

CROZET UNITED METHODIST CHURCH ENDOWMENT FUND GUIDELINES

I. Purpose of the Endowment Fund

The Crozet United Methodist Endowment Fund (“the Fund”) is established for the purpose of providing members and friends of Crozet United Methodist Church in Crozet, Virginia (“the Church”) the opportunity to make charitable gifts to the Church that will become a permanent endowment of financial support and a living memorial.

These Guidelines (“the Guidelines”) are established for the management and administration of the Fund.

Endowment funds are generally intended for purposes and projects that are not included in the church’s annual operating budget and that are not a part of the regular giving of its members.

II. Endowment Committee

The Fund will be administered by the Endowment Committee (“the Committee”) of the Church, under authority granted by the Charge Conference of January 30, 2017, and is a subcommittee of the finance committee. As per the Resolution creating the Committee, the Committee shall be comprised of the following:

- A. The Pastor
- B. The Endowment Committee Chairperson
- C. Two representatives from the Finance Committee
- D. Two representatives from the Board of Trustees
- E. Three (3) at-large members of the Church nominated by the Finance Committee

In naming these persons, special consideration shall be given to persons who can provide expertise in planned giving (CPA, attorney, financial planner, banker, etc.)

The at-large members will serve for a period of three (3) consecutive years or until their successors are determined. Nothing herein shall be construed to prevent an at-large member from serving several consecutive terms. Initially, for continuity of leadership, one of the members appointed by the finance committee will serve one (1) year; one will serve two (2) years; and the other will serve three (3) years. The three (3) at-large members shall be assigned to their respective class at the initial meeting of the Committee.

The Chairperson of the Committee shall be elected by members of the Committee. The Committee shall elect one of its members as secretary and shall establish such sub-committees as it deems necessary.

III. Powers and Duties

The Committee shall have the powers and duties authorized by paragraph #2532.5 of *The Book of Discipline* of the United Methodist Church – 2016 and granted by this Charge Conference or any future Charge Conference.

- A. They shall administer all gifts to the Fund made through current gifts of cash, securities, property, bequests, proceeds of life insurance, insurance, IRA's, 401(k)'s, SEP's, and life income vehicles such as annuities.
- B. They shall receive and administer all trust assets designated for endowment.
- C. They shall invest all funds in conformity with all laws, rules, and regulations of the country, state, or like political unit in which the Church is located.
- D. They shall coordinate the investment of, and proper reporting for, all endowment funds.
- E. They shall emphasize the need for adults of all ages to have estate planning documents such as Wills, Powers of Attorney, Advanced Medical Directives, etc. They shall provide, or arrange to have provided, information, assistance and guidance relating to the preparation of these estate planning tools to the members of the congregation. They shall encourage gifts to the Fund and promote opportunities for church members and constituents to make provisions in their wills or estate plans for gifts to the Fund. They shall disseminate information regarding wills, charitable gift annuities, charitable remainder trusts, and gifts of stock or real estate.
- F. They shall inform the congregation of opportunities for the establishment of program endowments or named endowments through planned giving and estate planning.
- G. They shall cooperate with the Finance Committee in assuring that an annual audit process is established and followed regarding the Fund. The Committee shall make a written report to the Church Council bi-monthly, or as appropriate, and annually to the Charge Conference.
- H. They will have the authority and responsibility to accept or reject any gifts to the Fund in keeping with the authority granted by the Charge Conference. All gifts made to the Fund shall be accepted subject to the terms and conditions outlined in the Crozet United Methodist Church Gift Acceptance Policy.
- I. They will ensure that a method of determining the specific purpose, timing and amount of distribution from each fund is established and followed.

IV. Administration

- A. Meetings: The Committee shall meet at least bi-annually 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 (10) days in advance thereof; provided, however, that in the event of an emergency, the Chairperson may call a meeting of the Committee and give notice thereof by phone or email. Notices will normally be by email.
- B. Voting: 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 two-thirds (2/3) of the members in attendance, assuming a quorum is present.
- C. Distributions: Distributions from the Fund shall be made by check made payable to the appropriate recipient, electronic fund transfer, or other method of payment to conserve confidentiality providing appropriate documentation of the transaction is preserved.
- D. Accounting: Within sixty (60) days after the end of the calendar year of the Fund, the Church Administrator shall prepare and distribute to all Committee members an annual report of receipts, disbursements and balances of each of the funds comprising the Fund.

The Treasurer shall also report, when requested, to the Committee as to the receipts, disbursements, fund balances, and other financial activities pertinent to the Fund. An annual written report will be made to the annual Charge Conference in the Fall of each year. Dissemination of Information: Information pertaining to the activities, investments and distributions of the Fund shall be disseminated by appropriate means to the members of the congregation of the Church as the Committee may deem appropriate or at least annually.

V. Gifts to the Fund

The Fund is composed of three (3) parts.

- A. General fund, to which all undesignated gifts may be made at any time, in any amount – memorial gifts, gifts in honor/memory, etc.
- B. Program funds, given for a specific purpose - may be established in the future at the discretion of the Endowment Committee.

VI. Objectives for Investments of the Fund

- A. The objectives for the investment of each of the funds will be based on the purpose of each component fund, the planned or estimated timing of distribution from the fund and the proposed or estimated amount of distribution from each fund.
- B. Based on the above, the Committee will seek prudent investment of the assets of each component fund, at reasonable costs of management, to achieve long term growth and income which will exceed general / expected rates of inflation
- C. The Committee will attempt to place investments 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.

VII. Distributions from the Fund

Fund distributions will be made in accordance with the provisions identified in the Endowment Fund Agreement. If no such document exists, the Committee shall recommend an appropriate annual distribution formula for approval by a Charge Conference.

VIII. Limitations on Withdrawals or Distributions from the Fund

Withdrawals or distributions from the Fund, may be made as follows:

0% to 5% maximum withdrawal per year at discretion of the Endowment Committee.

6% to 9% withdrawal per year only with approval by a two-thirds (2/3) vote of a Charge Conference, called for this purpose.

10% or greater withdrawal only with approval of a two-thirds (2/3) vote of a Church Conference, called for this purpose.

Withdrawals will be based on the fund balance as of January 1 of the year in which the distribution is requested.

Funds from any special named fund can be transferred to the general fund, if the purpose is no longer applicable after a period of 5 years, or immediately if the stated designation no longer exists, as deemed by Administrative board.

IX. Change in Custodian

Any transfer of the Fund, or any of its component funds, must be approved by a majority vote of the Committee, at which a quorum is present, and confirmed by the next regularly scheduled meeting of the Administrative Board.

X. Qualifications for Tax Exempt Treatment

The Fund, and each of its component funds, shall remain the sole property of the Church. It is the intent of the Church and the Committee to create, maintain, and operate the Fund pursuant to these Endowment Fund Guidelines, under the auspices of the Church to the fullest extent necessary to enable the Fund to qualify as assets of the Church under Section 501(c)(3) of the Internal Revenue Code, and these Endowment Fund Guidelines shall be administered and construed accordingly.

XI. Liability of Trustees and Committee Members

In the absence of gross negligence or fraud or other criminal activity, no member of the Committee shall be personally liable for any action or omission with respect to the Fund or its administration.

XII. Duration of the Fund

If at any time the Church is lawfully merged or consolidated with any other church, all provisions hereof with 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.

If the Church should ever be dissolved, discontinued or abandoned, the Fund and/or any of its component funds, including both principal, interest, earnings and market appreciation to date, shall be transferred to the documented contingent or successor beneficiary if such pertains. It is urged that all component funds have a contingency beneficiary. The Virginia United Methodist Foundation is one such option. If there is no documented contingent or successor beneficiary, and component fund may, prior to the voted to dissolve, discontinue or abandon, and upon the recommendation of the Committee and the approval of the Administrative Board, be transferred to the Foundation, to be invested and administered by the directors of the Foundation in the name of the Fund in a manner as consistent as possible with the wishes of the donor(s), or in a manner as consistent as possible with documentation for the fund as provided by the Committee or, if no direction is available, according to the discretion of the Foundation directors.

If no such action is taken prior to the vote to dissolve, discontinue or abandon, the funds, which have no successor and contingent beneficiary or other limiting clause pass to the Annual Conference in accordance with paragraph #2548 of the United Methodist *Book of Discipline – 2016*.

XIII. Amendments

Technical corrections and amendments to these Guidelines which do not materially alter the stated purpose of the Fund or the responsibilities of the Committee may be made by two-thirds (2/3) vote of the members present at a duly called Administrative Board at which a quorum is present. Any amendments or changes which materially alter the stated purpose of the Fund or the responsibilities of the Committee must be made by a two-thirds (2/3) vote of a Charge Conference at which a quorum is present.

XIV. Severability

If any provisions or any application of any provisions of these Guidelines 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.

XV. Termination of the Fund

The Fund may be terminated and all the assets transferred to the Church immediately at the request of a vote of three-fourths (3/4) of the membership of the Charge Conference of the Church at which the District Superintendent is presiding. 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.

THESE CROZET UNITED METHODIST ENDOWMENT FUND GUIDELINES WERE ADOPTED THIS _____ DAY OF _____, 2017, IN A DULY AUTHORIZED CHARGE CONFERENCE OF THE CROZET UNITED METHODIST CHURCH IN CROZET, VIRGINIA BY A VOTE OF _____ FOR, _____ AGAINST AND _____ ABSTAINED.

Recording Secretary