

WITNESS COORDINATING COMMITTEE

POLICY FOR THE USE AND INVESTMENT OF BEQUESTS TO THE SHARING FUND

(Approved July 22, 2009)

From time-to-time, the Sharing Fund may receive bequests from Friends and others. Witness Coordinating Committee is charged with the responsibility for faithful and prudent stewardship of the Sharing Fund and of these bequests. After careful and prayerful discernment, the Committee discerns that the following Policy shall be followed for bequests to the Sharing Fund:

- I. If the current year's goal for the Sharing Fund is \$50,000 or less, then any bequest with a total value of up to \$5,000 shall be included in the Sharing Fund as received. If the current year's goal for the Sharing Fund is greater than \$50,000, then any bequest with a total value of up to 10% of the current year's goal shall be included in the Sharing Fund as received.

EXPLANATIONS:

- A. The Sharing Fund goal is currently \$60,000. Accordingly, under this part of the Policy, a bequest in the total amount of \$6,000 or less would be deposited into the Sharing Fund account and utilized by participants in the Sharing Fund in the same manner as all other contributions.

If the Sharing Fund goal was reduced to \$50,000, a bequest in the total amount of \$5,000 or less would be deposited into the Sharing Fund account.

If the Sharing Fund goal was reduced to less than \$50,000, the maximum bequest that would automatically be used for the current year would still be \$5,000.

And if the Sharing Fund goal increased from \$60,000, the maximum bequest that would automatically be used for the current year would grow with the increase in the Sharing Fund goal.

- B. A bequest is sometimes distributed in multiple payments. Under this part of the Policy, the multiple payments from one bequest would be added together to determine the total amount of the bequest and, hence, whether the funds should be deposited in the Sharing Fund account or treated in accordance with the provisions below.

II. For all other bequests, the funds shall be handled in accordance with the provisions below:

1. **Sharing Fund Endowment Account:** The funds shall be deposited and held in a separate Sharing Fund Endowment Account (“SFEA”). The Trustees of New York Yearly Meeting are requested to administer and manage the SFEA in accordance with the provisions of this Policy.
2. **Investment of SFEA:** The funds in the SFEA shall be invested in the Consolidated Fund of Friends Fiduciary Corporation or in such other comparable funds or accounts that satisfy the investment guidelines set forth in Part III below [or the investment guidelines utilized by the Trustees of New York Yearly Meeting] as may be discerned by the Clerk of Witness Coordinating Committee, in consultation with the Trustees of New York Yearly Meeting.
3. **Annual Contribution from the SFEA to the Sharing Fund Account:** On or about January 1 of each year, an amount equal to 5% of the three-year rolling average of the total value of the Endowment Account shall be transferred to the Sharing Fund for use by the participants in the Sharing Fund during the course of that year.

EXAMPLES:

FUNDS IN SFEA:

<u>Year</u>	<u>SFEA</u>
2009	\$12,000
2010	\$15,000
2011	\$21,000
2012	\$24,000
2013	\$24,000
2014	\$24,000

DISTRIBUTION FROM SFEA TO SHARING FUND:

<u>Year</u>	<u>Contribution</u>	<u>Calculation</u>
2010:	\$200	$(\$12,000 + \$ -0- + \$ -0-) / 3 \times .05 = \200
2011:	\$450	$(\$12,000 + \$15,000 + \$ -0-) / 3 \times .05 = \450
2012:	\$800	$(\$12,000 + \$15,000 + \$21,000) / 3 \times .05 = \800
2013:	\$1,000	$(\$15,000 + \$21,000 + \$24,000) / 3 \times .05 = \$1,000$
2014:	\$1,150	$(\$21,000 + \$24,000 + \$24,000) / 3 \times .05 = \$1,150$
2015:	\$1,200	$(\$24,000 + \$24,000 + \$24,000) / 3 \times .05 = \$1,200$

4. **Use of the SFEA to Support the Sharing Fund:** The SFEA shall be used to support the Sharing Fund and the work of the participating committees and other groups by

making funds from the SFEA available (a) to cover short term disparities between the times during the year when committees, etc. need funds for their work and the times when contributions to the Sharing Fund are received; (b) to cover shortfalls in contributions received into the Sharing Fund in any year; and (c) to support new leadings and opportunities as stated below. Monies advanced from the SFEA to the Sharing Fund to cover short term disparities (subpart (a) above) shall be returned to the SFEA by the Sharing Fund when and if sufficient contributions are received.

EXPLANATION:

- A. The amount of money raised for the Sharing Fund varies from year-to-year. The time during the year when contributions are received also is unpredictable, with the largest volume of contributions usually being received in the last month of the year (when most people make their charitable donations). As a result of these variations, Witness Coordinating Committee and its constituent committees, etc. always face substantial uncertainty about how much money actually will be available for witness activities each year and when during the year funds will become available. The use of the SFEA described above will help alleviate this uncertainty by assuring the participating committees that all of the monies allocated to them in setting the Sharing Fund goal and allocations will in fact be available to them and will be available to them at those times during the year when they need the funds regardless of when the contributions to the Sharing Fund are actually received. This should improve the ability of participating committees to plan their witness activities without having to be excessively concerned about, or limited by, the short-term availability of funds.

In other words, if the Sharing Fund goal is \$60,000 and a committee is allocated a 10% share for the year, the committee ordinarily could only hope that it will have \$6,000 available for its witness activities by the end of the year. It would not be able to proceed with an activity until sufficient contributions have been received into the Sharing Fund to provide the committee with the money to cover the cost of the activity. Under this provision, the committee will know that it has \$6,000 available for its witness activities during the year, and can draw on those funds at any time of the year, even if contributions have not yet been received into the Sharing Fund that would be sufficient to pay for the committee's work.

5. **Use of the SFEA to Support New Leadings and Opportunities:** The SFEA shall be available to support (i) new witness leadings, and (ii) opportunities to expand ongoing witness work. Upon careful and prayerful discernment, Witness Coordinating Committee may make grants from the SFEA in accordance with the following process:

- A. For a grant proposal (or multiple proposals relating to one project) equal to or greater than (i) 10% of the monies then available in the SFEA, or (ii) \$1,000, whichever is less, the proposal must be in writing and must be distributed to the members of Witness Coordinating Committee at least four (4) weeks in advance of the Committee's discernment.
 - B. For all other grant proposals, the proposal must be in writing, but need not be distributed to the members of Witness Coordinating Committee in advance. (However, distribution of proposals in advance is always preferred regardless of the amount being requested.)
- III. **Amendment:** In order to amend or modify this Policy, the proposed substance of the amendment or modification must be distributed in writing to the members of Witness Coordinating Committee at least four (4) weeks in advance of the Committee's discernment.

**WITNESS COORDINATING COMMITTEE
SHARING FUND
STATEMENT OF INVESTMENT POLICY**

- IV. This statement contains the investment objectives and policies which guide the stewardship of the funds and assets in the Sharing Fund Endowment Account.

INVESTMENT OBJECTIVES

1. The overall financial objective of this Policy is to preserve the value of the SFEA so that it may provide a secure and reliable source of financial support for the witness activities of Friends in New York Yearly Meeting.
2. The investment objective of this Policy is to invest the Funds in enterprises and activities which reflect elements of Friends' testimonies and vision of a better world. As noted in Faith and Practice (2001 ed.) of the New York Yearly Meeting (at pages 109-110), "The discovery and promotion of socially and economically beneficial enterprises are prime objectives of Friends' investing." Witness Coordinating Committee believes that investment in accordance with this Policy will permit, and has established a goal for, the SFEA to attain an average annual real total return, realized and unrealized, (net of management fees and expenses) of at least 5%, measured over a reasonable period of years (and not less than a rolling 3 years).

INVESTMENT GUIDELINES

SFEA monies shall be deposited in and invested through managed accounts or funds that endorse and strive to adhere to the following guidelines in selecting companies in which to

invest:

1. Companies providing goods and services which people and peacetime industry need by way of food, medicine, clothing, housing, heat and light, transportation, communication, recreation, etc.--all the needs of everyday life.
2. Companies committed to a peaceful world. Investments should be avoided in any company which, as a material part of its business, develops, manufactures, trades in or otherwise profits from products in the general category of weaponry or which are used to support warfare.
3. Companies that have a superior record within their industry in the following areas:
 - a. Environmental enhancement, conservation, and pollution abatement;
 - b. Personnel practices that demonstrate respect for civil rights of all and commitments to affirmative action hiring, to internationally recognized labor standards, and to the rights of unions and worker organizing committees; and active pursuit of ownership and leadership by persons from under-represented groups (women, minorities, etc.);
 - c. Health and safety of employees;
 - d. General business practices, including advertising and financial practices;
 - e. Disclosure to their stockholders of information on business and social responsibility practices;
 - f. Recognition of the rights and cultures of native peoples; and
 - g. Long-term commitment to communities and sustainable employment.
4. Companies that promote sustainable development in the U.S. and other countries, or support genuine progressive social change in developing nations and that support transitions to more democratic and free societies.
5. Companies that are committed to the development of alternative energy sources.
6. Funds may be invested in bonds of U.S. Government agencies, but not U.S. Treasury bonds, which may be used for military spending.
7. Investments should be avoided in companies primarily involved in products or services of limited or questionable social value, such as intoxicants, tobacco or gaming.
8. We recognize that most corporations have uneven performance records against any social responsibility criteria, and thus that it is unlikely that social responsibility investment goals will ever be totally accomplished. However, we are committed to continued progress toward these goals.