



Planned Giving & Endowments



Missouri United Methodist Foundation



Planned Giving & Endowments

What is Planned Giving?

Planned giving is simply giving that requires a little extra planning to accomplish. Typically, a planned gift is made from accumulated assets – stocks, land – or is structured to be completed in the future – putting a gift in a will, creating a charitable gift annuity, or naming the church as a beneficiary of an IRA.

Planned gifts can be a tremendous benefit to the ministries of your church. Furthermore, a major planned gift can be the culmination of a lifetime of faithful discipleship for the giver.

A successful planned giving program focuses on the following:

- 1) **Reminders.** Something as simple as printing “Remember Wesley United Methodist Church in your estate plan” in each edition of your church newsletter will help keep this idea before the congregation. Some persons may have simply not thought of the church in this way.
- 2) **Education.** Everyone needs a basic estate plan and there are many ways to make a charitable gift to the church that will complement other planning considerations. Help your people learn how.
- 3) **A Plan for Ministry.** Some donors might be concerned that a big gift to the church would either cause a fight or discourage others from giving. The church needs plans and policies that clearly describe how gifts will be used for life-changing ministry.
- 4) **Inspiration.** Demonstrate that your church is a great place to leave a legacy. Ensure that your church celebrates memorials in appropriate and meaningful ways. Lift up testimonials from those who give and from those who benefit from the gifts of others.

It is simple and easy to add planned giving to the “menu” of giving options at your local church. Remember that planned giving is NOT a campaign. You are not asking people for a particular amount, and you are not telling them when to give. Rather, you are planting seeds, suggesting ideas and letting them know that when they are ready to make this kind of gift – the church is a great place to do it.

Your Missouri United Methodist Foundation provides many free resources to help you begin and grow a successful planned giving program. (Contact the Foundation at 800-332-8238 or visit the website at www.mumf.org)

Your church does not have to create an endowment in order to encourage and receive “planned gifts.” Nevertheless, a properly structured endowment fund – or funds – will attract many planned and major gifts.

What is an Endowment?

An endowment is a charitable fund that provides a permanent source of income for the ministries of the church. A gift to an endowment is not spent. Rather, the earnings from that gift, and others, are spent in support of ministry – usually on an annual basis. If managed properly over time, the fund should grow to meet or exceed inflation and produce a growing annual income stream.

An endowment fund can be created in one of two ways:

- 1) An endowment fund can be created by the giver as a “restriction” on the gift. A bequest might state, “...I leave 10% of my estate to the Wesley United Methodist Church to be administered as a permanent endowment in memory of my late husband...” If the church accepts such a gift, it **MUST** honor the stated restrictions. Further the giver might narrowly restrict the use of the endowment by saying, “...the annual earnings from the endowment shall be used exclusively for the purchase of choir robes...” Again, the church **MUST** honor such a restriction if the gift is accepted.
- 2) The church can take the initiative to create one or more endowment funds. The existence of such funds will attract endowment gifts and help to avoid awkward restrictions initiated by a donor. Commonly, churches carve out specific ministry areas beyond the annual operating expenses to receive endowment support. For instance, missions, building maintenance & improvements, scholarships and music ministry are popular areas for targeted endowment support.

Who is responsible?

According to the **Book of Discipline**, 2016, ¶ 2533.5, the trustees of the local church shall receive, administer and invest bequests, trusts and trust funds subject to the direction of the charge conference.

So, if a church receives \$50,000 from the estate of Aunt Sally with the directive to administer it as an endowment for missions, then the trustees are responsible for seeing that the fund is properly invested, for providing financial reports to the finance committee, and for notifying the Church Council (or Administrative Council) of the amount of earnings that are available for use for the designated ministry purpose.

The **Book of Discipline**, 2016, ¶¶ 2533.5 and 2534, specifically authorize the charge conference to delegate these responsibilities from the trustees to a permanent endowment fund committee or local church foundation. Such delegation is recommended, especially in larger churches, so that the administration of permanent endowments and the promotion of planned giving can receive the full attention of a single committee. (The trustees usually have their hands full with property matters.)

Whether the job remains with the trustees or is delegated to an endowment committee, the church conference should formally adopt policies to help ensure proper administration of existing and future endowments. Some of the policy areas that will need to be addressed include:

- Investment policy. Endowments must be prudently and appropriately invested for long-term purposes. (A CD or money market account is a short-term investment that is not recommended for endowments.) Your policy can be as simple as a statement that the funds will be invested through the Missouri United Methodist Foundation, or a comprehensive outline of asset types and portfolio diversification.
- Spending policy. This policy will define how earnings may be harvested from the funds.
- Gift acceptance policy. This will guide the decision-making process as you examine the type of asset that is gifted, the restrictions the donor may place on the gift and the way the gift is processed.
- Acknowledgement policy. All gifts must be acknowledged promptly and appropriately to the donor or donor's family and to the congregation.

As a starting point, your church conference may want to authorize a single endowment to be administered by the trustees. Additional endowments can be added one at a time as the need or interest arises.

Alternatively, you may want to create an endowment committee and adopt a more comprehensive endowment "charter." This can be done first or can be done later when the program has reached a size beyond the administrative capacity of the trustees.

The following materials offer suggested policies and documentation.



Missouri United Methodist Foundation
PO Box 1076

Columbia MO 65205-1076 • 800-332-8238 • 573-875-4168 • e-mail: foundation@mumf.org

***** SAMPLE: Single Endowment Fund *****

**WESLEY UNITED METHODIST CHURCH
CHURCH CONFERENCE RESOLUTION**

BE IT RESOLVED THAT the Church/Charge Conference of Wesley United Methodist Church (hereinafter "Church"), in session on this _____ day of _____, 20____:

1. Creates an endowment fund to be known as **The Ministry Endowment Fund of the Wesley United Methodist Church** (hereinafter "Fund"). The initial funding for this Fund is \$_____.

(Choose one of the following statements...)

This amount was given to the Church for this restricted purpose by the donor(s).

(Or...)

This amount is hereby transferred from the unrestricted funds of the Church and set aside for this purpose.

Any unrestricted amounts placed into this Fund by the Church are understood to be "quasi-endowment" subject to the administrative policies of the Church as amended. Donor funds that are specifically given to this Fund or to the Church for the purpose of endowment are understood to be permanently restricted endowment funds.

2. Directs that the Fund shall be administered by the Board of Trustees of the Church (hereinafter "Trustees") in keeping with Paragraph 2533 of *The Book of Discipline of the United Methodist Church – 2016* and all state and federal laws applicable to the administration of such charitable funds.
3. Affirms that all contributions to the Fund shall be prudently and appropriately invested with the long-term goals of: a) preservation of Fund principal value, b) growing the Fund principal value to meet or exceed inflation, and c) providing sustainable annual distributions from Fund earnings for use by the Church in its ministries.

In keeping with the investment objectives listed above, annual distributions may be made from a portion of annual earnings, and/or accumulated appreciation. The amount of funds available for distribution each year shall be determined pursuant to a spending policy adopted by the Trustees. This spending policy may be amended from time to time as deemed appropriate by the Trustees.

4. Directs that distributions from the Fund shall be used for the following ministry purposes: _____

_____.

The Trustees shall inform the Administrative Council of the amount of Fund distributions available each year, and the Administrative Council shall determine how the distributions will be allocated in keeping with the purposes stated above.

In general, Fund distributions are intended for special one-time expenditures supporting projects or programs to improve, enhance and/or grow ministry. The regular and recurring operating expenses are the primary responsibility of the congregation through the annual gifts of the individual members. In any event, Fund distributions shall not be used for regular and recurring operational expenses exceeding ten percent (10%) of the operational budget in any given year.

5. Directs that the Trustees, or any committee or task force authorized by, and responsible to the Trustees, shall:
 - a) Make known within the congregation, and among other interested persons beyond the congregation, that the Fund exists and that the Fund purposes are those stated above.
 - b) Encourage gifts to the Fund. Gifts may be current gifts of money or property, gifts through estate plans, or other "planned gift" arrangements. The Trustees shall create an appropriate gift acceptance policy.
 - c) Acknowledge all gifts to the Fund in an appropriate and timely manner. It is the desire of the Church to celebrate the gift, the giver and the ministries being supported through personal expressions of thanks and public recognition. Where appropriate, the Trustees shall find ways to provide ongoing memorial recognition. By such actions the Church intends to enhance the satisfaction of the giver, encourage others to give and lift up the ministries of the Church to greater public awareness. Donor requests for anonymity shall be respected. All donors shall receive necessary gift receipts for tax reporting purposes.
 - d) Comply with the directives of the Church/Charge Conference and carry out such other responsibilities as determined by the Church/Charge Conference.
 - e) Ensure that the Fund is included in the annual audit of the Church, and make a report to the congregation, at least annually on the status of the Fund, including value, earnings, gifts and distributions.
6. Directs that if at any time the Church is lawfully merged or consolidated with any other church, all the provisions herein regarding the Fund shall be deemed to have been made on behalf of the merged or consolidated church which shall be authorized to administer the same in all respects and in accordance with the terms set forth herein. If the Church should ever be dissolved without any lawful successor church, the Fund, including both principal and interest to date, shall be transferred to the Missouri United Methodist Foundation as an unrestricted endowment, to be used for the benefit of the ministries of the United Methodist Church in Missouri.

THIS RESOLUTION WAS APPROVED BY A VOTE OF:

_____ FOR _____ AGAINST _____ ABSTAINED

Church/Charge Conference of Wesley United Methodist Church, Cityville, MO

Recording Secretary

Senior Pastor

District Superintendent

SAMPLES:

Church/Charge Conference Resolution and Endowment Program Charter

A comprehensive and effective planned giving and endowment ministry demands the full attention of an endowment committee. These sample documents are intended as guides and may be changed or adapted to meet the needs of your church.



*****SAMPLE*****

**WESLEY UNITED METHODIST CHURCH
CHURCH/CHARGE CONFERENCE RESOLUTION**

BE IT RESOLVED THAT the Church/Charge Conference of Wesley United Methodist Church, in session on this _____ day of _____, 20____:

1. Creates a permanent endowment fund committee in keeping with Paragraph 2534 of *The Book of Discipline of the United Methodist Church – 2016* to be known as the Endowment and Investment Program Committee (the “Committee”).
2. Adopts the Charter of the Endowment and Investment Program of Wesley United Methodist Church (the “Charter”) attached hereto.
3. Elects the following nine (9) persons to membership on the Committee:

The Senior Pastor; a member of the Board of Trustees nominated by the Board of Trustees; a member of the Stewardship Committee nominated by the Stewardship Committee; a member of the Finance Committee nominated by the Finance Committee; and, five (5) at-large members nominated by the Lay Leadership Committee.

All Committee members shall serve terms as described in the Charter.

4. Directs that the Committee shall have the powers and duties authorized by *The Book of Discipline of the United Methodist Church – 2016, Paragraphs 2533.5 and 2534* and the Charter, subject to the directives of this session and future sessions of a Church/Charge Conference. As such, the Committee shall: a) Provide the services described in Paragraph 2533.5 of *The Book of Discipline of the United Methodist Church – 2016*; b) Emphasize the need for adults of all ages to develop an estate plan, which may include a will, a living trust, and durable powers of attorney for health care and financial decisions; c) Arrange for dissemination of information that will promote effective Christian stewardship; d) Stress the opportunities for church members and friends to make provisions for giving to United Methodist ministries, institutions, agencies and the Wesley United Methodist Church by means of wills, annuities, trusts, life insurance, memorials and various types of property; and, d) Comply with the directives of the Church Conference and carry out such other responsibilities as determined by the Church Conference.

THIS RESOLUTION WAS APPROVED BY A VOTE OF:

_____ FOR _____ AGAINST _____ ABSTAINED

Church Conference of Wesley United Methodist Church, Cityville, MO

Recording Secretary

Senior Pastor

District Superintendent

WESLEY UNITED METHODIST CHURCH

Cityville, Missouri

The Charter of the Endowment and Investment Program

THE PURPOSE

The Wesley United Methodist Church of Cityville, Missouri, a Missouri not-for-profit corporation, ("WUMC") hereby establishes the Endowment and Investment Program (the "Program") for the purpose of providing members and friends opportunities to make charitable gifts to WUMC that will become a source for long-term financial support and living memorials. The Program is intended to provide resources to grow and enhance existing ministries, to create new ministries or to address special ministry needs and opportunities. Program distributions shall be used as specifically described in this Charter and for purposes that are not funded through the annual operating budget of the church and the regular annual giving of its members.

ADMINISTRATION

The Program will be administered by the Endowment and Investment Fund Committee of WUMC, hereinafter in this document referred to as the "Committee", under authority granted by a Resolution of the Charge Conference pursuant to Paragraph 2534 of *The Book of Discipline of the United Methodist Church, 2016*. The nine (9) members of the Committee and their terms of service shall be as follows:

- 1) The Senior Pastor shall serve as a permanent voting member of the Committee.
- 2) A member of the Board of Trustees shall be nominated by the Board of Trustees, a member of the Stewardship Committee shall be nominated by the Stewardship Committee, and a member of the Finance Committee shall be nominated by the Finance Committee. Each nominee shall be elected by the Church Conference to serve a two-year term. Said persons may be nominated and elected to serve a maximum of three consecutive terms on the Committee and must maintain membership on the standing committee represented.
- 3) The Committee on Lay Leadership shall nominate five (5) at-large members. Initially, the Church Conference shall elect two nominees to serve one-year terms, two nominees to serve two-year terms and one nominee to serve a three-year term. Thereafter, each subsequent nominee shall be elected to serve a two-year term and may serve a maximum of three consecutive terms.

Any person who has served the maximum number of consecutive terms shall be eligible for re-election after two years off the Committee.

The Committee shall elect annually one of the Committee members to serve as Chairperson of the Committee. The Committee shall elect a secretary, and other officers or sub-committees as it deems necessary, and may adopt operating rules consistent with this Charter.

The Committee shall cooperate with the Committee on Finance in assuring that the annual audit process, as required in Paragraph 258.4(d) of *The Book of Discipline - 2016*, is followed. The Committee shall prepare a written report no less frequently than once each

year and a designated member shall present the report to the Administrative Council.

INVESTMENT OF FUNDS

All funds administered by the Committee shall be managed in a prudent and appropriate manner with the long-term goals of:

- 1) Conservation of gift principal value
- 2) Growth of principal value to meet or exceed annual inflation
- 3) Production of a sustainable and growing annual distribution amount
- 4) Investment of assets consistent with the "Social Principles" of the United Methodist Church

The Committee shall invest all program funds in a prudently diversified portfolio of assets aimed at achieving the goals stated above. It is hereby authorized and presumed that all Program funds shall be invested through the establishment of one or more accounts with the *Missouri United Methodist Foundation*. The specific purpose of each account authorized by the Committee shall be stated and maintained in the records of the Committee. Separate accounts may be established in order to fulfill the directives of this Charter regarding the segregation and maintenance of gifts for specifically designated purposes.

Any placement of Program assets for investment with an institution other than the *Missouri United Methodist Foundation* must be approved by a majority vote of a properly called Church or Charge Conference upon recommendation of the Committee and the Church Council.

LIMITATION ON USE OF PRINCIPAL IN ENDOWMENT FUNDS

As stated above, the objectives of the endowment funds are to conserve and grow principal and to make use of only the earnings and accumulated appreciation of the endowments pursuant to an approved distribution policy.

It is hereby acknowledged that the Church may receive gifts from individuals that are unrestricted as to use or purpose. Any unrestricted amounts placed into any of the Program endowment funds by the Church are understood to be "quasi-endowment" subject to the administrative policies of the Church as amended from time to time.

Donor funds that are specifically given to one of the Program endowments or to the Church for the purpose of endowment are understood to be permanently restricted endowment funds. Gifts accepted into the Program pursuant to gift instruments that either specifically require use of principal or impose further restrictions shall be accounted for and used in keeping with the terms of the respective gift instruments.

DISTRIBUTIONS FROM THE ENDOWMENT PROGRAM

Distributions from all accounts in the Program shall be made with the majority approval of the full Committee. In keeping with the investment objectives listed above, annual distributions may be made from a portion of annual earnings, and/or accumulated appreciation. The amount of funds available for distribution each year shall be determined pursuant to a spending policy adopted by the Committee. This spending policy may be amended from time to time as deemed appropriate by the Committee.

ESTABLISHMENT OF FUNDS AND DESIGNATION OF PURPOSES

The Committee shall establish funds and accounts as are deemed necessary by the Committee to fulfill the purposes described in this Charter and to comply with the directives and designations of donors. The purposes and causes to which distributions from accounts are to be made shall be approved and accepted by the Committee, in conformity with the general purposes set forth herein. Separate accounts may be established at the discretion of the Committee, to allow donors to support specific types of WUMC ministries and programs. These funds may be established for the purpose of accepting and administering charitable gifts to WUMC that will become a permanent endowment of financial support for the indicated programs.

The General Ministry Endowment Fund:

The Committee may accept gifts to establish and add to a fund to be known as the General Ministry Endowment Fund. This is the primary fund of the Program, and is established for the purpose of accepting and administering charitable endowment gifts to WUMC that are not for a designated purpose. Distributions from this fund may be used for ministry projects and activities as needs arise. It is hereby specifically affirmed that distributions from the General Ministry Endowment Fund are intended to address special one-time or short-term funding needs or purposes. Distributions are not intended to underwrite projects or programs that are, or will become, part of the regular and normal annual operating expenses of WUMC over periods of time exceeding three (3) years.

The Committee shall inform the Board of Trustees, the Finance Committee and the Administrative Council at least annually regarding the amount of funds available for use from the General Endowment Fund. Written requests for distributions must be submitted by the Administrative Council to the Committee. All such requests that are in keeping with the terms of this Charter shall be promptly remitted to the WUMC Treasurer.

The Mission Outreach Endowment Fund:

The Committee may accept gifts to establish and add to a fund to be known as the Mission Outreach Endowment Fund. Distributions from this fund may be used to provide assistance for program materials, equipment, transportation, leadership, personnel, or other expenditures related to new, or existing, mission outreach activities and projects of WUMC. Mission outreach activities may include, but are not limited to the following: _____

The Committee shall inform the (*Missions Committee, Administrative Council, etc.*) at least annually regarding the amount of funds available from the Mission Outreach Endowment Fund. Written requests for distributions must be submitted by the Administrative Council to the Committee. All such requests that are in keeping with the terms of this Charter shall be promptly remitted to the WUMC Treasurer.

The Music Endowment Fund:

The Committee may accept gifts to establish and add to a fund to be known as the Music Endowment Fund. Distributions from this fund may be used to help underwrite the

cost of printed and recorded music, choir supplies & equipment, costumes, musical instruments, sound equipment, musicians, vocalists, and expenses related to the performance and publicizing of music-related events.

The Committee shall inform the (*Music Committee, Administrative Council, etc.*) at least annually regarding the amount of funds available from the Music Endowment Fund. Written requests for distributions must be submitted by the Administrative Council to the Committee. All such requests that are in keeping with the terms of this Charter shall be promptly remitted to the WUMC Treasurer.

The Maintenance & Capital Improvements Endowment Fund:

The Committee may accept gifts to establish and add to a fund to be known as the Maintenance & Capital Improvements Endowment Fund. Distributions may be used for, but are not limited to: HVAC systems, roof, foundation, parking area, paint and wallpaper, plumbing systems, electrical systems, furnishings, remodeling, and new construction. Funds may also be used for equipment purchases necessary to maintain the church property.

The Committee shall inform the Board of Trustees at least annually regarding the amount of funds available from the Maintenance & Capital Endowment Fund. Available distributions shall be remitted promptly to the Board of Trustees at the written request of the Board of Trustees.

Existing Funds:

The Committee shall hereby have full responsibility for the ongoing administration of the following existing designated accounts in conformity with the purposes stated in the applicable gift instruments and the general purposes stated herein. A brief description of the names and purposes of these existing accounts are as follows:

- 1) The John & Jane Doe Endowment Fund: This fund was created in _____ with an initial gift of \$_____ from Diane Doe (daughter of John & Jane). The purpose of the fund is to help underwrite the cost of bringing special speakers, lecturers and/or teachers to WUMC.
- 2)
- 3)

Should additional accounts be created in the future, the names and purposes of those accounts shall be listed and attached to this document as Schedule "A." Schedule "A" is made a part of this document and may be amended from time to time as deemed necessary by the Committee. Distributions from all designated Program accounts shall be made in accordance with the applicable instructions of the donor(s) as expressed in the gift instrument(s) (e.g., wills, trusts, letters, instructions from the Church Conference), copies of which shall be maintained by the Committee.

Special Project Investment Funds:

At the direction of the Administrative Council, the Committee shall establish and administer one or more Special Project Investment Funds for purposes including, but not limited to, special building projects, emerging ministries, or to provide matching support for new operating budget items. Gifts made to, or funds assigned to, Special Project Investment Funds are not "endowed" and allow for distribution of amounts up to the entire corpus of each fund in

keeping with the designated purposes and instructions of the Administrative Council.

GIFTS TO THE ENDOWMENT FUNDS

Gifts payable to the WUMC “endowment” or “permanent fund” without further description or designation shall be assigned to the General Ministry Endowment Fund. Gifts that are designated for an existing designated fund shall be assigned to that fund.

Gifts payable to WUMC which have no specific cause or immediate use indicated by the donor shall be classified as “undesigned.” Up to \$1,000 or ten percent (10%), whichever is greater, of each undesigned gift shall be available for current expenditure at the discretion of the (*Administrative Council, or Board of Trustees, etc.*). All other undesigned gift amounts shall be placed in the General Ministry Endowment Fund and shall be tracked as the “quasi-endowment” portion of the Fund. (As a practical matter, the Committee may wish to create two separate accounts for the administration of the General Ministry Endowment Fund. One account would be identified as “permanently restricted” and the other as “quasi-endowment.”)

(NOTE: The preceding paragraph is one of the most important policy statements in this document. When this Committee is created by Church/Charge Conference action, then the responsibility for receiving and administering all unrestricted, undesigned gifts falls to the Committee (i.e., no longer to the Trustees). For example, if the Church receives a \$20,000 unrestricted gift from the estate of Sally Jones, then this policy says that up to \$2,000 may be used immediately as needed, but the remaining \$18,000 goes into the General Endowment. In the future, if the Church decides it needs to use some or all of the “quasi-endowment” funds for another purpose, it may do so – but it will require Church/Charge Conference action and approval.)

DONOR RECOGNITION

The Committee shall acknowledge all gifts to the Program in an appropriate and timely manner. It is the goal of the Committee to celebrate the gift, the giver and the ministry being supported through personal expressions of thanks and public recognition. Where appropriate, the Committee shall maintain records and publications that provide ongoing memorial recognition. By such actions the Committee intends to enhance the satisfaction of the giver, encourage others to give and lift up the ministries of the Church to greater public awareness.

Donor requests for anonymity shall be respected and strictly observed. All donors shall receive necessary gift receipts for tax reporting purposes.

GIFT ACCEPTANCE POLICY

The Committee shall have the authority and responsibility to accept or reject any and all gifts to the Endowment and Investment Program in keeping with the authority granted by the Church/Charge Conference, and shall develop and publish a policy statement for the acceptance of gifts. Contributions to existing Endowment Funds may not be designated more specifically than already set forth in this document.

Individual donors may create separately named and administered endowments for specifically designated or unrestricted purposes. All donors are encouraged to contact the Committee to discuss such plans.

The minimum gift amount to create a separately named endowment is \$20,000. Lesser amounts should be designated for one of the existing endowment funds.

LIABILITY OF TRUSTEES AND MEMBERS OF THE COMMITTEE

In the absence of gross negligence or fraud, no member of the Board of Trustees of WUMC or of the Committee shall be personally liable for any action made or omission with respect to the Program.

MERGER CONSOLIDATION OR DISSOLUTION OF WUMC

If at any time WUMC is lawfully merged or consolidated with any other church, all the provisions hereof in respect to the Program shall be deemed to have been made on behalf of the merged or consolidated church which shall be authorized to administer the same in all respects and in accordance with the terms thereto. If WUMC should ever be dissolved without any lawful successor thereto, all funds administered under the Program, including both principal and interest to date, shall be transferred to the Missouri United Methodist Foundation as an unrestricted endowment, to be used for the benefit of the ministries of the United Methodist Church in Missouri.

AMENDMENTS

Technical corrections and amendments to this Charter which do not alter the stated purpose of the Program may be made by a two-thirds (2/3) affirmative vote at a properly called Church/Charge Conference of WUMC.

SEVERABILITY

If any provisions or any application of any provisions of this Charter shall be held or deemed to be or shall be illegal, inoperative, or unenforceable, the same shall not affect any other provisions or any application of any provisions herein contained or render the same invalid, inoperative, or unenforceable.

(NOTE: the following is redundant if the Charter has already been specifically adopted in the Resolution.)

This Charter of the Endowment and Investment Program was adopted on this _____ day of _____, 20____, in a properly called Church/Charge Conference of Wesley United Methodist Church, Cityville, Missouri, by a vote of _____ For, _____ Against, and _____ Abstained.

Recording Secretary

District Superintendent

Senior Pastor

SCHEDULE "A"

This Schedule "A" shall be updated and amended by the Committee from time to time, as needed, to maintain a complete and accurate record of all funds and accounts administered by the Committee. Copies of gift instruments (e.g., wills, trusts, letters, checks) and other related materials shall be kept and maintained by the Committee for reference purposes.

Fund Names and Purposes:

Fund Name:
Amount of initial gift:
Date received:
Name of donor(s):
Type of gift document:
Purpose/designation/restriction:

Fund Name:
Amount of initial gift:
Date received:
Name of donor(s):
Type of gift document:
Purpose/designation/restriction:

Fund Name:
Amount of initial gift:
Date received:
Name of donor(s):
Type of gift document:
Purpose/designation/restriction:

Sample Spending Policy

(This policy should be adopted by the Endowment Program Committee or Trustees and reviewed at least annually.)

The Committee (*or trustees*) shall determine the amount of funds available for annual distribution from each Program endowment fund in keeping with the investment objectives described in the Program Charter (*or endowment policy or investment policy*). Gift principal (typically understood to be the total initial value of all gifts placed in an endowment) shall not be expended.

A prudent portion of the annual earnings and/or accumulated appreciation of each fund may be expended each year. In the first few years following creation of an endowment, the availability of distributions is entirely dependent on the short-term actual investment returns. Therefore, it is recommended that a new endowment be given some time to accumulate additional value (appreciation) before starting distributions. If funds must be used immediately, distributions should be limited to actual dividend and interest income. Once an endowment has grown to at least 120% of its initial gift value, then a spending policy such as the following is appropriate. This calculation is done at the beginning of the year to determine the amount that will be used that year:

- 1) Calculate the average fund value over a period of three to five years.*
- 2) Calculate a percentage of that value – for example, four percent (4%).*
- 3) The resulting dollar amount can be distributed at the beginning of the year or in installments throughout the year as needed.*

This spending policy should be reviewed annually by the Committee to ensure that earnings and accumulated appreciation are adequate to sustain the distribution. The Committee may adjust the spending rate percentage as it deems appropriate in order to fulfill the purposes described in the Program Charter, but in no event shall the spending rate percentage be lower than three percent (3%) or higher than six percent (6%) unless specifically authorized by a two-thirds (2/3) majority vote of a properly called Church/Charge Conference.

EXAMPLE:

The fund principal is \$50,000.

Fund values 12/31:

2015 = \$61,000

2016= \$59,000

2017= \$63,500

Average = \$61,167 X 4% = \$2,447