RED LETTERING: Fill in with your church’s specific information.

BLUE LETTERING: Choices to personalize your endowment fund.

Delete these first 3 lines after you have edited the document accordingly.

CHARTER DOCUMENT TO ESTABLISH

A PERMANENT ENDOWMENT AND PLANNED GIVING MINISTRY COMMITTEE AND PERMANENT ENDOWMENT FUND

FOR NAME OF CHURCH

OF CITY, STATE

**DESIGNATION OF FUND**

TheNAME OF CHURCH OF CITY, STATE (hereafter the **“Church”,** shall, by adoption of this CHARTER DOCUMENT at a duly noticed Charge Conference of the **Church**, establish a permanent endowment fund.

This Fund shall be known as the NAME OF CHURCH Permanent Endowment Fund or other name of fund, hereafter referred to in this document as “the Fund.”

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

Such a fund, appropriately constituted and administered, will allow members and friends of this **Church** to make special, irrevocable gifts throughout their lives, with the assurance that their stewardship will be protected and used in accordance with the established vision, values and goals of the **Church** in conformance to the ***Book of Discipline of The United Methodist Church*** (“the **Discipline**), particularly pertaining to Paragraph 2534) and to all applicable state and federal laws and regulations that now exist or that may in the future pertain to such a charitable fund. All gifts made to the Church and designated for use by the Permanent Endowment Fund are irrevocable. The Fund shall be managed, invested and appropriated pursuant to the Uniform Prudent Management of Institution Funds Act.

The Church is incorporated in the state of YOUR STATE and is a qualified IRS 501(c)(3) nonprofit organization.

**PURPOSE OF FUND**

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

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

The Fund is intended for long term support of the programs and ministries related to the mission of the Church.

There shall be a General Endowment Fund which shall contain all undesignated endowment gifts Special designated purpose funds within the Fund may be established as provided herein.

Undesignated:

— General Endowment Fund

Designated funds that may be established: If the church designates one or more additional, more specific fund categories, make them as broad as possible. Instead of an organ or choir endowment fund, a better option would be a music fund. Instead of a vacation bible school fund, a children’s or youth ministry endowment would be better.

\_\_Building Fund

\_\_Missions

\_\_Music Ministries

\_\_Youth Ministries

\_\_Any other fund that shall be designated from time to time by the Permanent Endowment and Planned Giving Ministry Committee and approved by the Board of Trustees

\_\_Special Named funds may be established with a minimum contribution according to the provisions under GIFTS TO THE PERMANENT ENDOWMENT FUND, paragraph 2.

**DISTRIBUTION OF INCOME**

The distribution of income from the Fund shall be determined by the Permanent Endowment and Planned Giving Ministry Committee. Optional: The distribution of income will begin when the market value of the fund is at least $100,000, or other number determined in the writing of this document.

The Committee is authorized to distribute annually at least 3% and no more than 5% of a three of a rolling three-year average of the fair market value of the Fund as determined on the first business day of each calendar year (“Income”). Any distributions in excess of this amount shall be considered an invasion of principal and shall only be allowed with a 2/3rd vote of a Charge Conference.

Any income not so distributed may accumulate and be added to the allowable income in subsequent years.

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

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

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

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

**ESTABLISHMENT OF THE PERMANENT ENDOWMENT AND PLANNED GIVING MINISTRY COMMITTEE** In a church board model, the board may be the acting committee.

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

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

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

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

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

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

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

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

A. To receive and administer all gifts and bequests made to the Church; to invest all funds of the 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 the opportunities for church members and constituents to make provisions for giving through United Methodist churches, institutions, agencies, and causes 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.

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

F. Other responsibilities as determined by the Charge Conference.

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

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

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

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

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

L. Any other provisions of this resolution notwithstanding, the Committee shall not engage in any act of self-dealing as defined in the Internal Revenue Code; nor retain any excess business holdings as defined in the Internal Revenue Code; nor make any investments in such manner as to incur tax liability under the Internal Revenue Code; nor make any taxable expenditures as defined in the Internal Revenue Code or corresponding provisions of any subsequent Federal tax law.

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

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

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

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

**INVESTMENT OF PERMANENT ENDOWMENT FUNDS**

The Fund’s investment objectives are:

1. Conservation of principal for the effective maintenance of purchasing power.
2. Diversified investment for total return including asset growth and regular income.
3. Investment of assets in institutions, companies, corporations and funds which make a positive

contribution toward the realization of the goals outlined in the Social Principles of The United

Methodist Church.

The Desert Southwest United Methodist Foundation (“Foundation”) shall be appointed the institutional custodian of the Fund to fulfill the goal of the Committee to act as a socially responsible investor. Reasonable compensation shall be paid to the custodian for services rendered. The Foundation, through an Investment Management Agreement with the Church, will invest all permanent funds received by the Fund. Any disbursements by such custodian from the Fund shall be made only upon the written direction of such person or persons as are designated by the Committee. Any transfer of the Fund’s assets from the Foundation to any other agency must be approved by a majority vote of the Trustees upon the recommendation of the Committee.

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

It shall be the duty of the Committee to investigate, analyze, and appraise all factors in connection with any proposed or suggested purpose or project for which the Income from the Fund may be used and to disburse such Income in such amounts and to such beneficiaries as the Committee deems appropriate. An appropriate investment strategy for all the Fund’s assets will be determined by the Committee. The specific purpose of each Fund 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. Earnings from each Fund shall be available for distribution by the Committee in a manner consistent with the designated category.

**GIFTS TO THE PERMANENT ENDOWMENT FUND**

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

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

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

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

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

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

**LIMITATIONS ON USE OF PRINCIPAL**

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

**BOND AND COMPENSATION**

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

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

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

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

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

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

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

If at any time the Church is lawfully merged or consolidated with any other United Methodist church, all the provisions hereof in respect to the Fund shall be deemed to have been made on 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.

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

Should the Church be dissolved for any reason whatsoever without a lawful successor, the Fund shall be entrusted to the Desert Southwest United Methodist Foundation to direct the distribution of principal and accumulated income as it determines to the appropriate annual conference of The United Methodist Church or its successors to use for the purposes for which the gift (or gifts) was intended and in accordance with the directive in the Discipline paragraph 2549.

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

**AMENDMENT OF RESOLUTION**

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

THIS IS TO CERTIFY that the foregoing Resolution was duly adopted by the Charge Conference of the CHURCH NAME on the day of .

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**(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