



"Building the Church for Generations to Come"

A Planned Giving Handbook

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INTRODUCTION

This PLANNED GIVING HANDBOOK is designed for use in United Methodist churches and is published by the National Association of United Methodist Foundations, Inc. (NAUMF). Permission to make revisions and to customize this publication is granted only to NAUMF member conference and area United Methodist Foundations and only under the following conditions: (1) Any revised Handbooks shall be distributed and used exclusively in the specific area or conference; (2) The information on this page shall be printed in the front part of said Handbooks; and (3) It is recommended that the conference or area foundation add its name to the disclaimer at the bottom of this page.

This Handbook began in 1991 as a project of the Committee on Resources and Marketing of the National Association of United Methodist Foundations to develop a resource which could be adapted to meet the needs of all United Methodist churches. This 2006 revision was done under the leadership of the Focus Area on Education of the NAUMF. Recognition is given below to the Committee on Resources and Marketing of NAUMF, which was responsible for the original Handbook in 1991, as well as to those from the Education Focus Area responsible for the 2006 revision.

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This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is provided with the understanding that the National Association of United Methodist Foundations, Inc. (NAUMF) and the United Methodist Foundation of Western North Carolina, Inc. are not engaged in rendering legal, tax, or accounting services. If legal advice or other expert assistance is required in connection with any of the topics covered in this PLANNED GIVING HANDBOOK, the services of the appropriate professionals should be sought.

Your United Methodist Foundation of Western North Carolina works with churches throughout the Western North Carolina Annual Conference to establish endowment programs and promote planned giving. As an agency of the Western North Carolina Annual Conference, it is the organization best equipped to guide you through this process. If you are unsure about how to contact your local foundation, please contact the National Association of United Methodist Foundations, www.naumf.org for a complete listing of member foundations.

THEOLOGY OF GIVING

“Every generous act of giving, with every perfect gift, is from above.” – *James 1:17*

“The church is of God and will be preserved to the end of time.” –
United Methodist Baptismal Covenant

“You do not have, because you do not ask.” – *James 4:2*

“The gift that keeps on giving.” – *Victor Talking Machines Co., 1926*

“Today is a critical time for stewardship in the church.” True today, and true at nearly any time in the church’s history. Mention the word “stewardship” to an average parishioner, and his or her thoughts are likely to be limited to the offering plate passing by on Sunday morning. But comprehensive Christian stewardship is about much more than that. In this handbook, we hope to challenge you to begin thinking of stewardship as something that goes beyond our usual understanding of the term. We hope to challenge you to think about stewardship as a lifestyle rather than as a check in the offering plate. In particular, we hope to challenge you to create giving programs in your church that allow faithful disciples of Jesus Christ to leave a legacy and ensure that the church indeed “will be preserved to the end of time.”

Take a look at your church’s mission statement. Like every other church mission statement, chances are it *lacks* something: an *expiration date*. The church is of God and of eternity. In other words, we expect our church to be here long after our brief time on earth is over. However, our giving programs too often focus solely on the here and now, not on tomorrow. Think for a moment about the people who preceded you in your church. If not for their vision and commitment to the future, your church probably would not exist. Now think for a moment about the people who will come after you. What will we do in the current generation to ensure that our church will be here for future generations of Christian disciples and disciple-makers?

One answer is an endowment and planned giving program.

With an endowment and planned giving program, your church sends the optimistic message that we will be here tomorrow to reach new disciples, we will be here tomorrow to encourage those disciples to put their gifts to work, we will be here tomorrow to put God’s love into action, we will be here tomorrow to do our part to heal a hurting world. Gifts to endowment programs literally do “keep on giving,” leaving a legacy to our family, our friends, our church.

But you have to ask!

Very few of us have remembered our church in our will or living trust. Why? Because we haven't been asked! As leaders in the local church, it's our job to ask our fellow parishioners to give from our lifetime of accumulated assets to ensure that our church will be here for future generations. By creating an endowment and planned giving program, we create a framework for inviting others into lifelong comprehensive Christian stewardship, reflecting that all that we are and all that we have are from God.

Do you want your church to die when you do? Of course not! Here is the toolbox to help you guide your church into God's abundant future.

Why Establish an Endowment Program for your Church?

What if we could master plan our churches the way commercial businesses and many non-profit organizations do? What if we could anticipate our needs for ministry and facilities and staff and set aside funds that would earn interest income to support our mission and ministry for the long-term? The answer is we can.....and many churches do.

Church endowments provide the income to maintain church buildings, generate funds for mission work or enhance other ministries. A properly structured endowment program can help you secure the financial future of your church. Endowments have provided a major source of funding for many institutions in our society for years.

Webster defines endowment as a “permanent fund or source of income.” An endowment fund is made up of money or other financial assets that are donated to charity. The principal is invested and the resulting income may be used for further investments and supplementary expenditures. Most endowments have guidelines that state how much of each year’s investment income can be spent. When properly managed, endowment funds will generate earnings that can enhance the ministry of the church in the years ahead.

Potential Benefits

The difference between endowment funds and other types of funds, such as operating or capital funds, is that assets are invested in perpetuity. The whole point of an endowment is to provide a steady, predictable source of income over time. Endowment funds can be fundamental to the financial stability of an organization. Endowment income can provide a cushion against unforeseen expenses or economic downturns. An endowment fund can be established for anything which serves the mission and ministry needs of a church.

How it affects giving

When members are given opportunities to give from accumulated assets *as well as* from current income, it can lead to increased generosity. It adds a completely separate income stream. An endowment’s existence will encourage deferred gifts to the church that might otherwise have gone to an alternate charity. Endowments also provide opportunities for donors to give gifts in honor and in memory of family and friends.

An endowment fund says that your church:

- Believes in its future
- Wishes to be guided in stewardship by the belief that all we have is from God
- Wants to build a sense of permanence

- Desires *as a church family* to be good stewards even as we expect *each member to be a good steward*
- Wishes to go the extra mile in providing new services and programs
- Wants to create a legacy for future generations

Simply by having an endowment program, a church can signal that it is doing a good job of long-range planning. At the same time, the church is affording its members an opportunity to practice life-long giving, and to include their church in their present and future financial plans.

Five Ways Endowment programs help churches grow

1. The church receives increased gifts to fund its various ministries
2. Members begin including planned gifts as well as current gifts in their stewardship response
3. Members are educated as to many expanded gift opportunities for mission and ministry through their church
4. Current contributions given in support of the on-going annual budget are freed up to strengthen and even expand existing programs
5. The church and its various ministries and institutions begin to receive major planned gifts that have previously been directed to other causes where endowments are already in place

Your United Methodist Foundation of Western North Carolina is ready to partner with you to establish a permanent endowment program. This Planned Giving Handbook, provided by the Foundation, is a step-by-step guide through the process. Planning, consultation, educational and training services also are available from the Foundation free of charge. For more information on services available from the Foundation, see section on “Role of Conference Foundations.”

Endowment/Planned Giving Services Available From the Foundation

The United Methodist Foundation of Western North Carolina, Inc. consults with local churches to establish Planned Giving/Endowment ministries in accordance with guidelines set forth in *The Book of Discipline of The United Methodist Church*. Types of services include:

- Leadership in establishing a planned giving program through presentations in the church and consultation with church leaders
- Use of the Foundation's *Planned Giving Handbook*, which provides a step-by-step process and model resolutions for establishing a permanent endowment fund
- Ideas, resources and leadership in interpreting planned giving opportunities
- Planned giving workshops and educational programs
- Resource materials on planned giving and estate planning, including brochures, videos and planning workbooks
- Confidential consultation with individual donors
- Donor recognition programs and ideas
- Professional funds management/investment services
- Trustee/custodial services of charitable gifts benefitting United Methodist churches and/or its related charities
- Ongoing evaluation and consultation services

Planning, consultation, educational and training services are core ministries of the Foundation and are provided free of charge. There is a small fee for professional fund management/investment services. Fees cover accounting, reporting and compensation of professional investment counselors. The Foundation provides an accounting of transactions with respect to each account invested in its common funds on a periodic basis, but in no event less than annually.

Frequently Asked Questions

1. What is an endowment program?

- A. An endowment is a permanent fund that that can be invested to establish a long-term source of income to support programs and ministries. In most churches, the income from the investment or a set percentage of the value of the fund is available to spend on an annual basis. A healthy endowment can provide a source of funds – beyond the annual budget – for opportunities in operations and outreach and a hedge against challenging economic times.

2. How do we start one?

- A. The first step is to create an Ad Hoc Committee to draw up a resolution to be presented to a Charge Conference establishing a Permanent Endowment Fund Committee and Permanent Endowment Fund. Once the Permanent Endowment Fund Committee is in place, it determines how the fund will be administered and invested. The committee's duties include:

- determining what types of funds will be included in the endowment program, usually based on the church's needs, goals or long-term vision
- determining what types of gifts will be accepted and acting as the authority for receiving planned gifts on behalf of the church
- determining how income will be distributed, and
- general oversight of the endowment program and its invested funds.

The step-by-step process for establishing a Permanent Endowment Fund Committee and fund is outlined in your *Planned Giving Handbook*, in accordance with Paragraph 2534 of *The Book of Discipline of The United Methodist Church (2012)*.

3. Is it necessary to establish an incorporated foundation?

- A. It is not necessary to incorporate a separate foundation. Your United Methodist Foundation of Western North Carolina is an incorporated 501 (c) (3) organization which is fully licensed in accordance with local, state and federal regulations to serve as trustee of charitable gifts to United Methodist churches and other agencies of the Annual Conference. Trustee services include:

- professional management of assets
- record keeping and reporting
- accounting and payment of income to a donor or beneficiaries.

The Foundation also is licensed to provide charitable gift annuities to donors who wish to set up an annuity that will benefit a church or church-related institution.

Setting up a separate incorporated foundation in a local church could be problematic in that the corporation would be separate from the incorporated local church and would not be subject to the control of the church Charge Conference.

4. What types of people should be on the committee?

- A.** The Permanent Endowment Fund Committee should include the pastor, the chair of the Finance Committee, the local church treasurer or business administrator, a representative of the Board of Trustees, a representative of the Stewardship Committee and an additional three to five at-large members who are recognized leaders in the church. Usually the church Nominating and Leadership Development Committee submits its slate of nominees to the Charge Conference.

5. How do the trustees and endowment fund committee work together?

- A.** In most churches the Permanent Endowment Fund Committee and Trustees work closely together to ensure the financial security of the church. The endowment fund committee should keep the trustees informed through annual or quarterly reports on the state of the endowment funds and how those funds are impacting the mission and ministry of the church.

6. How do we decide what to endow?

- A.** The Permanent Endowment Fund Committee will typically create a list of funds and sub-funds that are in keeping with the mission, ministry and vision of the church. Most churches create a General Endowment Fund, which is an “undesigned” fund which can be used by the church to cover special needs, including unbudgeted facilities maintenance or capital improvements. In addition, the committee will typically create a list of “designated” funds which may be used to endow specific ministries, such as missions, children’s ministries, scholarships, continuing education for pastors and staff, worship and educational needs and almost anything the committee or congregation can imagine. Some of these endowment funds are established to honor or memorialize a member or members. Some are established to provide for current and future needs.

7. How long will it take for the endowment to grow?

- A.** It depends on how committed the church and endowment committee is to building a substantial fund and how well the endowment program is communicated and celebrated by the committee and church at large. Guidance on how to promote an endowment program is available in Section III of this document.

8. Who decides how the income is spent?

- A.** The Permanent Endowment Fund Committee, with approval of the Charge Conference, establishes the funds that make up the endowment and is responsible for administering income distributions to the respective ministries involved. From that point, the committee or agency of the church that is responsible for the ministry or function that is endowed by the fund decides, in consultation with the Church Council and the Finance Committee, how to spend income distributed to it by the Permanent Endowment Fund Committee.

9. Will endowment giving reduce other types of giving?

- A.** Typically the addition of an endowment program creates a new stream of income for a church. In most churches, 99.5% of the operating budget is funded by gifts of income (cash, coins and checks) from its members. Likewise, most capital campaign pledges are funded by gifts of income, while planned gifts to the church endowment are given almost 100% from assets. Without a well-publicized endowment program, church members may designate planned gifts, such as bequests, trusts or charitable gift annuities to other charitable organizations that do.

10. Does the leadership need to give?

- A.** Absolutely. Members of the Permanent Endowment Fund Committee and other lay leaders should be prepared to “lead by example” when it comes to establishing a church endowment. It is a good practice to recognize and “thank” donors on a regular basis in a special recognition event or service or by printing a listing of gifts and givers in one or more church publications.

11. How does the endowment program relate to the mission and ministry of the church?

- A.** The most successful endowment programs are those that are tied to a well thought out and well-communicated vision for ministry. Donors will give if they believe in the mission of the church and if they believe the church, or ministry, is changing people’s lives.

Summary of Steps to Establish a Permanent Endowment

Church Council, in consultation with the Board of Trustees, forms an Ad Hoc Committee (Committee) to investigate the role of a Permanent Endowment Program in the life of the local church, as provided in Paragraph 2534 of *The Book of Discipline of the United Methodist Church (2012) (The Discipline)*



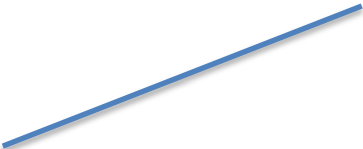
The Committee meets with a representative of your Conference Foundation to assist in the clarification effort and to determine a course of action.



If the Committee determines that implementing a Permanent Endowment Program is the proper decision, then the Committee should proceed to write a vision statement for a Permanent Endowment Program. Within the vision statement, the Committee should include a list of approximately six ministries/programs/needs that the Committee should be endowed.



The Ad Hoc Committee should also draft a Resolution that would establish an Endowment Program if approved by the Charge Conference. The Charge Conference Resolution should include:



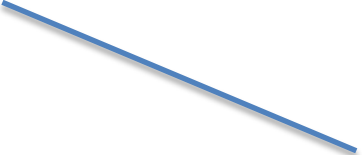
The Charge Conference Resolution should include a gift acceptance policy describing the types of gifts that can be accepted, the manner in which they can be accepted and the manner in which they will be used.



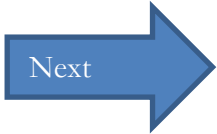
A description of the Permanent Endowment Committee's membership, giving consideration to the number of terms that an at-large member can serve. The Committee should consider naming some church officer positions as permanent members, such as: Chair of Trustees, Chair of Church Council, the Pastor, Chair of Finance, Chair of Stewardship.

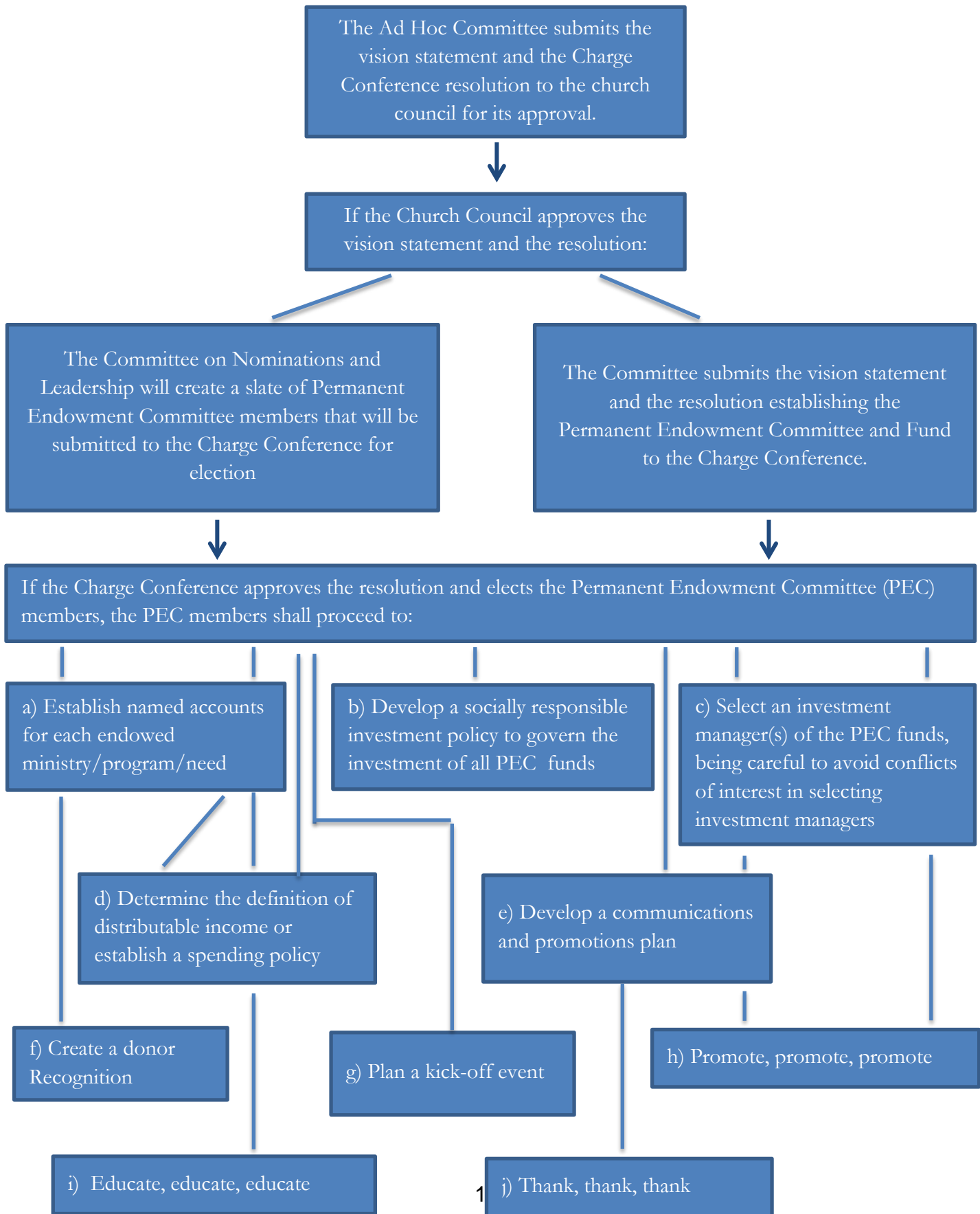


Language creating a Permanent Endowment Committee and Fund that reports to the church Board of Trustees. Some small churches may find this less cumbersome, although it is not the preferred model provided by *The Discipline*.



Language creating a Permanent Endowment Committee and Fund that reports to the Charge Conference, or





*See complete Steps in Section III

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ROLES AND RESPONSIBILITIES

THE ROLE OF THE UNITED METHODIST FOUNDATION OF WESTERN NORTH CAROLINA, INC. IN PLANNED GIVING

The United Methodist Foundation of Western North Carolina, Inc. promotes planned giving throughout the Conference and will assist local churches in establishing a Permanent Endowment Fund, a Permanent Endowment Fund Committee and an ongoing Planned Giving Program. In this regard, The Foundation offers the following:

1. The Foundation through its President and Executive Director of Client Relations & Cultivation provides leadership in planting the seed for a planned giving program through presentations in the church and consultation with church leaders.
2. The Foundation provides step-by-step processes and model resolutions that the local church can use in establishing a Permanent Endowment Fund. This helps to ensure the best structures and procedures are used, by providing ideas and resources, as well as hands-on assistance in the creation and organization of a Permanent Endowment Fund Committee.
3. The Foundation provides ideas, resources and leadership in announcing and interpreting planned giving opportunities.
4. The Foundation provides a wealth of resources, planned giving ideas and leadership for wills or charitable estate planning seminars in the local church, and for on-going stewardship education.
5. Foundation staff members are available to counsel potential donors privately to help them clarify their charitable gift giving goals.
6. The Foundation can provide technical assistance to both prospective donors and to the Permanent Endowment Fund Committee in the form of gift planning ideas, income projections, tax deduction calculations and estate analyses.
7. The Foundation can provide the resources and materials for an effective ongoing planned giving program in the local church.
8. The Foundation can provide professional funds management/investment services for the Permanent Endowment Fund assets as determined by the local church.
9. The Foundation can act as managing trustee of a charitable trust of which at least 50% of the assets will benefit a United Methodist church or institution.
10. The Foundation can offer gift annuities, which will benefit the local church.

11. The Foundation can provide an annual opportunity to the local church in which the church's planned giving program can be evaluated and adjusted to meet current goals.
12. The Foundation can provide a series of workshops on working creatively with stewardship issues confronting the church today.

There is a small fee for professional fund management/investment services, which covers accounting and management costs, including compensation of investment advisors. Contact the Foundation office for the rate applicable to your account.

ROLE OF THE PERMANENT ENDOWMENT FUND COMMITTEE

Those churches that have established Permanent Endowment Fund Committees either act as a committee of the whole for all purposes or assign the following specific responsibilities to an individual or small sub-committee. The committee as a whole should conduct an annual evaluation.

1. Communications:
 - a. Creates primary church brochures
 - b. Develops library of topical brochures
 - c. Creates annual reports
 - d. Maintains copies of original Permanent Endowment Fund documents, including Gift Acceptance Policies.
 - e. Creates newsletter articles about donors and gift opportunities
 - f. Provides general information to estate planning professionals
 - g. Determines method and frequency of distribution of all written materials.
 - h. Prepares articles about donors.
 - i. Prepares articles about Permanent Endowment Fund giving opportunities.
 - j. Determines who will respond to inquiries about the Fund.
 - k. Provides informational materials to be used by church office when responding to inquiries about the Permanent Endowment Fund.

2. Public Events:
 - a. Develops lists of groups within the church that should be invited to special events
 - b. Develops and hosts workshops on topical events
 - c. Maintains a list of estate planning professionals in the community
 - d. Plans annual celebrations focusing on one endowment area each year

3. Investment:
 - a. Oversees the investment of all assets described in the Fund documents
 - b. Recommends investment policies to the Committee
 - c. Selects and reviews investment progress of asset manager
 - d. Arranges annual audit

4. Legal:
 - a. Reviews basic documents in order to keep them in conformity with all laws that apply to such an endowment program and to ensure that the documents represent the best interest of the church.
 - b. Provides opinion to the Committee on the acceptability of any particular gift
 - c. Represents the Committee to any attorney, CPA, or other estate planning professionals of a donor who is planning a specific gift.

5. Cultivation:
 - a. Identifies congregational groups by age:
 - I. Young Adults
 - II. Middle years
 - III. Pre-Retirement
 - IV. Retirees
 - b. Identifies congregational groups by social orientation:
 - I. Singles
 - II. Young Families
 - III. UMW
 - IV. UMM
 - V. Church School Classes
 - VI. Fellowship Groups
 - c. Maintains a listing of potential donors, based on Permanent Endowment principles.
 - d. Recommends to the Committee those potential donors who should be cultivated.
 - e. Recruits those persons who should cultivate potential donors.
6. Donor Recognition:
 - a. Recommends to the Committee the specific way(s) by which donors will be acknowledged.
 - b. Administers the donor recognition program.
7. Evaluation
 - a. Sets goals and analyzes progress on an annual basis. (See “Evaluating Your Endowment Program” section of this Planned Giving Handbook.)

THE PASTOR'S ROLE

As spiritual leader of the congregation, the pastor plays a significant role in creating the vision for the endowment program and in encouraging his or her members to consider planned giving. Here are some of the things a pastor can do to help support and sustain an endowment program:

1. **Preach** on Biblical themes pertaining to being good stewards of one's accumulated assets.
2. **Teach** in adult education settings the subject of responsible Christian stewardship in matters of personal financial planning and estate planning.
3. **Counsel** with persons as part of your pastoral ministry on the importance of wills and estate planning, especially in conjunction with premarital counseling, preparation for baptism of children, counseling at times of health crises or at the death of a spouse, and pre-planning funeral arrangements.
4. **Encourage** the formation of a "Permanent Endowment Fund Committee" which will in turn seek to promote bequests, life incomes gifts and other planned gifts in the life of the congregation.
5. **Educate** yourself about Permanent Endowment opportunities drawing upon basic information available through The United Methodist Foundation of Western North Carolina, Inc., or through The Permanent Endowment Resource Center of The General Board of Discipleship.
6. **Communicate** with church members through the various church media channels about wills and life income gifts.
7. **Promote** as a service to the church membership and the community a wills clinic, gifts and wills workshop, estate planning seminar and/or financial planning seminar.
8. **Develop** a long-range planning process with the congregation culminating in a mission statement for which major funding will be required to minister to future generations.
9. **Acknowledge** personally and publicly the receiving of bequests and life income gifts to encourage others as well as to thank the donor.
10. **Celebrate** with gratitude what faithful friends have made possible through gifts that support the ministry and mission of the church today.
11. **Evaluate** your own estate plan. Have you included the church or other charitable institution in your will?
12. **Minister** patiently and faithfully since this crucial aspect of Christian Stewardship takes time to bear fruit.

ESTABLISHING AN ENDOWMENT PROGRAM

STEPS TO ESTABLISHING A PERMANENT ENDOWMENT PROGRAM

1. Ask the Church Council to establish an Ad Hoc Committee made up of the pastor, local church Financial and Stewardship officers, and a representation from the Trustees and other active lay members who are supportive of an enhanced stewardship program for the local church.
2. Encourage the Ad Hoc Committee to meet with the President or with a Planned Giving Officer of the United Methodist Foundation of Western North Carolina to clarify the role of such a program in the life of the local church and to determine a course of action.

At each of the following steps, the President or the Executive Director of Client Relations & Cultivation of the United Methodist Foundation of Western North Carolina is available to act as a resource for additional information and guidance. Please note that at each meeting of the Ad Hoc Committee, an attempt should be made to provide a formal training session on Permanent Endowment options. If the Committee members enter into a solid educational program on Permanent Endowment, the work of the Committee will be that much easier.

3. The Ad Hoc Committee should develop a statement detailing the reasons for establishing a Permanent Endowment Fund.
4. The Ad Hoc Committee should prepare a resolution in accordance with Paragraph 2534 of ***The Book of Discipline of The United Methodist Church (2012)***, which can be presented to a regular or called charge conference for the purpose of establishing a Permanent Endowment Committee and a Permanent Endowment Fund. The body of the resolution will become the Permanent Endowment Fund document, which will define Committee membership and areas of responsibility, the purpose(s) and operation of the Permanent Endowment Fund, and a gift Acceptance Policy. Once prepared, the Committee should consider consulting with an attorney in order to ensure that the Fund will conform to all applicable North Carolina laws. (*See sample resolution.*)

PLEASE NOTE: *A Permanent Endowment Fund Committee is a Committee subject to all the provisions of **The Discipline**, which govern the Committees of a local church. It is not an entity separate from the organized local United Methodist church. Its authority is derived from the Charge Conference and it remains accountable to the Charge Conference.*

- a. Within the description of Committee membership, consideration should be given to the number of terms an at-large member can serve. There is good reason to consider the possibility that an at-large member be allowed to succeed him or herself at least once.

- b. Within the description of the Permanent Endowment Fund, provision should be made for not more than five or six accounts, which would provide for more specific endowments. *(See section on examples of such accounts or funds.)*
 - c. The Ad Hoc Committee should create a gift acceptance policy which describes the types of gifts that can be accepted, the manner in which they can be accepted and the manner in which they will be used. This policy should be an attachment to the Permanent Endowment Fund document. This policy will also provide the basis for rejecting inappropriate gifts. *(See sample gifts acceptance policy that follows this section.)*
5. Prior to being presented to a Charge Conference, the resolution should be presented to the Administrative Board or Council, the Trustees and the Finance and Stewardship Committees.
6. Once the Permanent Endowment Fund Committee is in place, it should determine how the Fund is to be invested based on goals that have been developed by the Committee in consultation with its Foundation representative, and proceed to establish the means by which the Committee will invest the Fund's assets. If an outside fund manager – other than the Conference Foundation – is to be used, an investment strategy should be worked out with the outside manager in order to ensure that United Methodist guidelines on investing are followed and that the investment goals of the Fund are met. For assistance in formulating a local church investment strategy, please refer to the Investment Guidelines of the General Council on Finance and Administration of the United Methodist Church at <http://www.gcfa.org/sites/default/files/pdf/FSStatementInvGuidelines.pdf> and <http://www.gcfa.org/sites/default/files/pdf/FSLocalChurchAddendum.pdf>.
7. The Committee should develop the ongoing Permanent Endowment program, which will keep giving opportunities before the members of the congregation. This should include information events such as wills and charitable estate planning seminars presented on a cyclical basis and the provision of brochures related to Permanent Endowment on a regular basis to all or selected members of the local church. Depending upon local circumstances, the church might develop a campaign seeking endowment gifts from particular individuals and families, or from all church members.
8. A brochure should be created which describes the purpose(s) of the Permanent Endowment Fund and which directs church members to seek additional information. *(Contact the United Methodist Foundation of Western North Carolina for samples of brochures.)*
9. The Committee should determine the ways by which gifts will be acknowledged. It may be important to establish different ways of acknowledging gifts based on the size of the gift.
10. An inaugural event should be developed which will interpret the purpose of the Fund and define opportunities for making gifts to the Fund.
11. Once the inaugural event is completed, the Committee should make regular reports to the Administrative Board or Council, to the Trustees and to the Charge Conference. The reports should include the results of the program to date, an evaluation of the program to date and any recommendations for changes in the program based on results of the evaluation.

THE PERMANENT ENDOWMENT FUND COMMITTEE THE PERMANENT ENDOWMENT FUND

The 1988 General Conference recognized the place of “Planned Giving” in the stewardship program of the local church by enacting legislation which enables a Permanent Endowment Fund Committee in every United Methodist Church. This legislation is contained in Paragraph 2534 of *The Book of Discipline (2012)*. While this Committee is not a part of the required organizational structure, it can be one of the most important Committees in the church.

The first step in establishing such a Committee and Fund is to have the Administrative Board/Council create an Ad Hoc Committee on Permanent Endowment, composed of five to nine people. This Committee should be made up of people who have a dream for their church, who want to see their church’s stewardship vision expand and who want to see their church inspire persons to be good stewards. The greatest qualifications to be possessed by these five to nine people is that they are respected and trusted by the members and friends of the local church. Knowledge of the local church’s finances and property concerns would be a bonus.

The agenda for the first meeting of the Ad Hoc Committee should include a visit from the President or the Executive Director of Client Relations & Cultivation of the United Methodist Foundation of Western North Carolina. This person will outline the process to follow in creating an effective Permanent Endowment program for your local church.

While the Ad Hoc Committee will spend much of its time brainstorming new ideas, its primary objective should be to bring to the Administrative Board/Council a resolution creating a Permanent Endowment Fund Committee and a Permanent Endowment Fund. (*See sample resolution that follows this section.*) The Ad Hoc Committee will want to make a strong presentation to the Board/Council that will include:

- ... the personal benefits to members
- ... the financial benefit to the church
- ... an opportunity for questions
- ... opportunities for personal witness and support
- ... a positive response to any negative reactions
- ... an official motion by which the Administrative Board or Council will endorse the creation of a Permanent Endowment Fund Committee and a Permanent Endowment Fund, and
- ... a resolution creating a Permanent Endowment Fund Committee and a Permanent Endowment Fund that will be submitted to a Charge Conference of the local church.

ESTABLISHING A PERMANENT ENDOWMENT FUND COMMITTEE

There are several issues that must be taken into consideration as the Ad Hoc Committee drafts the Charge Conference resolution establishing a Permanent Endowment Fund Committee. In addition to the following, each church needs to address its own concerns and needs.

A. INCORPORATED CHURCHES

In the case where the local church is incorporated, the laws of the State of North Carolina should be carefully considered before a resolution is drafted. Special attention should be given to proper wording of the resolution, especially as it relates to the directors of the corporation, their authority and responsibilities and the authority of the members of the Permanent Endowment Fund Committee.

B. RELATIONSHIP TO THE BOARD OF TRUSTEES

Paragraph 2534.1 of *The Book of Discipline (2012)* explains that a Permanent Endowment Fund Committee may “provide the services described in Paragraph 2533.5 as designated by the donor or at the direction of the Charge Conference”. Those services are:

1. To receive and administer all bequests made to the local church;
2. To receive and administer all trusts; and
3. To invest all trust funds of the local church in conformity with the laws of the country, state or like political unit in which the church is located.

Although this permissive legislation may transfer an area of responsibility from the Board of Trustees to the Permanent Endowment Fund Committee, the Committee remains subject to the designation of the donor and/or the direction of the Charge Conference. In addition, it should be noted that in the case of gifts of real property the Trustees and the Charge Conference retain their responsibilities relating to that property as stated in *The Book of Discipline (2012)*.

It is clearly in the best interest of the Board of Trustees and of the local church to transfer this specific authority and these specific responsibilities to a Permanent Endowment Fund Committee who can focus exclusively on these stewardship matters. The Board of Trustees thereby can be freed to pursue other duties associated with the care and maintenance of church property. In many churches, the Board of Trustees has discovered that once it has fulfilled its responsibilities to church property, the Board has little time or energy remaining to consider the matters related to creating and promoting a Permanent Endowment Fund.

C. COMMITTEE MEMBERSHIP

The Committee membership listed in italics in the sample resolution that follows this section is only a suggestion; however, there is a good reason for the presence of each member suggested:

1. The commitment of the **Pastor** is crucial to the success of the Permanent Endowment program.
2. The **Chairperson or specified representative of the Committee on Finance** will bring to the Permanent Endowment Fund Committee knowledge of finances within the church that will be beneficial in designing the church's total stewardship program, of which Permanent Endowment is one part.
3. The **Local Church Treasurer** as a financial officer of the church is familiar with the day-to-day needs and commitments of the church.
4. A **Representative from the Board of Trustees** will provide valuable expertise and will help to preserve a good working relationship between the Committee and the Board of Trustees. Property matters, which demand the most time and attention from the Trustees, are often a major focus of donors in making a planned gift to an endowment program.
5. A **Representative of the Stewardship Committee** will help provide continuity in how the church communicates its short-term and long-term financial goals.
6. Naming **an additional Three to Five Members by the Committee on Nominations and Leadership Development**, in accordance with paragraph 258.1 of *The Book of Discipline (2012)*, permits the inclusion of persons with special expertise. Since the other suggested Committee Members will bring a working knowledge of current programs and finances of the church, the additional Three to Five Members should be persons who might be characterized as visionaries, and as those who are considered trustworthy leaders by the congregation, and as those with a previous record of generosity to the church and its institutions. Their support of the program will lead others to have confidence in the Permanent Endowment program as well.

Naming the chairperson at the same time the Committee is elected creates several advantages:

1. Someone will be in place to convene the Committee;

2. Special expertise and other leadership qualifications necessary in a chairperson can be carefully considered as a part of the nominations process; and
3. Committee members will be given added confidence that the Committee is ready to begin its work immediately.

D. RESPONSIBILITIES

Paragraph 2534 of *The Book of Discipline (2012)* provides for the Permanent Endowment Fund Committee to have the opportunities, the responsibilities and the authority to provide leadership for the local church in all matters relating to Planned Giving and endowments. While it is best in most churches to give the Committee the full authority found in Paragraph 2534, there might be some situations where modifications should be considered if failure to do so might prevent or delay the creation of or the effectiveness of the Permanent Endowment Fund Committee.

E. THE PERMANENT ENDOWMENT FUND

The Ad Hoc Committee should take into consideration the unique circumstances of the church when determining the purposes for which endowments are being established. Do they reflect future programs and ministries as well as current programs and ministries? Are they defined broadly enough to allow the church some flexibility in the use of earnings? Are they described succinctly enough to capture the interest of church members and friends?

F. FINAL DRAFT

Once the final document is drafted, it is suggested that the church's attorney review it. Additionally, the United Methodist Foundation of Western North Carolina is willing to provide suggestions and also to review the final document before it is presented to a Charge Conference.

G. CHARGE CONFERENCE

The resolution may be presented in the Charge Conference session by the chairperson or a member of the Ad Hoc Committee; or it may be presented as a recommendation from the Administrative Board/Council. (If the Ad Hoc Committee presents the resolution, it is preferable to have the prior endorsement of the Administrative Board/Council.) Once the Charge Conference votes to create a Permanent Endowment Fund Committee and a Permanent Endowment Fund and elects membership to it, the Ad Hoc Committee is terminated.

_____ United Methodist Church
Endowment Fund Document

Creation of Endowment Fund

A. Purpose of the _____ Endowment Fund

The _____ Endowment Fund of _____ United Methodist Church, _____, North Carolina, hereafter referred to in this document as the “Endowment Fund,” is established for the purpose of providing members and friends the opportunity to make charitable gifts to _____ United Methodist Church that will become a permanent endowment of financial support and a living memorial. The Endowment Fund is intended for purposes that are not a part of the church’s established programs that are funded through the annual operating budget of the church and the regular giving of its members.

B. Endowment Fund Committee

The Endowment Fund will be administered by the Endowment Committee of _____ United Methodist Church, hereinafter in this document referred to as the “Committee,” under authority granted by the Charge Conference.

The following persons shall constitute the Permanent Endowment Fund Committee:

- A. The Pastor;
- B. The Chairperson of the Committee on Finance;
- C. The Local Church Treasurer;
- D. A representative from the Board of Trustees named by the Board of Trustees; and
- E. Three to five persons nominated by the Committee on Lay Leadership and elected by the Charge Conference.

The chairperson of the Committee shall be nominated by the Committee on Lay Leadership from the Committee established above, and elected by the Charge Conference. The Committee shall elect a secretary, and such other officers and sub-committees as it deems necessary.

The committee shall have the powers and duties authorized by *The Book of Discipline* of the United Methodist Church and granted by this session and future sessions of the Charge Conference.

- A. To receive and administer all bequests made to the local church; to receive and administer all trusts; to invest all trust funds of the local church in conformity with laws of the country, state, or like political unit in which the church is located.
- B. To emphasize the need for adults of all ages to have a will and an estate plan; and to provide information on the preparation of these to the members of the congregation.

- C. To stress opportunities for church members and constituents to make provisions for giving through the local church (and through institutions, agencies, and causes of The United Methodist Church) by means of wills, annuities, trusts, life insurance, memorials, and various types of property.
- D. To arrange for the dissemination of information that will be helpful in pre-retirement planning, including such considerations as establishing a living will and a living trust.
- E. Other responsibilities as determined by the Charge Conference.

The Committee shall cooperate with the Committee on Finance in assuring that the annual audit process (as stated in Paragraph 258.4d of *The Book of Discipline*) is followed. The Committee shall make a full report no less frequently than once each year to the Administrative Board.

C. Objectives for Investment of Endowment Fund

The Endowment Fund’s investment objectives are:

1. Conservation of principal for the effective maintenance of purchasing power.
2. Regular income at a reasonable rate.
3. Growth of income and principal over and above that necessary to offset rises in the cost of living.
4. Investment of assets in institutions, companies, corporations, or funds that make a positive contribution toward the realization of the goals outlined in the Social Principles of the United Methodist Church.

All gifts received by the Endowment Fund shall be invested through the establishment of one or more accounts with the United Methodist Foundation of Western North Carolina, Inc., Charlotte, North Carolina, with the approval of the Endowment Committee.

The specific purpose of each account authorized by the Committee shall be stated in order to fulfill the wishes of the donor and thereby to segregate and maintain gifts for their stated purposes.

Use of Endowment Fund

A. Gifts to the Endowment Fund

Gifts to the Endowment Fund shall be classified as “designated” or “undesignated” and then assigned to one of the following categories:

1. Mission Fund (for missions in and beyond the local church and community)
2. General Endowment (for unbudgeted special needs and ministries determined by the church leadership)
3. Capital Improvements/Expenditures (not a part of the annual budget)

The Committee shall have the authority and responsibility to accept or reject any and all gifts to the Endowment Fund in keeping with the authority granted by the Charge Conference.

All provisions of the Endowment Fund as to investment of funds, administration of funds, and limitation of use of income shall be applicable to both designated and undesignated gifts, and all gifts made to the Fund shall be accepted subject to the terms and limitation set forth in this document.

B. Limitations on Use of Principal

The objectives of the Endowment Fund are to conserve the principal and make use of only the net income from the Endowment Fund. The principal, or any portion thereof, may be withdrawn only in extreme and overwhelming circumstances. Any withdrawal of principal must be approved by a two-thirds (2/3) majority vote of the Charge Conference of _____ United Methodist Church at which a quorum is present.

C. Change in Investment Policy

Any transfer of the Endowment Fund assets for investment with another agency, other than the United Methodist Foundation of Western North Carolina, Inc., must be approved by a majority vote of the Charge Conference, at which a quorum is present, on recommendation of the Committee, the Board of Trustees, and the Administrative Board of the church.

D. Distribution of Income

The Committee as directed by the donors shall distribute the income of the Endowment Fund at the time of their gift or as directed by will or other gift document if such direction is in conformity with the general purposes set forth herein. If the use of the gift is undesignated, the Administrative Board upon recommendation of the Committee shall direct the income.

E. Qualification for Tax Exempt Treatment

Any provision of this Permanent Endowment Fund Agreement to the contrary notwithstanding, the Endowment Fund shall remain the sole property of the church. It is the intent of the church and the Committee to create, maintain and operate the Endowment Fund pursuant to this Permanent Endowment Fund Agreement, under the auspices of the church to the fullest extent necessary to enable the Endowment Fund to qualify as funds of the church under Section 501 (c)(3) of the Internal Revenue Code, and this Permanent Endowment Fund Agreement shall be administered and construed accordingly.

Administration of Endowment Fund

A. Responsibilities of Committee Members

1. Meetings: The Committee shall meet at least once every six months to consider all business that may properly come before them, and may meet as frequently as necessary to adequately handle and dispose of such business. The Secretary shall notify all committee members of regular meetings at least ten days in advance thereof; provided, however, that in the event of an emergency, the Chairman may call a meeting of the Committee and give notice thereof by phone.
2. Majority Rule: At any meeting of the Committee, two-thirds (2/3) of the Committee members shall constitute a quorum. All action taken by the Committee must be approved by a majority vote of the members in attendance, assuming a quorum is present.
3. Distributions: Distributions from the Endowment Fund shall be made only by check made payable to the appropriate recipient.
4. Accounting: Within sixty days after the end of the fiscal year of the Endowment Fund, the Treasurer shall prepare and distribute to all Committee members an annual report of receipts and disbursements. The Treasurer shall also report, when requested, to the Committee as to the receipts, disbursements and other financial activities of the Endowment Fund.
5. Dissemination of Information: Information pertaining to the activities, investments, and distributions of the Endowment Fund shall be disseminated by appropriate means to the members of the congregation of the church, as the Committee may deem appropriate.

B. Liability of Trustees and Committee members

In the absence of gross negligence or fraud, no member of the Board of Trustees of _____ United Methodist Church or of the Committee of this church shall be personally liable for any action made or omission with respect to the Fund.

C. Duration of Endowment Fund

1. Merger, Consolidation, and Dissolution.
If at any time _____ United Methodist Church is lawfully merged or consolidated with any other church, all the provisions hereof in respect to the Endowment Fund shall be deemed to have been made in behalf of the merged or consolidated church which shall be obligated to administer the same in all respects and in accordance with the terms thereto. If _____ United Methodist Church should ever be dissolved without any lawful successor thereto, the Endowment Fund, including both principal and interest to date, shall pass to the United Methodist Foundation of Western North Carolina, Inc., for its unrestricted use.

2. Amendments.

Technical corrections and amendments to this agreement which do not alter the stated purpose of the Endowment Fund may be made only by two-thirds (2/3) vote of the members present at a duly announced Charge Conference of _____ United Methodist Church at which a quorum is present.

3. Severability

If any provisions or any application of any provisions of this agreement 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.

4. Termination of Endowment Fund

The Endowment Fund shall be terminated and all assets transferred to the church immediately at the request of a vote of three-fourths (3/4) of the entire membership of the Charge Conference of the church. Such vote shall be taken at a meeting for which notice of the nature of the meeting is given no less than fourteen (14) days prior thereto.

THIS PERMANENT ENDOWMENT FUND AGREEMENT WAS ADOPTED THIS DAY _____ OF _____, 20____ IN A DULY AUTHORIZED CHARGE CONFERENCE OF THE _____ UNITED METHODIST CHURCH, _____, NORTH CAROLINA BY A VOTE OF _____ FOR, _____ AGAINST, AND _____ ABSTAINED.

Recording Secretary **District Superintendent** **Pastor**

GIFT ACCEPTANCE POLICY

PURPOSE

The purpose of this Gift Acceptance Policy is to describe the type of gifts that can be accepted and the manner in which they can be accepted. Where a Permanent Endowment Committee (hereinafter referred to as The Committee) does not exist, The Board of Trustees (hereinafter referred to as The Trustees) is instructed by the Charge Conference to receive and distribute gifts received under the Gift Acceptance Policy of the Church.

INTRODUCTION

In order to protect the interests of (Church Corporate Name) (hereinafter referred to as The Church) and the persons and other entities who support its programs, these policies are designed to assure that all gifts to the Church, or for the use of the Church, are structured to provide maximum benefit to both parties.

This document focuses on both current and deferred gifts, with special emphasis on various types of deferred gifts and gifts of non-cash property. The goal is to encourage funding of the Permanent Endowment Fund (hereafter referred to as The Fund) without encumbering the organization with gifts which may prove to generate more cost than benefit, or which are restricted in a manner that is not in keeping with the goals of the Church.

To optimize funding from individuals and other entities, the Church must be capable of responding quickly, and in the affirmative where possible, to all gifts offered by prospective donors. Except where stated otherwise, these policies are intended as guidelines only. Flexibility must be maintained since some gift situations can be complex and decisions only made after careful consideration of a number of interrelated factors. Therefore, these policies may in some instances require that the merits of a particular gift be considered by the Committee and a final decision be made only after a recommendation by that Board.

The Committee reserves the right to decline or otherwise refuse any gift offered to the church, with or without cause. Reasons for which a gift may be declined include, but are not limited to the following:

1. The Committee does not believe it is in the best interest of the church or the Fund to abide by the restrictions placed on the gift by the donor.
2. The costs to maintain the gift or to meet the restrictions placed on the gift by the donor are considered to be excessive for the Fund.
3. The gift is considered to be inappropriate or unrelated to the tax-exempt purposes of the Church or the Fund.
4. The gift is designated to benefit or to be channeled to a specific individual.

GIFT ACCEPTANCE TERMS AND CONDITIONS

All gifts will be acknowledged by written confirmation of the gift and of any terms and conditions of the gift acceptance. All information concerning donors and prospective donors, including their names, names of beneficiaries, the amount and type of the gift, aspects relating to their estates, etc., shall be kept strictly confidential except when donors permit the release of such information.

I. OUTRIGHT GIFTS

A. CASH

1. Gifts in the form of cash and checks shall be accepted in any amount.
2. All checks must be payable to **(Church Name)** and in no event shall they be made payable to an employee, agent, or volunteer for credit to the Church.

B. PUBLICLY TRADED SECURITIES

Securities that are traded on the exchanges shall be accepted by the Church. The Permanent Endowment Fund Committee shall make the decision to keep or sell the security.

C. CLOSELY HELD SECURITIES

Non-publicly traded securities may be accepted upon approval by the Trustees. The Committee shall make the decision to keep or sell the security.

D. REAL PROPERTY

1. All gifts of real property must have the approval of the Trustees and a fair market value in excess of (*for example, \$10,000*)
2. Prior to approval, the Committee shall make a recommendation for accepting the real estate and shall include a report on (but not limited to) the following:
 - a. current title and ownership
 - b. current zoning
 - c. any and all restrictions
 - d. any encumbrances, including an Affidavit of Lien signed by the Donor
 - e. an independent qualified third party appraisal
 - f. at least a Phase I environmental audit
 - g. a recommendation on marketability
3. Upon recommendation from the Committee, the Board of Trustees shall make the final decision to keep or sell the property.

E. TANGIBLE PERSONAL PROPERTY

1. All gifts of personal property must have the approval of the Committee and a cash value in excess of (*for example, \$1,000*).
2. Prior to approval, the Committee shall make a recommendation for accepting the personal property and shall include a report on (but not limited to) the following:
 - a. current title and ownership
 - b. an independent qualified third party appraisal
 - c. a recommendation on marketability
3. The Committee shall make the decision to keep or sell the property.

F. OTHER PROPERTY

The Committee shall make the decision to accept and to keep or sell any other property that it may deem to be in the interest of the Church.

II. PLANNED (DEFERRED) GIFTS

A. BEQUESTS

1. Gifts through wills (bequests) shall be actively encouraged by the Church.
2. Upon inquiry by a prospective donor, all representations as to the future acceptability of various properties to be left to the Church in a will or other deferred gift shall be made in accordance with the terms and provisions of Paragraph I (A-F) of this document.
3. Gifts of property that are not acceptable from estates shall be rejected by the Committee and that decision shall be communicated to the legal representatives of the estate.

B. REVOCABLE LIVING TRUSTS AND CHARITABLE TRUSTS

1. The Committee will recommend as fiduciary The Conference United Methodist Foundation.
2. The fees for management of a Charitable Remainder Trust will not normally be paid by the Church, however, upon approval by a majority of the Committee, these fees may be paid by the Church. The fees for management of a Revocable Living Trust will not be paid by the Church under any circumstances.
3. Revocable Living Trusts and Charitable Remainder Trusts and all other deferred gifts shall be encouraged as a method of making gifts to the Church while retaining income which may be needed by the donor for personal purposes. Such trusts shall not be marketed as tax avoidance devices or as investment vehicles and it is understood that no activity will be conducted that will violate Federal and/or State security regulations.

4. No representations as to the manner in which trust assets will be managed or invested shall be made by any employee or other persons acting on behalf of the Church.

C. LIFE ESTATE GIFTS

The Committee may accept such gifts provided that there has been a full disclosure of the possible ramifications of the transaction to the donor.

D. LIFE INSURANCE POLICIES

1. The Church will encourage donors to name the Church as beneficiary of life insurance policies that they have purchased.
2. The Church will not accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to this policy may be made only when the Church has an insurable interest and is in compliance with all State and Federal statutes.
3. No insurance products will be endorsed for use in funding gifts to the Church.
4. In no event shall lists of Church donors' names be furnished to anyone for the purpose of marketing life insurance for the benefit of donors and/or the Church.

E. GIFT ANNUITIES

The Church will accept Charitable Gift Annuities purchased from The Conference United Methodist Foundation.

III. PAYMENT OF FEES RELATED TO GIFTS TO THE CHURCH

A. FINDER'S FEES OR COMMISSIONS

No fees shall be paid to anyone as consideration for directing a gift to the Church.

B. PROFESSIONAL FEES

1. In general, the donor shall pay any fees associated with the gift.
2. No fees shall be paid to anyone as compensation for any sale of any products to the donor.

IV. RESTRICTIONS

- A. Any restriction on the use of any gift must be approved by the Committee prior to acceptance of the gift.
- B. A designated permanent sub fund, other than those identified, may be established with a minimum gift of (*for example, \$50,000*) or such minimum to be determined appropriate and approved by the Committee.

V. GIFT USE

- A. The use of undesignated gifts to the church, other than those gifts intended for undesignated use within the operating budget of the church, shall be determined by the Church Council. (Optional: If the gift is \$1,000 dollars or less, the Wills and Legacies Committee, if one exists, shall make recommendation to the Church Council on the use of the gift.) If the gift is more than \$1,000, the Church Council will entertain suggestions on the use of the gift from local church bodies prior to making a decision on its use.
- B. The church should maintain a "wish" list of projects and items that can be supported or purchased with undesignated gifts.
- C. The church may direct that a percentage of all undesignated gifts to the church be placed automatically in a Permanent Endowment Fund.

INVESTMENT GUIDELINES

The General Conference has assigned responsibility for investment policy to the General Council on Finance and Administration (GCFA), as noted in *The Book of Discipline of The United Methodist Church (2012)* Paragraph 806.12. A statement of investment guidelines and an addendum for local churches may be found on the GCFA website at: <http://www.gcfa.org/sites/default/files/pdf/FSStatementInvGuidelines.pdf> and <http://www.gcfa.org/sites/default/files/pdf/FSLocalChurchAddendum.pdf>.

SAMPLE FUNDS

Most Permanent Endowment Fund Committees will set up “designated” and “undesignated” funds. The former can be used only for specific ministries or programs. Undesignated funds can be used according to the particular needs of the church. Each church should create funds according to its needs and/or vision for ministry. The following list is intended to serve as an example of types of funds that some churches use.

1. General Undesignated
2. Capital Improvements and Unbudgeted Property Maintenance
3. Scholarships
4. Mission Projects (Particular Local, State, National and International Projects that have had a history of support in the local church).
5. Children’s Ministries
6. Worship Ministries
7. Music Ministries
8. Senior Ministries
9. Community Day Care
10. Youth Ministries
11. Scholarships for the Pastor’s Continuing Education
12. Adult Day Care Project

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PROMOTING

This Marketing Handbook is a companion publication to the Foundation's Planned Giving Handbook. Like that publication, it is designed to help local churches create and maintain a successful permanent endowment program. The strategies outlined in this handbook can be effective when implemented as part of an overall marketing communications plan. We encourage you to study this handbook and to adapt these ideas as needed.

Successful communications takes vision and dedication. Most likely, you will find strategies of your own to illustrate the many ways of planned giving can make a difference in the life of your church. Please feel free to share your thoughts with us. If you have questions or comments, please direct them to:

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*This information is not intended as legal, tax or investment advice.
Please consult your attorney, tax professional or investment professional for advice.*

Why Market Your Endowment Program?

Setting up an endowment program is a big step for most churches. It requires vision, hard work and dedication. However, once the program is set up, many of us adopt a *Field of Dreams* mentality. To paraphrase a famous line from the popular 1989 movie, we naively assume “if we build it, they will give.” If that were true, every church endowment would have all the funds it needs. The reality is that creating an endowment program is only the first step. Marketing the program is what makes the endowment grow.

In simple terms, your marketing plan should have three major areas of emphasis: communication, education and celebration.

Communicate. Do let people know what you are doing and why. Don’t just mention the endowment program once in a while. Remind people of what it can do for them and for the church. Endowment giving should be part of the overall stewardship or giving emphasis of the church, and, as such, should be mentioned in any communication —spoken or written —about giving. Let people know that there are creative ways to give to the church; ways that may help stretch their “giving dollars.” Omitting planned giving as an option from your ongoing stewardship communications materials only translates into lost opportunities.

Educate. Planned Giving is a complex topic. Don’t assume that everyone automatically knows what it is. Your marketing materials and/or presentations or workshops must clearly explain the benefits of planned giving. They also should attempt to dispel any myths or misperceptions about planned giving. For example, many people believe that planned gifts are just for the most affluent church members. Truthfully, planned giving is an option that everyone should consider. Plan at least one educational workshop a year.

Estate planning and/or end of life planning are essential elements of financial planning. Let people know why is important— if not imperative —to have a will. Foundation staff members are available on a pro bono basis to talk about planned giving and estate planning, and many churches have members who are financial and estate planning experts as well. Some churches offer faith-based financial literacy programs. Learning to manage one’s assets and to care and plan for one’s heirs is a vital part of comprehensive Christian stewardship.

Celebrate. Let church members know how the endowment program is doing. When new gifts come in, thank donors publicly, if possible, but respect the privacy of those donors who prefer to make anonymous gifts. You can acknowledge the gift and thank the donor without necessarily revealing the person’s identity. There are many ways to report on the annual growth of your

endowment program. Many churches plan a special event honoring donors. Some churches publish an annual report. Some do a combination of both.

We encourage every church to develop an annual recognition event. Invite anyone who has set up a planned gift for the church through a bequest, charitable gift annuity, donor advised fund or trust. Report to them on how their gifts are growing and being used. If you are using a portion of your endowment income to fund certain ministries, let donors—and the general membership—know how these gifts are making a difference. Nothing encourages giving like success.

In summary:

1. Constantly look for ways to let the congregation see your endowment program at work.
2. Don't forget to say "thank you."

What is your vision?

The most successful endowment programs—or any giving program for that matter—happen in an environment where clear long-range plans and goals are established, well-communicated and understood. People want to give to ministry. They are attracted to causes and ideas that make a difference in people's lives. Churches that tell stories of mission and ministry through testimony, offering meditations, newsletter articles, videos, email blasts, special events, direct mail and web site content are more likely to excite people about giving.

Look for stories to tell. If you have a donor who is delighted to be leaving a legacy to the church, have the donor tell his or her story. Use the story in a newsletter or church video, or have the donor give a brief talk during worship or at a church event.

What is planned giving?

Planned giving is all about giving for the long term. Endowment funds are invested to help ensure that the church can continue its mission and ministry beyond our lifetimes. When we make a planned gift, we are giving to something that will continue in perpetuity. Part of the sense of satisfaction that comes from making a planned gift lies in the knowledge that we can make a lasting impact; we can leave a legacy for generations yet to come.

Most church members think of giving in terms of plate offerings. Typically they make a pledge to a stewardship or capital campaign based on anticipated annual income. By contrast, a planned gift typically comes from accumulated assets rather than annual income. A planned gift can be a once-in-a-lifetime gift. In many cases, it may require the assistance of an attorney or other professional financial advisor.

Planned gifts can be as varied as the interests of the donor. They can include such items as stocks and bonds or other appreciated securities, insurance policies, retirement plans, art or antique collections, real estate or other assets. The gifts may be made through such vehicles as trusts, charitable gift annuities, a donor advised fund or a bequest in a will. Often a donor will meet with a financial planner or a representative of the United Methodist Foundation of Western North Carolina to decide how to fund the gift.

Certain types of planned gifts provide added benefits to donors. For example, some provide tax benefits. Some provide a life income arrangement.

Educating your congregation about planned giving can be daunting. The Foundation's *Planned Giving Guide* and other planned giving publications can be helpful in explaining the benefits of various types of planned gifts. Again, a planned giving or estate planning seminar can be very informative for members who are just learning the language of planned giving. It is a good idea to offer educational workshops on a regular basis.

The Foundation also works with churches to prepare congregations for end of life planning. The Foundation offers through its website *Planning Your Legacy: A Christian Guide to Planning Your Will & Trust* and Foundation staff members are available to lead workshops on how to use it as a resource. Many churches address this topic through a combination of spiritual and practical teachings. For example, the pastor may lead a discussion of spiritual issues, a Foundation staff member may talk about how to organize key information for your survivors and a funeral home director may provide insight into decisions facing families at the death of a loved one. The workshop helps participants become better stewards of their assets and provides them the opportunity to make their wishes known in advance.

How to communicate

In the world of marketing, most professionals believe that the most effective plans involve “integrated marketing.” That is, you communicate your message through every means possible: through editorial coverage, through advertising, through promotions and special events. When it comes to marketing your planned giving program, your strategy should be similar. Use every means at your disposal.

Talk about planned giving from the pulpit, in church newsletters, at congregational gatherings, in workshops, in brochures, in bulletin inserts, pew cards and other publications. Again, to borrow a principle from the world of marketing, most people don't get the “message” you are trying to convey the first time they hear it. Think about the most successful marketing campaigns you know. You probably remember such corporate slogans as “the real thing” or “you're in good hands” because you have heard them so often and in so many different ways.

Some marketing experts say that consumers have to hear a message at least seven times before they begin to get it. If you are introducing a new idea, communicate it often. People won't automatically remember it; you have to remind them.

Get your leadership on board

When you first begin your endowment program, make sure to educate your lay leaders. Share the vision with them. Use them to help spread the gospel of planned giving. Meet with your trustees, your finance committee and Ministries Council. Work with other small groups to help build excitement and support for your program. People who understand the vision will help you keep it alive.

Challenge your donors

Faithful stewards are inspired stewards. If you want to inspire your prospective donors, look to the familiar. The Bible is perhaps the best source of inspiration when it comes to giving. It is filled with references to giving back to God. The story of the widow's mite and the parable of the talents teach us to give sacrificially and to make the most of our resources. In Matthew 6:19-21, Jesus challenges us to forgo the treasures of this world and seek heavenly treasure for "*where your treasure is, there will your heart be also.*"

In his letters to the early Christians, the Apostle Paul encourages us to be generous and cheerful givers. He teaches us to give as we have decided in our heart to give. Moreover, Paul equates giving with "thanksgiving."

"You will be made rich in every way so that you can be generous on every occasion, and through us your generosity will result in thanksgiving to God." 2 Corinthians 9:12

Likewise, John Wesley, the founder of Methodism, is famous for his teachings on stewardship. His sermons on *The Use of Money* and *The Good Steward* offer excellent insight into the Wesleyan tradition of giving. Wesley admonished his followers to "earn all you can, save all you can and give all you can." His teachings still resonate with Christians today.

The theology of stewardship is based on the concept that all we have comes from God. Stewardship is about giving back to God in response to His grace in our lives.

Make it easy to give

The number one reason people do not leave a bequest or other type of planned gift to the church is that they are never asked. Please remind your congregation about leaving a final tithe to the church. Include reminders in the bulletin. Place cards, brochures or envelopes in the pews. Explain how to make a planned gift to the church. Make it easy to give. Someone may be waiting to be asked.

Memorial and Honor Giving

Memorial and honor giving are among the most important and meaningful ways to give to a church endowment program. This type of giving allows donors to help sustain the church or favorite ministry, and at the same time, pay tribute to a friend or family member, living or deceased. Often the honoree has been an active and long-time member of the church family.

Permanent Endowment Fund Committees should make sure that members of the congregation understand that tribute gifts are encouraged and accepted. Moreover, they should emphasize how both the gift and the tribute can be lasting. Many churches have created memorial walls to perpetuate the memory of members of the congregation who have been honored. Others have published annual reports highlighting special gifts that have been made “in memory of” or “in honor of” a friend or loved one. Others have placed plaques in appropriate areas of the campus to recognize the contribution of someone who has been honored or memorialized. Still others organize special events to recognize these special contributions.

Honor and memorial gifts may be made to honor a special occasion, such as a birthday or anniversary or some other family milestone. There may be times when persons choose to make a memorial contribution in lieu of flowers at the time of a funeral. There may be a desire to commemorate the anniversary of the birth or death of someone who died some time ago.

Honor gifts are often considered “living memorials” and a way of saying “thank you” to a friend or loved one who has made significant impact on the donor’s life. Likewise, memorial gifts often translate into a legacy for future generations. Both allow donors to give from the heart. What better way to express such deep feelings of gratitude, remembrance and celebration than through the church that is involved in spreading the good news of Jesus Christ throughout the world?

Resources Available from the Foundation

The Foundation partners with churches to help them set up successful permanent endowment programs. Here are some of the services and marketing resources available from the Foundation:

1. [Planned Giving Handbook](#) – a step-by-step guidebook on how to establish a permanent endowment program in keeping with the regulations set forth by The Book of Discipline of the United Methodist Church.
2. [Brochures](#) – general information on planned gifts, including wills and annuities
3. [End of Life Planning Guide](#) – *Planning Your Legacy: A Christian Guide to Planning Your Will & Trust*. Online access via the Foundation’s website at www.umfwnc.org.
4. [Speakers](#) – Foundation staff members are available to make presentation to churches on planned giving, estate planning and end of life planning.
5. [Consultation Services](#) – Foundation staff members will consult confidentially with individuals who wish to leave a gift to a United Methodist Church or charity.
6. www.umfwnc.org – Foundation website offers general information on planned giving and a gift calculator which can show donors potential tax savings and income benefits that derive from certain types of planned gifts, such as charitable trusts and gift annuities.

Promotional Models

The Foundation's Planned Giving Handbook contains in-depth information on how to promote a permanent endowment program. The following information – excerpted from that handbook – outlines two possible models for use in local churches. The first model is the most comprehensive. It begins with a modified promotional emphasis and adds more each year. Model two is a beginning model that can be upgraded as needed. Regardless of the chosen model, always remain sensitive to “overselling” the concept of making a planned gift. If members begin to feel that they are being overwhelmed with a “demand” for a gift, the program will suffer. The model you choose should be tailored to reflect the needs of your congregation.

MODEL ONE

A Three-Year Plan for Promoting
Your Church's Permanent Endowment Emphasis

Year One

Two educational presentations to Administrative Board

Mailings -

February	Permanent Endowment Fund promotional brochure
May	Wills series brochure
August	General Planned Giving brochure

- Quarterly articles in church newsletter
- One-liners in bulletin once each month (See Section IV)
- Wills Clinics or Gifts and Wills Workshop
- Memorial Observance and Service of Remembrance

Year Two

Quarterly educational presentation to Administrative Board

Mailings-

February	Wills series brochure
May	Estate planning brochure
August	Wills series brochure
November	Life insurance brochure

- Monthly articles in church newsletter
- One-liners in bulletin twice each month (See Section IV)
- Wills Clinic or Gifts and Wills Workshop
- Memorial Observance and Service of Remembrance

Year Three

Two educational presentations to Administrative Board

Mailings-

January	Wills series brochure
March	Living trust brochure
May	Wills series brochure
August	Permanent Endowment brochure
November	Year end giving brochure

- Monthly articles in church newsletter
- One-liners in bulletin each week (See Section IV)

- Wills Clinic or Gifts and Wills Workshop
- One Estate Planning Seminar
- Target Group Presentations (i.e. UMW, UMM, Senior Adults)
- Memorial Observance and Service of Remembrance

MODEL TWO

A Two-Year Program of
Promoting Permanent Endowment

Year One

February: Make a presentation at an Administrative Board/Council meeting to church leaders on giving through endowments, memorials and other Permanent Endowment vehicles. Distribute a flyer on giving opportunities. Conduct a written survey.

1. Who has a will?
2. Who has included the church in their will?
3. Who will consider adding the church to their will?
4. Who would like to talk privately about giving options?

May: Send a mailing to the entire congregation about giving options through the church's endowment and memorial program.

November: Send a mailing about the advantages of giving at year-end.

Use one-liners for bulletin and newsletters when appropriate throughout the year. (See Section IV)

Make announcements at group gatherings in the church (including worship) about giving through the church's endowment and memorial program.

Year Two

- January: Write an article for the newsletter about the necessity of having a will.
- February: Send letter and brochure announcing a Wills Workshop.
- March: Conduct a Wills Clinic or Gifts and Wills Workshop.
- April- September: Write a short statement or article monthly in the church newsletter about the church's endowment and memorial program.
- October: Send a letter and brochure about giving through wills.
- November: Conduct an All Saints' Day remembrance and recognition service.

Estate and Gift Planning Workshop (Sample Agenda)

I. Welcome

- Devotional
- Statement of purpose for the workshop

II. What is an estate?

- How will my property be distributed?
- What about taxes?
- Who is your estate planning team?

III. My Will

- What is a will?
- Who needs a will?
- What can a will do? Not do?
- What does it cost?
- Will I need an attorney?
- How do I choose my executor or executrix?
- Who should witness my will?
- Where should I keep my will?
- How often should it be reviewed?
- How can I remember the church in my will?

IV. Creative Gift Planning

- Cash
- Bequests
- Securities
- Real Estate
- Tangible personal property
- Gifts through life insurance
- Life income gifts
- Gifts through retirement plans
- Gifts through business
- Transfer-on-death accounts

V. Planned Giving and Endowment Funding in the Local Church

- Why “planned giving “ in the local church?
- Endowments and other opportunities in our church

VI. Other Documents

- Durable Power of Attorney for health care
- Durable Power Attorney for financial affairs
- Living will

Sample Bequest Language

Leaving a bequest to your church or favorite United Methodist charity is one of the easiest ways to leave your legacy. You simply write the bequest into your will. As you consult with your attorney on the exact wording to reflect your goals and intentions, be sure to use the correct legal (corporate) name of your local church or institution in all final documents.

Example: *“Wesley United Methodist Church (city,state), a nonprofit corporation, or its successor.”*

In your will, you have choices as to how to create your bequest. You may choose to leave a fixed dollar amount, or a percentage of your estate, or the residuary estate or portion thereof. The following is a listing of examples of the most popular types of bequests:

A General Bequest of a stated sum of money may be worded: “I give to _____, a North Carolina nonprofit corporation, or its successor (insert the exact dollar amount.)”

A Specific Bequest of a certain asset from your estate may be worded: “I give to _____, a North Carolina nonprofit corporation, or its successor (insert a description of the particular property.)”

A Residuary Bequest, after other bequest and expenses have ben paid, may be worded: “I give to _____, a North Carolina nonprofit corporation, or its successor all (or a percentage) of the rest, residue and remainder of my estate.”

An Endowed Bequest allows you to restrict the principal of your gift, requiring The Foundation to hold the funds permanently and use only the investment income generated to support beneficiaries indefinitely. “I give to the United Methodist Foundation of Western North Carolina, Inc., or its successor all (or a percentage) of the rest, residue and remainder of my estate as a permanent endowment gift to benefit (insert legal name of beneficiary here.)”

This information is not intended as legal, tax or investment advice. Please consult your attorney, tax professional or investment professional for advice.

Sample Communications Plan

John Wesley United Methodist Church

Planned Giving Communications Plan

Goal:

To encourage the growth of an endowment from bequests and other planned gifts to support the future work of the church.

Objectives:

1. To inform church members and seasonal attendees of the establishment, purpose and growth of the endowment and/or designated funds.
2. To educate church members/seasonal attendees about financial vehicles related to planned gifts for the church.
3. To remind church members/seasonal attendees to consider the ministries of the church in their estate planning.
4. To acknowledge and recognize faithful stewards who have supported the endowment and/or designated funds.
5. To celebrate the ministry that has been made possible with the support of the endowment and/or designated funds.

Objective Strategy Timing/Frequency Target Audience Responsibility

1	Article in church newsletter	Monthly	Everyone on mailing/ distribution list	Committee
1	PG brochure in worship bulletin	Quarterly	Everyone in worship	Committee
1	Slides during gathering time at worship	Weekly	Everyone in worship	Committee
1	Personalized letter to top donors	One time only	Top 10% of donors	
1	Endowment brochure to be included in a mailing, worship bulletin and/or welcome table	Depends on cost and quantity printed Update annually	All church members Depends on cost and quantity printed	Committee
1	Endowment brochure provided during new member orientations	Monthly	New Members	Pastor or New Member Coordinator
1	Formal report	Annually	Trustees/Church Council	Committee Chairperson
2	Article in newsletter focusing on a specific type of planned gift	Bimonthly	Everyone on mailing/ Distribution list	Committee or guest writer with experience in financial or estate planning
2	Wednesday Night Guest Speaker	Winter	Wednesday night attendees	Foundation representative
2	Special workshop (with meal) on planned giving, estate planning, etc.	Spring and Fall	Those interested in learning more about planned giving models	Committee working with Foundation and/or members with financial planning expertise
3	Eye-catching one-line reminders on slides during gathering time at worship	First Sunday of the month	Everyone in worship	Committee
3	Discussion with individual church members as the occasion arises	On-going	To be determined	Pastor
4	Hand-written thank you note	Immediately on receipt of a gift	Donors	Chairman and/or pastor
4	Official letter for tax purposes	Immediately on receipt of a gift	Donors	Pastor or business administrator
4	List of names of donors (no amounts) on formal report and updated brochure	Annually	Church leadership and congregation	Committee
5	Special Sunday to recognize the ministry of the endowment	Annually	Everyone in worship	Pastor/Committee
5	Updated brochure to recognize donors and celebrate the endowment ministry	Annually	General membership	Committee

Sample Tri-fold Brochure

So Many Ways to Give

For Reference Only

May be adapted to meet the needs of individual churches

Cover Panel

(You may want to use photos of your church or photos of members and families. You may want to include inspirational quotes from members or philanthropists and Biblical passages that inspire giving.)

It's easy to give to (Church Name)

Did you know that you can give to (church name) in a variety of ways; not just through Sunday morning plate offerings, but in creative ways that allow you to use your assets in addition to income? Thanks to our Permanent Endowment Fund, (church name) members can make charitable contributions to the church in just the same way they might donate to any other charity.

Inside Panel

Your gift may be made in many different ways:

Outright gifts

- Cash
- Publicly Traded Securities
- Real Property
- Tangible Personal Property
- Other Property

Planned Gifts

- Bequests
- Life Estates
- Life Insurance Policies
- Life Income Programs
- Retirement Plan Gifts

Leaving Your Legacy

A planned gift to the endowment fund will help ensure that the ministries that have meant the most to you in your lifetime will continue into the future. You do not have to be wealthy to give. You may make gifts in memory or in honor of friends and family. With planned giving, you decide what to give and how to give it. Many planned gifts offer certain advantages to both the donor and the

church. You may designate your gift to benefit a certain ministry area. A list of our designated funds include: general endowment (list sub funds approved by Permanent Endowment Committee).

Inside Panels

Popular Ways to Give

Appreciated securities—Transfers of stocks or mutual funds may be made directly from your brokerage account to (church name). To inquire about how to transfer securities, please contact (church office/business administrator) at (phone number).

Beneficiary designations—Donors may make a significant deferred gift to the church by designating (church name) as a beneficiary of a life insurance policy or retirement plan. There are many ways to give through life insurance and retirement plans, some of which may have benefits to donors. Please consult your financial advisor.

Bequest in your will—Give a fixed amount or item (or property) to the church. Some donors prefer to designate a percentage of their estate or donate the residual amount left in the estate after all other bequests are granted.

Personal property—Personal property such as automobiles, works of art, antiques, coin or stamp collections, jewelry and other items also may be given to the church.

Life income plans—Life income plans such as charitable gift annuities and charitable remainder trusts may be set up through the United Methodist Foundation of Western North Carolina to benefit (church name). Donors receive a charitable deduction when the gift is made and income throughout their lifetimes. The remainder goes to the church upon the death of the donor.

List other types of gifts as appropriate

Back Panel

Disclaimer and contact information

The purpose of this publication is to provide general gift giving information. Neither the author nor this organization is engaged in rendering legal or tax advisory service. State laws govern wills, trusts and charitable gifts made in a contractual agreement. For advice and assistance in specific cases, the services of an attorney or other professional advisor should be obtained.

(Name and address of church, phone number, web address and email address.)

Copy for Bulletins & Newsletters

Selected statements printed in church bulletins and newsletters can be an effective way of communicating ideas which can in turn prompt decisions and action on the part of members of the local church. Some suggestions are:

TOPICS: Wills & Estate Planning
Life Insurance Gifts
Trusts & Endowments
Stocks, Bonds, Mutual Funds, Real Estate
Other Kinds of Gifts

Wills & Estate Planning

1. Preparing an estate plan is good Christian stewardship – saying thanks to God, expressing your love and concern for family, and showing charity toward others.
2. Did you know that, for purposes of estate taxation, there is no limitation on the size of a charitable gift you may give to your church at the time of your death? No matter how large, the gift is deductible for estate tax purposes.
3. Think about the part you want to play in your church's future. You have the opportunity to support this ministry in many ways. Naming your church as a beneficiary in your estate plan or the making of an endowment gift can assure your continued participation in the life and mission of your church far into the future.
4. Remember, if you have no will or trust state laws will determine who will inherit your property at your death. State laws do not include your church or any other charity as a beneficiary.
5. Consider naming your church as a beneficiary in your will or living trust. The gift could be a set dollar amount, a percentage of your estate, the remainder after other gifts are made, or a gift of that part of the estate left if designated heirs are deceased.
6. Giving to your church through your will is a good way to continue your support of your church beyond your lifetime. When your estate plan is prepared, consider including plans for a gift to your church.

7. Did you know that the laws of the state where you are living at the time of your death will determine how your estate is settled if you have no will of your own? These laws might not leave your property to the people you want to receive it. And, these laws definitely don't leave any gift to your church or any other charity. Would you not rather make these decisions yourself? Contact an attorney and make your will soon.
8. How long has it been since you updated your will? Does it still express your wishes? Does it leave a gift to your church to carry on its ministry after your death? Your attorney can assist you in reviewing and revising it to satisfy your current wishes.
9. You can share your faith beyond your lifetime by careful estate planning which includes your church in your will. During your lifetime you will have the joy of knowing that whatever you do not use in this life will continue in ministry through your church after your death.
10. Is your church in line? Every year thousands of wills are probated where many or all of the named beneficiaries have predeceased the maker of the will. In such cases, the assets intended for the deceased beneficiary pass to the final or residuary beneficiary. So please, consider asking your attorney to put your church in your will as the residuary beneficiary. The church is willing to be last in line, but don't forget to put your church in your will.
11. There are many reasons to update your estate planning documents. One is to include a gift to your church.
12. Have circumstances changed since you last updated your estate plan? Do your current estate planning documents carry out your commitments to your church? Reviewing your plans at every major life event, such as a birth, marriage, divorce, etc., is essential. A review every three to five years is also wise. Ask your lawyer to review your estate plan with you on a frequent basis to ensure that your wishes will be carried out.
13. Do you know who your heirs will be? Is your church a beneficiary of your estate? Did you know that an estimated 70% of adults who die do not have a Will or Living Trust? Without proper estate planning, no charity can receive gifts from your estate. Be sure your estate planning documents are up to date.
14. There are many reasons to update your estate planning documents. One good reason is to include a gift to your Church.
15. Proper estate planning can reduce administrative time, expense, and inconvenience. Careful estate planning can also be one of the best gifts you give your family.
16. Remember your church in your will and living trust.

17. Who needs estate planning? Every adult who is legally competent, who owns anything and cares about who receives it at the time of their disability or death. In addition, estate planning is necessary for anyone who wants to leave a bequest for their church.
18. Have you moved to another state since signing your estate planning documents? If so, consider having the documents checked by an attorney in the new state. In addition, this might be a good time to consider naming your church to receive a gift through your estate plans.
19. Your will is the proper place to name the guardians for your children should both parents die while the children are still minors. Pick their guardians yourself, rather than leaving this decision to the courts, as will happen if you do not have properly drawn legal documents.
20. Good stewardship requires us to think of the future. Have your estate plan prepared now and express your good stewardship in ways that will bless your family and your church.
21. "Later" can be too late. Don't delay having your will drawn. Make sure your estate plans are in place so that your wishes will be carried out to benefit your family. Gifts you plan for your church through your will can help your church continue to minister and serve.
22. Be sure that your estate planning documents are properly prepared. A homemade will might work, but unless it is properly written it might cause unnecessary expenses and delays -- and worst of all, it might not accomplish what you want to happen. The writing of your will is a job for which you need your attorney's assistance.
23. The costs of having your will drawn by an attorney can be a terrific bargain. It may save many times its cost in taxes and administrative expenses to your heirs. Make sure your attorney also knows of your desire to include your church in your estate plans.
24. Did you know that you can name the church a beneficiary of your estate in several ways? Consider gifting the church a specific amount, a percentage of your estate, the remainder of the estate after other gifts are made, or portions of your estate whose beneficiaries predecease you.
25. Is your current will keeping up with you? Does it reflect your Christian commitments? Make sure your will is up-to-date.
26. Have you ever heard that "wills are for rich people?" That's right! But they are also for poor people and for everyone in between. Your will relates to everything God has entrusted with you, and it can be a powerful statement of your Christian stewardship.

27. A gift to your church is a testimony to the faith and confidence you have in the ministry of the church. A bequest or estate gift is a testimony to your faith in the future.
28. The gifts you make in your estate plan can carry on your charitable support after your death. Consider making a gift to the Church in your estate plan.
29. Avoiding probate or minimizing estate taxes at death require proper planning. When you are doing this planning, consider making a gift to your church in your estate plan.
30. When you need a will, it's too late to have one drawn. Don't wait to your estate plan prepared. None of us knows when our earthly life will end. Prepare your estate plan now and remember that a gift to your church will help others even after your death.
31. Grandpa didn't have a will, but Grandma does. She had to settle Grandpa's estate without one, and she now knows how important a will really is. Do you have a will?
32. Are you leaving a legacy of "red tape" for your heirs? A legal will drawn by your attorney will cut out the red tape and accomplish what you want to happen following your death.
33. Consider making an endowment gift to the church for a scholarship fund or other memorial in the name of your family. In this manner, your family name can live on forever. Feel free to discuss with the pastor any special programs or projects you would like to support.
34. Did you know that the state has made a will for you if you have no will yourself? These laws might not leave your property to the people you would choose. These laws definitely don't leave any property to the church or any other charity. We think the preparation of a will or living trust is your final action of Christian stewardship.
35. You can share your faith beyond your lifetime by including your church in and signing your estate planning documents now. You will have the joy of knowing that whatever you do not use in this life and designate for your church will continue in ministry after your death.
36. Proper estate planning can reduce administrative time, expense and inconvenience. Be sure to document your estate planning properly. You may even want to consider giving the church the administrative costs your estate will save by having the appropriate documents in order.
37. Have you moved to another state since signing your estate planning documents? If so, consider having the documents checked by an attorney in the new state. In addition, consider naming your church as one of your beneficiaries.

38. Did you know that owning all of your assets jointly may result in paying federal estate taxes that might be avoided through proper estate planning? Ask your tax advisor and have your advisor add the church to your estate plans as a beneficiary.
39. Our trustees and pastor enthusiastically support planned giving to our church. Contact any of them for more information.
40. We accept endowment gifts! The earnings will be used for special church projects. The principal of the gift is never spent and continues indefinitely.
41. Anyone can give an endowment gift. Any size gift may be made as an endowment. You may make this gift now or as part of your estate plan.

LIFE INSURANCE GIFTS

1. Life insurance is a way to make a larger gift to your church than you might otherwise be able to afford. Consider naming your church as a beneficiary of part or all of any life insurance policy.
2. If the needs of other beneficiaries will be met in other ways, why not make your church the owner and beneficiary of one of your life insurance policies? If you do this, you may receive a significant income tax deduction and future premiums you pay may also qualify for an income tax deduction.
3. Consider naming the church as a secondary or back-up beneficiary of a life insurance policy or even your retirement plans in case other beneficiaries named are deceased at the time of your death.
4. Consider taking out a new life insurance policy to benefit your church. When you name your church as owner and beneficiary, all premiums you pay may be considered tax deductible contributions. The death benefit will be paid to your church and could create a significant endowment for a cause of your church you have selected.
5. Did you know that life insurance beneficiary designations take precedence over your will? Beneficiary designation is part of a contract between you and your insurance company. If you wish to name your church as a beneficiary or partial beneficiary, just request a new beneficiary designation form from your insurance company.

6. Did you know you can direct the annual dividends on your life insurance policy to be paid to your local church? Contact your insurance company for more information, and ask your financial advisor if this dividend gift to your church is tax deductible for you.

TRUSTS AND ENDOWMENTS

1. Donor-established endowments are gifts that keep on giving. If the endowment agreement states that the principal shall never be invaded and that income is paid out to support a designated cause through your church, then your gift is "forever."
2. Trusts allow you to make a gift to your church in the future. You may set up the trust now and keep the income for yourself or other beneficiaries as long as you choose, or for life. The church will receive the property after that. There are special tax benefits for these kinds of trusts.
3. Charitable Remainder Trusts allow you to make a gift to your church while retaining income from the gifted asset during your lifetime, and that of your spouse. If the trust is funded with appreciated property, capital gains taxes may be avoided to a large extent. There also may be a significant current income tax deduction at the time the trust is created. Your conference/area United Methodist foundation can provide you with specific information on how this would work for you.
4. Consider making a gift to your church to fund an endowment in memory of a family member or special friend. Feel free to discuss with your pastor or other appropriate church leader any special programs or projects you would like to be supported by this endowment.
5. What about an endowment established in the name of your family? Your family name will live on in the life of your church. Other family members might also consider contributing. The endowment could support a special ministry of your church that has been especially meaningful for your family.
6. Consider setting up an endowment through your conference/area United Methodist foundation. This will ensure that the principal is never invaded and that earnings flow to your church or other United Methodist cause. Contact your foundation for more information.
7. Charitable Remainder Trusts or Charitable Lead Trusts allow you to make a gift to charity of principal or income, while keeping one or the other for yourself or other beneficiaries. We urge you to investigate these possibilities with your conference/area United Methodist foundation and your financial and tax advisors.

GIFTS OF STOCK, BONDS, MUTUAL FUNDS, AND REAL ESTATE

1. Under current laws, appreciated securities and real estate may be deductible for income tax purposes at their current fair market value. In most cases, the appreciation is not taxed to you at all. Consider using these gifts. But—be sure you donate the property to the church and they sell it. If you sell it yourself and donate the sale price, capital gains taxes may apply!
2. If you plan to leave your home to the church following your death, you can transfer the property now and still maintain use of it as long as you live. A current income tax deduction is available for the value of such gifts to the church.
3. Stocks and bonds are excellent means of making a gift to your church. You may be entitled to a federal income tax deduction if you give these securities to the church during your lifetime. Ask your United Methodist Foundation of Western North Carolina and your financial or tax advisor for assistance.
4. If you are a stockholder in a closely-held corporation, consider having the corporation make a gift to your church. Like individuals, corporations may qualify for tax deductions for charitable gifts.
5. Some corporations have programs to match gifts that are made to charities by their employees and retirees. This is a way of greatly increasing your gift to the charity. While most corporations do not match gifts to local churches, they may match gifts that help further the ministries of your local church.
6. Real estate offers excellent opportunities for giving to your church. Consider a gift of land, a condominium, commercial property, home, farm, or other types of real estate. You may be able to avoid capital gains taxes and also be entitled to an income tax deduction for the fair market value of the property at the time the gift is made.
7. Consider making a gift of your personal residence or family farm now and continuing to live there until your death. An immediate income tax deduction may be available for this arrangement. At your death the property would be available for church use or sold to benefit ministries of your church.
8. Consider giving the use of your property to your heirs for the duration of their lives, but having the property at their death pass to the church as a family memorial. After the property has met family needs, it will then support the mission and ministry of your church.

OTHER KINDS OF GIFTS

1. You may specify that your bank accounts are held in trust for your church. You retain total control over the account during your lifetime. However, those funds which remain in the account at the time of your death bypass your will and go to your church without estate taxes. Most banks have the forms readily available so that you can easily establish this kind of an “in trust for” account.
2. The church will consider gifts of jewelry, art, coin collections, antiques, mineral rights and related items. These gifts can be made during your lifetime or at your death. Contact your tax advisor for more information about how to calculate your tax deduction.
3. Retirement funds present new opportunities for giving to your church. You may want to name your church as the final beneficiary of your individual retirement account (IRA) or other retirement funds, in the event that you and other named beneficiaries die before receiving all of the funds.
4. Memorial gifts to your church meet two important needs at once. (A) They allow you to express your feelings at the loss of a loved one. (B) Your gift to your church helps support its mission and ministry. Appropriate notices are sent to the bereaved family indicating the fact that your memorial gift was made. The amount of your gift is not disclosed in this notice.
5. Our pastor enthusiastically supports the church’s planned giving program. If you are interested in making any special gifts to the church, feel free to discuss this with the pastor. The pastor will put you in touch with appropriate advisors.
6. Have you received an inheritance? If so, consider gifting part of the inheritance to your church in memory of the loved one who remembered you. You can make this gift now or in your estate plan.
7. If a special friend or relative precedes you in death, consider commemorating this individual through a memorial gift to your church. This will show your appreciation for this treasured relationship and help the church at the same time. An acknowledgement card will be sent to the surviving family, letting them know of your gift without disclosing the amount.
8. Your gifts to your church are a testimony to your faith and the confidence you have in your church. Both lifetime gifts and testamentary gifts through your will express your feelings in a meaningful way.

9. A gift can be made to the church by selling the church an asset at less than current market value. The difference between the sales price and the current value is a gift to the church when it buys the asset. This type of gift can qualify for a federal income tax deduction.

10. Consider naming the church as a beneficiary of your retirement plan. In many cases this turns out to be a tax-wise asset to gift to charity. If you already have named other beneficiaries, consider naming the church as a secondary or backup beneficiary in case any other primary beneficiaries are deceased at the time of your death.

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OTHER RESOURCES

SOME FACTS TO CONSIDER

1. While conference/area United Methodist Foundations are positioned to provide assistance in consultation and planning with donors and in the administration and management of the gift plan options discussed in this handbook, the donor should always be advised to consult his or her own legal and financial advisors.
2. Churches, and all other charitable organizations, are advised to make an intentional effort to fully understand all facts and implications as to gifts which are offered and should take prompt and appropriate action to accept or reject those gifts to avoid potential problems. For example: Present state and federal environmental regulations and laws make it absolutely critical that a church investigate thoroughly any real property for environmental concerns before the property is accepted. Once the church has accepted a gift of real estate, the environmental liabilities pertaining to that property rest with the church. Always consult with your attorney and other professional advisors before real property gifts are accepted.
3. The purpose of this publication is to provide accurate and authoritative information of a general character only. The United Methodist Foundation of Western North Carolina, Inc. is not engaged in rendering legal or tax advisory services. For advice or assistance in specific cases, the services of an attorney or other professional advisor should be obtained.

Evaluating your endowment program

Your United Methodist Foundation of Western North Carolina encourages you to evaluate your endowment program on a regular basis. Frequency may depend on where you are in the process, but once the program is up and running, we recommend that you set goals and analyze your progress on an annual basis. The evaluation process should help you fine tune your strategic plan and set goals for the following year.

To help with this process, here are some points to consider:

- Measure your annual growth in terms of
 - new gifts received
 - growth of investment income
 - new donors identified
- Have you asked donors within the congregation to self identify? Do you know who is planning to remember the church in their will or living trust? Are you regularly reminding members of the congregation to include the church in their estate planning?
- How well have you communicated with the congregation on the benefits of planned giving?
- What events or educational seminars have been most successful this year?
- How has income from the permanent endowment been used to support or enhance the mission and ministry of the church? How well have you reported the disbursements to the congregation?
- How have you thanked and recognized your donors? Do you have a meaningful recognition program in place?
- Has your core leadership helped promote the program through their example of giving?
- How successfully have you linked the church endowment to the church's mission and/or long range vision for ministry?

Building a Church Endowment

What is an Endowment

- A fund or series of funds that can be invested to establish a permanent source of income to support programs and ministries

Why Endowment

- To establish a long-term income source – apart from the annual operating budget – that can support the church’s vision for ministry
- To provide a funding source that anticipates current and future needs in terms of program and outreach opportunities, maintenance, facility upgrades and expansion, staffing and unbudgeted expenses

Why Endowment

- To reinforce the principle that stewardship is not a one-time commitment, but a way of life
- To help insure the long-term financial security of the church

How Endowments are used

- Ministries
- Missions
- General Fund
- Scholarships
- Church property
- Other

What is your vision?

- The most successful endowment programs are those that are tied to the mission and vision of the church
- Take time to create a vision for ministry, and communicate it to your congregation
- People give when they believe that a church is changing lives

How it affects giving

- Provides a new income stream based on assets accumulated during one's lifetime
- Allows members to include their church in their present and future financial plans
- Expands giving horizons

Benefits of Planned Giving/Endowment Program

- Gifts continue to give beyond one's lifetime
- Some have impact beyond the local church
- Planned gifts model the value of stewardship as a lifetime practice beyond the annual tithe
- Everyone can participate

Ways of Giving

- Operating Budget -- weekly or monthly gifts, 99.5% from income
- Capital Campaign – pledge paid over three to five year period; 80% income, 20% assets
- Other funds – sporadic, 99.5% from income
- Endowment – a once in a lifetime gift, almost 100% from accumulated assets

Types of Planned Gifts

- Wills and Bequest
- Life Income Arrangements such as Charitable Gift Annuities and Charitable Trusts
- Life Insurance
- Appreciated Securities
- Real Estate
- Retirement Plans
- Art collections, antiques and collectibles

Creating a Permanent Endowment

- Establish an Ad-Hoc Committee
 - Draft an endowment resolution
 - Describe vision for funds
 - Define relationships between committees
 - Define positions on permanent committee
 - Draft gift acceptance policy
 - Recommend investment manager
- Convene Charge Conference

Creating a Permanent Endowment

- Permanent Committee
 - Creates an investment plan that meets objectives of each fund
 - Creates promotion and planning calendar
 - Puts the ministry into action
 - Reports annually to the Charge Conference

How the Foundation Can Help

- Lead you through the process of creating an endowment fund
- Provide seminars, resources and materials
- Work with church members on making gifts
- Provide church members trust management and cga's
- Donor recognition program, marketing handbook and other promotional tools
- Professional fund management

Endowment Committee Responsibilities

- Develop a written plan of promotion and education
- Develop a written plan on handling inquiries concerning the endowment fund and planned giving vehicles
- Develop a written plan on how donors will be acknowledged

Endowment as Ministry

- Teaches stewardship as a lifelong commitment that can enhance the work of the church for our generation and generations to come

ADDITIONAL PERMANENT ENDOWMENT (PLANNED GIVING) RESOURCES

The United Methodist Foundation of Western North Carolina, Inc. can assist you in securing the highest quality planned giving resources. A call or letter to this closest source is advised as a first step in your search for the best available.

Some examples of the quality resources available for the local church's planned giving program are:

Barrett, Wayne The Church Finance Idea Book Discipleship Resources,
Nashville, 1989

Joiner, Donald W. Christians & Money – A Guide To Personal
Finance Discipleship Resources, Nashville, 1991

27 – Plus Ways to Increase Giving to Your Church is
available in a nondenominational format from Robert F.
Sharpe and Co., Inc., 5050 Poplar Avenue, Memphis,
Tennessee 38157.

There are a wide variety of leaflets, brochures, and booklets available from numerous sources. The United Methodist Foundation of Western North Carolina office is familiar with these resources and can provide guidance in selecting and securing those to meet your church's needs and within your budget limitations. Some of these resources are:

Robert F. Sharpe
& Company, Inc.
5050 Poplar Avenue
Memphis, TN 38157
(800) 238-3253
FAX (901) 761-4268

Sinclair, Townes & Co.
670 Village Trace
Building 19
Atlanta, GA 30067
(770) 988-8111

The Stelter Company
11159 Aurora Avenue
Des Moines, IA 50322
1-800-331-6881
FAX (515) 278-5851

Young-Preston Associates, Inc
5104 Bernard Drive, SW
Roanoke, VA 24018
(703) 772-6810
FAX (703) 772-6818

Conrad Teitell
Taxwise Giving
13 Arcadia Road
Old Greenwich, CT 06870
(800) 243-9122

The National Committee on Planned Giving, 550 West North Street, Suite 304, Indianapolis, Indiana 46202-3162, has developed a "Bibliography and Resource Guide" which is an extensive listing of books, loose-leaf manuals, donor prospect materials, booklets, periodical articles, newsletters, computer software, and audio-visuals. While this guide was developed for members of the Council, it is also available to non-members. The guide is available at a modest cost.