

1 CHARTER DOCUMENT TO ESTABLISH  
2 A PERMANENT ENDOWMENT AND PLANNED GIVING MINISTRY COMMITTEE AND  
3 PERMANENT ENDOWMENT FUND  
4 FOR **FIRST UNITED METHODIST CHURCH**  
5 OF  
6

7 **DESIGNATION OF FUND**

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9 This Fund shall be known as the FIRST UMC ENDOWMENT FUND, hereafter referred to in this document  
10 as “the Fund.”

11 The Fund and its administration will conform to all applicable Your State laws and regulations, any  
12 applicable Federal laws and regulations including the provisions of the Internal Revenue Code and the most  
13 current *Book of Discipline of The United Methodist Church*, (“the Discipline”) particularly pertaining to  
14 Paragraph 2534.

15 **PURPOSE OF FUND**

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17 The Fund is established and shall be operated exclusively for charitable purposes.

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19 The Fund is established to provide members and friends the opportunity to make charitable gifts to First  
20 United Methodist Church, Inc. (hereafter referred to as “the Church”) that will become a permanent  
21 endowment for financial support and a living memorial.

22 The Fund is intended for Church purposes which are not funded through the annual operating budget;  
23 however, gifts which intend to supplement programs and ministries are appropriate. There shall be a General  
24 Endowment Fund which shall contain all undesignated gifts. Special designated funds within the Fund may  
25 be established as provided herein.

26 Undesignated:

27 — General Endowment Fund  
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29 Designated funds that may be established with a minimum investment:

30 \_\_Capital Improvements and Unbudgeted Property Maintenance

31 \_\_Missions

32 \_\_Children’s Ministries

33 \_\_Music Ministries

34 \_\_Youth Ministries

35 \_\_Any other fund that shall be designated from time to time by the Permanent Endowment and Planned  
36 Giving Ministry Committee and approved by the Board of Trustees  
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38 **DISTRIBUTION OF INCOME**

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40 The distribution of the Income from the undesignated or general endowment fund shall be determined by the  
41 Permanent Endowment and Planned Giving Ministry Committee. The distribution of income will only be  
42 allowed if the market value of the fund is at least \$100,000.

43 The Committee is authorized to distribute annually for such purposes an amount not greater than the  
44 “income” of the Fund defined as follows: An amount determined each year as four percent (4%) OR at least  
45 3% and no more than 5% of a rolling three-year average of the fair market value of the Fund as determined  
46 on the first business day of each calendar year (“Income”). Any Income not so distributed shall be added to  
47 the principal and reinvested. OR Any income not so distributed may accumulate year after year.

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49 **POWERS AND DUTIES OF THE BOARD OF TRUSTEES**

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51 The Board of Trustees shall have the following responsibilities with respect to the Fund:

52 The Board of Trustees shall have the full power and authority to accept or reject any and all property of  
53 whatsoever nature donated, bequeathed, or devised to the Church, and with respect to any such property  
54 accepted, to hold such property in the form in which it is received or to sell, assign, transfer, or otherwise  
55 dispose of such property and distribute the proceeds of such sales to the Fund. The authority to accept such  
56 gifts may be delegated to the Committee.

57 The Board of Trustees shall also have the power, authority, and right to establish, either from a portion of the  
58 income from the Fund or from any other source from which they may have received property not specifically  
59 given, donated, bequeathed, or devised to the Fund, separate funds named, designated, and set aside for  
60 specific special purposes.

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62 **ESTABLISHMENT OF THE PERMANENT ENDOWMENT AND PLANNED GIVING MINISTRY**  
63 **COMMITTEE**

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65 There shall be a Permanent Endowment and Planned Giving Ministry Committee of the **Church also known**  
66 **as the Legacy Ministry Committee and** will be referred to as the ("Committee") which shall be appointed by  
67 the Board of Trustees and/or the Committee on Lay Leadership and shall have the power, duty and  
68 responsibility of directing the administration of the Fund in accordance with the relevant provisions of the  
69 Discipline and the following:

70 **The Committee shall consist of not less than three or more than ten members.** The Senior Pastor shall be an  
71 ex officio member and the Committee may include the Lay Leader and representatives from the Finance  
72 Committee, the Board of Trustees and the Stewardship Committee. The Board of Trustees and/or the  
73 Committee on Lay Leadership shall seek to appoint at large members with expertise in the following areas:  
74 estate planning, public relations, marketing and sales, finance, banking and other skills the Committee deems  
75 desirable. The Committee shall elect a chair, a secretary and such other officers as deemed necessary.

76 Accurate minutes and records shall be kept of the meetings, decisions, and actions of the Committee, and it  
77 shall be the continuous responsibility of the secretary elected by the Committee to record and keep such  
78 minutes and records. The Committee shall report annually to the Charge Conference regarding its carrying  
79 out of this responsibility.

80 Subject only to the limitations and prohibitions which may be imposed or approved by the Charge  
81 Conference or a donor, the Committee shall receive and administer all bequests and other gifts made to the  
82 Church; shall receive and administer all trusts; and shall invest all endowment funds in conformity with all  
83 applicable provisions of this Resolution and the Discipline.

84 The business manager or a designated staff person of the Church and one or more of the members of the  
85 Committee designated in writing by the Committee shall be authorized to sign, on behalf of the Committee,  
86 any and all documents requiring execution in connection with the administration of property held for the  
87 Fund and in the management of special funds included therein in accordance with the decisions of the  
88 Committee.

89 **POWERS OF THE PERMANENT ENDOWMENT AND PLANNED GIVING MINISTRY**  
90 **COMMITTEE**

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92 In the administration of the Fund, the Committee shall have the necessary authority to carry out the purpose  
93 of the Fund. No power or authority shall be exercised by the Committee in any manner or for any purposes  
94 whatsoever which may not be exercised by an organization which is tax exempt or by an organization's  
95 donations to which are deductible from a donor's taxable income to the extent allowed by the provisions of  
96 the Internal Revenue Code and other applicable legislation and regulations as they now exist or may  
97 hereafter be amended. The acquisition, ownership, sale or transfer of any real or personal property must be  
98 consistent with the current Book of Discipline of The United Methodist Church.

99 The Committee shall have the powers and duties authorized by the Discipline and granted by the Charge  
100 Conference.

101 A. To receive and administer all gifts and bequests made to the Church; to invest all funds of the Church in  
102 conformity with laws of the country, state, or like political unit in which the Church is located.

103 B. To emphasize the need for adults of all ages to have a will and an estate plan; and to provide information  
104 on the preparation of these to the members of the congregation.

105 C. To stress the opportunities for church members and constituents to make provisions for giving through  
106 United Methodist churches, institutions, agencies, and causes by means of wills, annuities, trusts, life  
107 insurance, memorials, and various types of property.

108 D. To arrange for the dissemination of information that will be helpful in pre-retirement planning.

109 E. To update the committee rules and regulations after each General Conference as needed.

110 F. Other responsibilities as determined by the Charge Conference.

111 G. To collect, receive, and receipt for the income, profits, rents, and proceeds of the Fund.

112 H. To purchase, subscribe for, retain, invest, and reinvest in securities or other property. The intent is that  
113 the Fund's investments shall be made independently by the Committee or their contracted manager. These  
114 may include investments in bonds, notes, or other securities of the Mountain Sky United Methodist  
115 Foundation, Inc. The terms "securities or other properties" as used in this document shall be deemed to  
116 include real or personal property, corporate shares, common or preferred stock, or any other interest in any  
117 corporation, association, investment trust, or investment company, bonds, notes, mortgages, debentures or  
118 other evidences of indebtedness or ownership, secured or unsecured.

119 I. To sell for cash or credit, convert, redeem, exchange for other securities or other property, or otherwise  
120 dispose of any securities or other property at any time held by the Committee.

121 J. To hold part or all of the Fund in cash; however, such cash shall be deposited in an account with the  
122 Mountain Sky United Methodist Foundation, Inc., or a federally insured commercial bank, savings bank,  
123 savings and loan association, or broker that is a member Securities Investor Protection Corporation.

124 K. To employ suitable accountants, agents, legal counsel, and custodians, and to pay their reasonable  
125 expenses and compensations. Each separate Fund shall bear its pro rata share of such reasonable expenses.

126 L. Any other provisions of this resolution notwithstanding, the Committee shall not engage in any act of  
127 self-dealing as defined in the Internal Revenue Code; nor retain any excess business holdings as defined in

128 the Internal Revenue Code; nor make any investments in such manner as to incur tax liability under the  
129 Internal Revenue Code; nor make any taxable expenditures as defined in the Internal Revenue Code or  
130 corresponding provisions of any subsequent Federal tax law.

131 M. The Committee shall determine all matters regarding management of the Fund, expenditures, and  
132 investment by a majority vote (except amendments discussed under "Amendment of Resolution").

133 N. The Committee, in cooperation with the Church Committee on Finance, shall ensure that the annual audit  
134 or review is performed.

135 O. The Committee shall act by a vote of the majority of the Committee members authorized herein to vote,  
136 excepting amendments to this resolution as described under the section "Amendment of Resolution."

137 P. The term "majority" as used in this resolution is constituted by at least 50 percent plus one of the  
138 Committee members. Any instrument required to be executed by this resolution (except amendments to this  
139 resolution described under the Section "Amendment of Permanent Endowment Fund Resolution") shall be  
140 valid if executed in the name of the Fund by a majority of the Committee. The vote shall be recorded when  
141 the vote is not unanimous.

#### 142 **INVESTMENT OF PERMANENT ENDOWMENT FUNDS**

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144 The Fund's investment objectives are:

- 145 1. Conservation of principal for the effective maintenance of purchasing power.
- 146 2. Diversified investment for total return including asset growth and regular income
- 147 3. Investment of assets in institutions, companies, corporations and funds which make a positive  
148 contribution toward the realization of the goals outlined in the Social Principles of The United  
149 Methodist Church.

150  
151 [The Mountain Sky United Methodist Foundation, Inc. \("Foundation"\)](#) shall be appointed the institutional  
152 [custodian of the Fund](#) to fulfill the goal of the Committee to act as a socially responsible investor.  
153 Reasonable compensation shall be paid to the custodian for services rendered. The Foundation, through an  
154 Investment Management Agreement with the Church, will invest all permanent funds received by the Fund.  
155 Any disbursements by such custodian from the Fund shall be made only upon the written direction of such  
156 person or persons as are designated by the Committee. Any transfer of the Fund's assets from the Foundation  
157 to any other agency must be approved by a majority vote of the Trustees upon the recommendation of the  
158 Committee.

159 The Committee is expressly authorized and empowered to hold, manage, sell, convey, lease, lend, invest, and  
160 reinvest any monies or property at any time forming a part of the Fund, in any property, real, personal and/or  
161 mixed, of any kind or nature, without being limited or restricted to the type or mix of investments prescribed  
162 or authorized for trustees by the laws of [Your State](#). The Committee is expressly authorized to invest and  
163 reinvest any portion or part of the Fund in a common trust fund maintained and managed by the Foundation  
164 in accordance with and in compliance with the provisions of the laws of [Your State](#) relating thereto.

165 It shall be the duty of the Committee to investigate, analyze, and appraise all factors in connection with any  
166 proposed or suggested purpose or project for which the Income from the Fund may be used and to disburse  
167 such Income in such amounts and to such beneficiaries as the Committee deems appropriate. An appropriate  
168 investment strategy for all the Fund's assets will be determined by the Committee. The specific purpose of  
169 each Fund authorized by the Committee shall be stated in order to fulfill the wishes of the donor and thereby  
170 to segregate and maintain gifts for their stated purposes. Earnings from each Fund shall be available for  
171 distribution by the Committee in a manner consistent with the designated category.

173 **GIFTS TO THE PERMANENT ENDOWMENT FUND**

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175 A Gifts Acceptance Policy document is included as part of this Resolution.

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177 The Board of Trustees and the Committee shall have the power, right, and authority to accept and to add to  
178 the Fund any and all conveyances, grants, gifts, donations, legacies, bequests, or devises, absolute or in trust,  
179 for the use and benefit of the Church, which are, or may be, offered to or placed in the custody or control of  
180 the said Board, subject to the following:

181 1. Every acceptance by the Board of Trustees or the Committee shall be in conformity with the laws of the  
182 United States of America and of the State of Your State and in accordance with the Discipline and any  
183 applicable directions of the Charge Conference.

184 2. A donor may establish a named designated fund within the Fund with a gift of not less than Twenty  
185 Thousand Dollars (\$20,000.00). Each named designated fund shall be approved by the Board of Trustees  
186 and shall be administered in accordance with a written agreement between the Committee and the donor as to  
187 the purposes for which the Income of such fund may be used which must be consistent with the intent of the  
188 purposes of the Fund as set forth in this Resolution. Additional gifts of any amount may be made to a named  
189 designated fund by the donor or any other person. The manner of investment of any named designated fund  
190 shall be solely in the discretion of the Committee.

191 3. There shall be a General Endowment Fund to which all undesignated funds shall be allocated.

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193 4. Any acceptance of any property hereunder will require the Fund to hold the principal amount in trust only  
194 so long as the Church remains an active institution.

195 **LIMITATIONS ON USE OF PRINCIPAL**

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197 Neither the Board of Trustees nor the Committee shall have any power, authority, or right, at any time, to  
198 expend or encroach upon the principal of the Fund, or any portion thereof, except as expressly authorized  
199 herein without the specific prior approval of the Charge Conference which shall be set forth in appropriately  
200 executed and approved minutes as soon as possible following such vote of approval.

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202 **BOND AND COMPENSATION**

203 The Trustees and the members of the Committee, collectively and individually, shall be excused from  
204 executing bond unless requested to do so in writing by the Charge Conference.

205 All members of the Board of Trustees and the Committee, and their successors in trust, shall serve without  
206 compensation.

207 **LIABILITY OF THE PERMANENT ENDOWMENT AND PLANNED GIVING MINISTRY**  
208 **COMMITTEE AND THE BOARD OF TRUSTEES**

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210 No member of the Board of Trustees or of the Committee shall be liable to any donor or any beneficiary or to  
211 any person claiming under any donor or beneficiary, or to the Church, by reason of the exercise of any power  
212 or discretion hereunder, except in case of (a) fraud or gross negligence on the part of a Trustee or a  
213 Committee member or (b) failure to act in conformity with directions of the Charge Conference; and all and

214 any directions given to others by the Board of Trustees or the Committee hereunder shall be binding and  
215 conclusive on all parties concerned.

216 No Trustee or Committee member shall be personally liable for the acts or omissions of any attorney, agent,  
217 accountant, or other assistant of the Board of Trustees or of the Committee employed in connection with the  
218 administration of the Fund, provided such attorney, agent, accountant, or other assistant shall have been  
219 selected with reasonable care.

220 The Board of Trustees and the Committee shall be excused from filing any inventory or appraisalment,  
221 statements or settlements of account with any court or public authority so far as is possible under the law and  
222 shall have all powers allowed by Your State law.

## 223 **MERGER, CONSOLIDATION, OR DISSOLUTION OF THE CHURCH**

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225 If at any time the Church is lawfully merged or consolidated with any other United Methodist church, all the  
226 provisions hereof in respect to the Fund shall be deemed to have been made on behalf of the merged or  
227 consolidated Church which shall be obligated to administer the same in all respects and in accordance with  
228 the terms thereto.

229 **Should the Church vote to leave the denomination and form a new church in the same community, then all**  
230 **provisions hereof in respect to the Fund shall be deemed to have been made on behalf of the new church. The**  
231 **Officers, Trustees, or Directors of the new church will be required to be an IRS 501(c)(3) charitable**  
232 **organization and will be obligated to administer the same in all respects and in accordance with the terms**  
233 **thereto.**

234 Should the Church be dissolved for any reason whatsoever without a lawful successor, the Fund shall be  
235 entrusted to the Foundation to direct the distribution of principal and accumulated income as it determines to  
236 the appropriate annual conference of The United Methodist Church or its successors to use for the purposes  
237 for which the gift (or gifts) was intended.

238 **ALTERNATE: Should the Church be dissolved for any reason without a lawful successor, the Fund shall be**  
239 **entrusted to the Foundation who will serve as Trustee for the Endowment and will direct the distribution of**  
240 **principal and accumulated income according to the terms thereto to another 501(c)(3) religious organization**  
241 **that is as closely aligned to Wesleyan theology as possible. If no 501(c)(3) religious organization exists, then**  
242 **the Foundation will seek to identify other nonprofits that align to the original mission and ministry of the**  
243 **Church in the original or neighboring communities. The Foundation will not charge any fees for serving as**  
244 **legal Trustee of the Endowment.**

## 245 **AMENDMENT OF RESOLUTION**

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247 This Resolution or any provision thereof may be amended or modified only after recommendation by a two-  
248 thirds (2/3) vote of the Committee members then serving and a two-thirds (2/3) vote of those present at a  
249 duly announced Charge Conference of the Church in favor of accepting such recommendation. Such vote by  
250 the Charge Conference of the Church shall be in accordance with any relevant provisions of the Discipline  
251 pertaining to notice or otherwise. No amendment or modification shall (1) alter the intent that the Fund be  
252 operated exclusively for the purposes stated herein or (2) alter the intent of any donor. Every amendment or  
253 modification of this Resolution shall be in writing and signed by the Committee members who voted in favor  
254 of such recommendation, by the Recording Secretary of the Charge Conference, the District Superintendent  
255 and the Senior Minister of the Church.

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THIS IS TO CERTIFY that the foregoing Resolution was duly adopted by the Charge Conference of the First United Methodist Church, Inc. on the \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
**(Signature and Printed Name of Recording Secretary)**, Recording Secretary

\_\_\_\_\_  
**(Signature and Printed Name of Senior Pastor)**, Senior Pastor

\_\_\_\_\_  
**(Signature and Printed Name of District Superintendent)**, District Superintendent

