval. The A/C shall consist of 5 members: The current President, the Chair of the Finance Committee and 3 non-Board members of the community appointed by the President and confirmed by the Board. When the 3 non-Board members are appointed initially, one member shall be appointed to a term of one year, one member shall be appointed to a term of two years and the remaining member shall be appointed to a term of three years. Their successors shall be appointed to three year terms. The 3 non-Board members shall be eligible to serve for two consecutive 3 year terms, subject to being reappointed by the President. At the conclusion of two consecutive 3 year terms, the non-Board member shall not be eligible for reappointment for one year. The immediate Past President shall be a non-voting ex officio member.

4. After the initial 4 year period, the A/C will recommend annually to the Board the % of growth to be distributed in that year. The Board can decide not to accept the recommendation of the A/C by a 2/3 vote at a meeting of at least 75% of the total membership of the Board.

If the Board should so decide not to accept the recommendation of the A/C, it shall decide as to the % of growth to be distributed. It is intended that no more than 65% of the annual growth of the Fund shall be distributed in any one year and all efforts shall be made not to exceed this amount. However, if the Board is faced with unusual and unpredicted needs consistent with the intent of the Fund, then the Board can decide to distribute for that year up to 85% of the annual growth by a 2/3 vote at a meeting of at least 90% of the total membership of the Board.

5. The use of the annual distribution shall be decided as follows: the A/C and the Board shall collaborate as to the use of the distribution consistent with the intent of the Fund; the A/C shall then recommend to the Board its suggestions as to the use of the Fund based on their collaboration and ask the Board for its concurrence. The Board can decide not to accept the suggestions of the A/C by a 2/3 vote at a meeting of at least 75% of the total membership of the Board. If the Board should so decide not to accept the recommendation of the A/C, it shall decide as to the use of the distribution consistent with the intent of the Fund.

6. The principal of the Fund can only be invaded by a decision of the Board that an “emergency” exists as defined in Art. 9 Sec. 5 of Bylaws.

7. These guiding principles of the Fund as agreed upon by the Board shall be set forth in a separate document for use during the campaign and thereafter as a statement of the intent of the Fund.

Example: Let us assume that the Fund has an annual growth of \$10,000. The A/C will meet with the Board and discuss how much of the available \$6500 the Board would suggest spending for purposes within the intent of the Fund. Based upon that input, the A/C would draw up its recommendations to the Board as to how much of the \$6500 should be spent and for what purposes. The A/C would then meet again with the Board and discuss its recommendations. If the Board should decide not to accept the recommendations of the A/C, then it will make its own decision as to how much of the available \$6500 it will spend and the purposes for which it will be spent.