Board Designated Funds Withdrawal and Repayment Resolution

Be it resolved that the Unitarian Universalist Association Board of Trustees hereby authorizes the Values and Resources Working Group of the Board of Trustees to oversee the withdrawal(s) of up to $6 million of board designated funds from the endowment under the guidance stated in Appendix A that documents the withdrawal and repayment process.

These withdrawals are intended to meet the liquidity needs of the Unitarian Universalist Association through fiscal year 2029 as it fulfills the goals of its three-year fiscal sustainability plan.

Appendix A - Withdrawal and Repayment Process

Proposal

- Total value of Board designated funds in the audited statements for FY25 is $7.347M
- **Maximum withdrawal limit is $6M or 82% of total**
- Monitor our cash needs on a weekly/monthly basis
- If we project a cash shortfall, request a withdrawal from the endowment (usually one - two months in advance)
- On the day we receive the funds we will make monthly interest payments at 3% until the funds are fully repaid. For example, if we withdrew $1M our monthly payments would be $2,500
- Repayment of principal will happen over the course of 12 months through one or several payments
- The amounts will be monitored and reported to the VRWG on a regular basis
- Any issues that arise that would take us out of this framework will come before the VRWG for discussion and decision

Difference in Designations

Donor-designated funds are contributions in which the donor specifies how the money must be used, and those restrictions are legally binding. The organization must honor those instructions permanently (or for the duration the donor specifies), and the funds generally cannot be repurposed without donor consent or court action.

Board-designated funds, by contrast, are unrestricted assets that the board chooses to set aside for long-term purposes—often functioning like an endowment—but the board retains full authority to change, repurpose, or spend them as circumstances evolve. They provide stability similar to an endowment while maintaining organizational flexibility.