

22 Pitman Road
Marblehead, MA
November 20, 2007

To - Story Fund Task Force Unitarian Universalist Church of Marblehead 28 Mugford Street Marblehead, MA 01945

Ladies and Gentlemen: Bill Smalley asked me to provide background regarding the Story Fund's organization and the disposition of its funds.

Enabling Language. As you may know, about fifteen years ago I performed a detailed analysis of the Church's financials assets. The description of the Story Fund that I included, and has since been repeated in many annual reports, came from a review done by Myrtle Severance in 1981. Until today, I had not compared Myrtle's reprinted text against the source document (the minutes of the annual meeting of the Proprietors, January 4, 1836 - photocopy attached). Having now done so, I find that there were a few punctuation errors, but the overall context was correctly reported.

A corrected version of the text is:

On motion of the Rev. Mr. Bartlett it was voted that the sums collected by donation or otherwise, for the Story fund, be regarded by the Parish as sacredly devoted to the charitable purpose of relieving the poor of this parish, and that there shall be chosen at the annual meeting of the parish, a committee of three, who shall be called the Trustees of the Story fund, to whom shall be entrusted the whole management of that fund, & who shall report the state of the fund, & their doings [at] the succeeding annual meeting.

Voted that the income only of this invested Story fund shall be appropriated annually for the relief of the poor of the parish.

Voted that the thanks of this Society be presented to the Hon. (Ias??) Story for his liberal donation, and that the Rev. Mr. Bartlett be a committee to communicate the same to him.

Fund Management. It's pretty clear that the intent was to create a charitable fund managed by trustees. The designation "Trustees" was underlined in the original minutes and the terms and restrictions are indicative of what we generally view today as a trust; namely: (1) three Story Fund trustees are to be chosen at each annual meeting of the parish, (2) they are entrusted with the whole management of the fund, (3) the purpose of the fund is established, (4) disbursements may include only the income generated by the principal asset, and (5) the Story Fund trustees are to report the financial state of the fund and their activities each year at the annual meeting of the Church.

The first trustees of the Story Fund were chosen when the 1836 annual meeting was reconvened (January 18, 1836), and in subsequent annual meetings. This method of selecting trustees continued for an undetermined amount of time, until our Bylaws were amended to specifically appoint the President, Treasurer and Secretary of the Board of Trustees as the Story Fund Trustees.

There is no record in the annual meeting minutes of the mid-nineteenth century of regular annual reporting by the Story Fund trustees, but I have not checked other financial records of that period. Lastly, I have never seen evidence of an indenture or other instrument that would provide further direction to the Story Fund trustees beyond the above language.

Accountability. The Story Fund trustees are expected to report the state of the fund and their "doings" at the annual meeting. Beyond a financial expectation, the scope of their reporting is thinly explained. In particular, it

is left unstated whether anyone beyond the Story Fund trustees should be aware of the identity of individual recipients, or the legitimacy of disbursements. In at least recent practice, the Minister has often recommended recipients to the Story Fund trustees, and the Church auditor has had necessary access to the asset and disbursement accounts. While these are not comprehensive checks and balances, they are probably acceptable within the expectations of the above language. Conversely, keep in mind that this Church has had funds embezzled more than once in the last century. To that end, establishing in the Bylaws that the President, Treasurer and Secretary of the Board of Trustees are the Story Fund trustees should bring with it the protection of internal theft clauses in our directors and officers insurance.

Purpose. The purpose of the fund is stated twice in the 1836 minutes: (1) for “the charitable purpose of relieving the poor of this parish,” and (2) “for the relief of the poor of the parish.” These clauses establish the extent to which the Story Fund trustees may make disbursements. The stated goal of “charitable” relief does not convey a need for public announcement of, nor repayment by, the recipients. In recent practice, anonymity has been fairly complete and repayment has rarely been requested. However, I do recall that a few disbursements were arranged as loans, almost all of which were repaid.

The definition of “the poor” is left to the Story Fund trustees, with the Church’s trust in their accountability (as above).

However, the limitation conveyed in the definition of “parish” seems unequivocal. This word is used in four places in the above excerpt, twice to indicate who may be given relief funds, and twice elsewhere. Also, as noted, the phrase “this parish” is underlined for effect, apparently emphasizing that the funds are not to be conveyed outside of “this parish.” What then is “this parish?”

If we agree that the author intended the same meaning in all four instances of his use of the word “parish,” then the context of the other two instances can shed light on the definition of his “parish” and the intended scope of allowed disbursements. In both instances, the text limits the “parish” to only that organization for which the Proprietors have responsibility and authority; namely, our Church. In the most obvious instance, a reference is made to the “annual meeting of the parish.” In present-day terms, the parish is the UUCM. In the other instance, the Proprietors are establishing that the Parish should regard the Story Fund as sacredly devoted to the stated purpose. In this case, the Parish that is being spoken to is the organization that will convey the funds; again, our Church. Thus, the meaning given to the word “parish,” combined with the emphasis placed by capitalization and underlining, all limit the scope of this charity to within our Church.

Having now looked into this fund in more depth, it appears to me that the Church has been applying the language of the 1836 minutes reasonably well and true to the intent. In particular, the separation of the Story Fund asset and disbursement accounts has facilitated this and should be continued.

In my twenty years or so of acting as either an officer of the Church, a Trustee of the Story Fund and/or a Silver Trustee, I recall many instances of well-intentioned people suggesting that we expand the scope of the Story Fund. My experience has been that almost any Story Fund trustee’s characterization of “the poor” is rarely challenged. The Story Fund trustees are given reasonable leeway here due to the lack of constraining language. Conversely, almost all suggestions to consider individuals outside of the Church as eligible for the funds have been challenged because the language appears to clearly limit recipients to only our Church.

I hope that this is not indicative of narrow mindedness, but I suggest that, as present day Church members, we should remember to consider those ties that connect this institution through its 290 years and, in this case, to Reverend Bartlett and those past Church leaders who created this fund almost two centuries ago. I need to be respectful of the fact that those folks that established this fund asked us to regard specifically the Story Fund as sacredly devoted to this Church. Those were not shallow words in those days. Regards, MikeGery