

Stewardship for Life & Beyond



**First United
Methodist**

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Connecting disciples
with Jesus Christ

Growing disciples to
maturity in Jesus Christ

Caring for disciples in
Christian Community

Sending disciples into
ministry and mission

FirstInYourHeart.org

FUMC-LA will create a Permanent Endowment Fund in fall 2016. Operation will begin in 2017. The Endowment Fund will give members and supporters of the church an opportunity to give to a sustaining fund that will exist past their lifetime.

How will the Endowment Fund money differ from regular tithes & gifts currently received?

Let's define some terms:

FUMC budget—prepared annually, based on past giving, spending, anticipated needs. Based on calendar year.

Tithes— regular giving by the church family. Usually given on a regular schedule, such as weekly or monthly.

Gifts and offerings—undesignated—to use as needed by the church.

Gifts and offerings—designated—given for a particular cause such as UMCOR, missions, building remodel, new sound system, new roof.

Endowment giving—money given to the Permanent Endowment Fund as undesignated or designated to a particular cause as defined in the FUMC Endowment Fund Guidelines and Policies document.



Permanent Endowments are gifts that keep on giving

What does the church do with incoming funds?

Tithes and undesignated gifts and offerings are used to support operation of the church. They are deposited into the church's bank account at least weekly. For budget purposes, the church has "internal accounts" that allot certain amounts into different budget categories. For example, standard expenses such as utilities, salaries, loan repayments, building maintenance, and insurance are included in the budget, as well as missions, music, youth activities, etc. These are generally called "operational expenses."

Designated gifts are given to the cause chosen by the giver. In some cases, the United Methodist Church requests support—Landsun Homes, UMCOR, etc. Other causes can be specific to FUMC, such as a new video system and the recent remodeling of the sanctuary.

FUMC has operated since its founding with these operational funds—your gifts, tithes, & offerings.

How does the church decide how much to spend in each area?

The budget is proposed each fall by the Finance Committee at church council from the input of each administrative & ministry team of the church. These request are based on past needs, spending, and

expected future needs. Expected income is also based on past history and any anticipated changes such as retiring members leaving the community.

The proposed budget is reviewed, adjusted, and approved by Church Council in December and operates for the calendar year. It is reviewed quarterly and spending adjustments are made if necessary.

How will Endowment funds be handled differently by the church?

Endowment donations will be handled totally differently from operational funds. Endowments are created to allow givers to support an organization long after the end of their lives. The principle is that the funds given are never distributed—they are used as the core investment—and only the dividends or interest revenue generated by the core investment is available to spend. (The FUMC guidelines allow for exceptions here.)

Endowment funds are often given as part of a person's estate, though they may be given by anyone at any time.

The FUMC Endowment Fund will be created with several "sub-funds"—an undesignated fund and specific funds approved by the Endowment Fund Committee. These funding areas may already exist in the church operational budget. Endowment funds, when given, would supplement these budgeted areas or be used for a special project within that area.

How will the Endowment Fund be operated?

FUMC will create a Permanent Endowment Fund Committee through the Committee on Nominations and Leadership Development Committee (nominating committee) each year.

The Endowment Fund Committee will use two guiding documents created in 2016 by the FUMC Endowment Fund Set-Up Committee that were approved by the Church Council and the Church Conference. The Set-Up Committee used resources from TMF, a financial management company formerly known as the Texas Methodist Foundation.

Both of these documents are available from the Church Office:

The *FUMC Endowment Fund Guidelines and Policies* document provides for creation of the Endowment Fund Committee and gives guidelines for operation.

The *Gift Acceptance Policy* provides guidance on what types of monetary and non-monetary gifts may be given to the Endowment Fund.

As revenue is created in the Endowment Fund, the Endowment Committee will make recommendations to the Church Council on how the revenue could be spent. The Church Council will make the final decisions.

How will be Endowment Fund be invested and managed?

The Endowment Fund will be managed by a professional financial institution with experience in endowments and foundations.

When will the Endowment Fund be established?

Creation of the Endowment Fund will be an agenda item at the Church Conference October 16, 2016.

Where can I get more information?

A brochure about the Permanent Endowment Fund and the *Guidelines and Policies* and *Gift Acceptance Policy* documents are available in the Church office. A web page accessible from the FUMC website is also being developed.

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- ⇒ Think about the part that you want to play in your church's future.
- ⇒ Consider making a gift funding an endowment in memory of a family member or special friend.
- ⇒ Trusts allow you to make a gift to your church in the future
- ⇒ Stocks & bonds make excellent gifts to your church
- ⇒ Life insurance is a way to make a larger gift than you might otherwise be able to afford.
- ⇒ Consider naming FUMC as beneficiary or secondary beneficiary of any life insurance policy or retirement plan
- ⇒ Memorial gifts to your church meet two important needs: allow expression of loss & helps support the ministry of church
- ⇒ Your gifts to your church are a testimony to your faith and confidence you have in your church.

For surely
I KNOW THE
plans
I have for
YOU,
says the
Lord...
TO GIVE YOU A
future
WITH
Hope.
Jeremiah 29:11, NRSV