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WESLEY UNITED METHODIST CHURCH

Cityville, Missouri

The Charter of the Endowment and Investment Program

THE PURPOSE

The Wesley United Methodist Church of Cityville, Missouri, a Missouri not-for-profit corporation, ("WUMC") hereby establishes the Endowment and Investment Program (the "Program") for the purpose of providing members and friends opportunities to make charitable gifts to WUMC that will become a source for long-term financial support and living memorials. The Program is intended to provide resources to grow and enhance existing ministries, to create new ministries or to address special ministry needs and opportunities. Program distributions shall be used as specifically described in this Charter and for purposes that are not funded through the annual operating budget of the church and the regular annual giving of its members.

ADMINISTRATION

The Program will be administered by the Endowment and Investment Fund Committee of WUMC, hereinafter in this document referred to as the "Committee", under authority granted by a Resolution of the Charge Conference pursuant to Paragraph 2533 of *The Book of Discipline of the United Methodist Church, 2008*. The nine (9) members of the Committee and their terms of service shall be as follows:

- 1) The Senior Pastor shall serve as a permanent voting member of the Committee.
- 2) A member of the Board of Trustees shall be nominated by the Board of Trustees, a member of the Stewardship Committee shall be nominated by the Stewardship Committee, and a member of the Finance Committee shall be nominated by the Finance Committee. Each nominee shall be elected by the Church Conference to serve a two-year term. Said persons may be nominated and elected to serve a maximum of three consecutive terms on the Committee and must maintain membership on the standing committee represented.
- 3) The Committee on Lay Leadership shall nominate five (5) at-large members. Initially, the Church Conference shall elect two nominees to serve one-year terms, two nominees to serve two-year terms and one nominee to serve a three-year term. Thereafter, each subsequent nominee shall be elected to serve a two-year term and may serve a maximum of three consecutive terms.

Any person who has served the maximum number of consecutive terms shall be eligible for re-election after two years off the Committee.

The Committee shall elect annually one of the Committee members to serve as Chairperson of the Committee. The Committee shall elect a secretary, and other officers or sub-committees as it deems necessary, and may adopt operating rules consistent with this Charter.

The Committee shall cooperate with the Committee on Finance in assuring that the annual audit process, as required in Paragraph 258.4(d) of *The Book of Discipline - 2008*, is followed. The Committee shall prepare a written report no less frequently than once each year and a designated member shall present the report to the Church Council.

INVESTMENT OBJECTIVES OF FUNDS

All funds administered by the Committee shall be managed with goal of achieving the following investment objectives:

- 1) Prudent conservation of gift principal
- 2) Consistent annual income at a reasonable rate
- 3) Growth of annual income and gift principal over and above that necessary to offset cost-of-living increases for the effective maintenance of purchasing power
- 4) Investment of assets consistent with the goals outlined in the "Social Principles" of the United Methodist Church

All gifts received by the Program shall be invested through the establishment of one or more accounts with the *Missouri United Methodist Foundation* upon the approval of the Committee. The specific purpose of each account authorized by the Committee shall be stated and maintained in the records of the Committee. Separate accounts may be established in order to fulfill the directives of this Charter regarding the segregation and maintenance of gifts for specifically designated purposes.

CHANGE IN INVESTMENT POLICY

Any transfer of the Program assets for investment with an institution other than the *Missouri United Methodist Foundation* must be approved by a majority vote of a properly called Church Conference upon recommendation of the Committee and the Church Council.

LIMITATION ON USE OF PRINCIPAL IN ENDOWMENT FUNDS

The objectives of the endowment funds are to conserve principal and make use of only the prudent distributions of accumulated appreciation as determined by the Committee. Under normal circumstances, the principal or corpus of endowment fund gifts shall not be distributed for use.

Gifts accepted into the Program pursuant to gift instruments that either specifically require use of principal or impose further restrictions shall be accounted for and used in keeping with the terms of the respective gift instruments.

All funds shall be administered in keeping with the applicable Missouri statutes and all other relevant law.

DISTRIBUTIONS FROM THE ENDOWMENT PROGRAM

Distributions from all accounts in the Program shall be made with the majority approval of the full Committee. In keeping with the investment objectives listed above, annual distributions may be made from a portion of annual earnings, and/or accumulated appreciation. The amount of funds available for distribution each year shall be determined pursuant to a spending rate policy adopted by the Committee. This spending rate policy may be amended from time to time

as deemed appropriate by the Committee.

ESTABLISHMENT OF FUNDS AND DESIGNATION OF PURPOSES

The Committee shall establish funds and accounts as are deemed necessary by the Committee to fulfill the purposes described in this Charter and to comply with the directives and designations of donors. The purposes and causes to which distributions from accounts are to be made shall be approved and accepted by the Committee, in conformity with the general purposes set forth herein. Separate accounts may be established at the discretion of the Committee, to allow donors to support specific types of WUMC ministries and programs. These funds may be established for the purpose of accepting and administering charitable gifts to WUMC that will become a permanent endowment of financial support for the indicated programs.

The General Endowment Fund:

The Committee may accept gifts to establish and add to a fund to be known as the General Endowment Fund. This is the primary fund of the Program, and is established for the purpose of accepting and administering charitable gifts to WUMC that will become a permanent endowment of financial support for the programs of this church including programs that are supported by other endowment or investment funds. It is hereby specifically affirmed that distributions from the General Endowment Fund are intended to address special one-time or short-term funding needs or purposes. Distributions are not intended to underwrite projects or programs that are, or will become, part of the regular and normal annual operating expenses of WUMC over periods of time exceeding three (3) years.

The Committee shall inform the Board of Trustees, the Finance Committee and the Administrative Council at least annually regarding the amount of funds available for use from the General Endowment Fund. Written requests for distributions must be submitted by the Administrative Council to the Committee. All such requests that are in keeping with the terms of this Charter shall be promptly remitted to the WUMC Treasurer.

The Mission Outreach Endowment Fund:

The Committee may accept gifts to establish and add to a fund to be known as the Mission Outreach Endowment Fund. Distributions from this fund may be used to provide assistance for program materials, equipment, furniture, transportation expenses, leadership expenses, or other expenditures related to new, or existing, mission outreach activities of WUMC. This fund is not intended to be used for purchase and maintenance of church buildings or vehicles.

The Committee shall inform the (Outreach Committee?) at least annually regarding the amount of funds available from the Mission Outreach Endowment Fund. Written requests for distributions must be submitted by the Administrative Council to the Committee. All such requests that are in keeping with the terms of this Charter shall be promptly remitted to the WUMC Treasurer.

The Music Endowment Fund:

The Committee may accept gifts to establish and add to a fund to be known as the

Music Endowment Fund. Distributions from this fund may be used to help underwrite the cost of printed and recorded music, choir robes, costumes, musical instruments, sound equipment, musicians, vocalists, and expenses related to the performance and publicizing of music-related events.

The Committee shall inform the (Music Committee?) at least annually regarding the amount of funds available from the Music Endowment Fund. Written requests for distributions must be submitted by the Administrative Council to the Committee. All such requests that are in keeping with the terms of this Charter shall be promptly remitted to the WUMC Treasurer.

The Building and Property Maintenance Endowment Fund:

The Committee may accept gifts to establish and add to a fund to be known as the Building and Property Maintenance Endowment Fund. Distributions from the fund may not be used for new construction, salaries or the payment of utility bills. Proper expenditures may include, but are not limited to, repair or replacement of: HVAC systems, roof, foundation, parking area, paint and wallpaper, plumbing systems, electrical systems, or furnishings. Funds may also be used for equipment purchases necessary to maintain the church property and purchases of new furnishings and equipment.

The Committee shall inform the Board of Trustees at least annually regarding the amount of funds available from the Building and Property Maintenance Endowment Fund. Available distributions shall be remitted promptly to the Board of Trustees at the written request of the Board of Trustees.

Existing Funds:

The Committee shall hereby have full responsibility for the ongoing administration of the following existing designated accounts in conformity with the purposes stated in the applicable gift instruments and the general purposes stated herein. A brief description of the names and purposes of these existing accounts are as follows:

- 1) The John & Jane Doe Endowment Fund: This fund was created in _____ with an initial gift of \$_____ from Diane Doe (daughter of John & Jane). The purpose of the fund is to help underwrite the cost of bringing special speakers, lecturers and/or teachers to WUMC.
- 2)
- 3)

Should additional accounts be created in the future, the names and purposes of those accounts shall be listed and attached to this document as Schedule "A." Schedule "A" is made a part of this document and may be amended from time to time as deemed necessary by the Committee. Distributions from all designated Program accounts shall be made in accordance with the applicable instructions of the donor(s) as expressed in the gift instrument(s) (e.g., wills, trusts, letters, instructions from the Church Conference), copies of which shall be maintained by the Committee.

Special Project Investment Funds:

At the direction of the Church Council, the Committee shall establish and administer one

or more Special Project Investment Funds for purposes including, but not limited to, special building projects, emerging ministries, or to provide matching support for new operating budget items. Gifts made to, or funds assigned to, Special Project Investment Funds are not “endowed” and allow for distribution of amounts up to the entire corpus of each fund in keeping with the designated purposes and instructions of the Church Council.

GIFTS TO THE ENDOWMENT FUNDS

Gifts payable to the WUMC “endowment”, or “permanent fund”, shall be assigned to the General Endowment, unless one of the specific funds established by the Committee is designated by the donor.

Gifts payable to WUMC which have no specific cause indicated shall be classified as "undesigned." Up to \$1,000 or ten percent (10%), whichever is greater, of each undesigned gift shall be available for current expenditure at the discretion of the Board of Trustees. All other undesigned gift amounts shall be placed in the General Endowment Fund. *(Note: The Committee may wish to sub-divide the General Endowment Fund into two accounts so that all undesigned gifts are accounted for separately from those that are designated by the donor for the endowment. The undesigned gifts shall be administered just as the designated gifts. However, if necessary, the undesigned gifts could be re-directed by Church Conference action to some other purpose.)*

DONOR RECOGNITION

The Committee shall acknowledge all gifts to the Program in an appropriate and timely manner. It is the goal of the Committee to celebrate the gift, the giver and the ministry being supported through personal expressions of thanks and public recognition. Where appropriate, the Committee shall find ways to provide ongoing memorial recognition. By such actions the Committee intends to enhance the satisfaction of the giver, encourage others to give and lift up the ministries of the CHURCH to greater public awareness.

Donor requests for anonymity shall be respected. All donors shall receive necessary gift receipts for tax reporting purposes.

GIFT ACCEPTANCE POLICY

The Committee shall have the authority and responsibility to accept or reject any and all gifts to the Endowment and Investment Program in keeping with the authority granted by the Church Conference, and shall develop and publish a policy statement for the acceptance of gifts. Contributions to existing Endowment Funds may not be designated more specifically than already set forth in this document. Any individual wishing to contribute a minimum of \$10,000, designated for a specific purpose other than previously set forth in this document, may request the Committee establish an additional fund.

LIABILITY OF TRUSTEES AND MEMBERS OF THE COMMITTEE

In the absence of gross negligence or fraud, no member of the Board of Trustees of WUMC or of the Committee shall be personally liable for any action made or omission with respect to the Program.

MERGER CONSOLIDATION OR DISSOLUTION OF WUMC

If at any time WUMC is lawfully merged or consolidated with any other church, all the provisions hereof in respect to the Program shall be deemed to have been made on behalf of the merged or consolidated church which shall be authorized to administer the same in all respects and in accordance with the terms thereto. If WUMC should ever be dissolved without any lawful successor thereto, all funds administered under the Program, including both principal and interest to date, shall be transferred to the Missouri United Methodist Foundation as an unrestricted endowment, to be used for the benefit of the ministries of the United Methodist Church in Missouri.

AMENDMENTS

Technical corrections and amendments to this Charter which do not alter the stated purpose of the Program may be made by a two-thirds (2/3) affirmative vote at a properly called Church Conference of WUMC.

SEVERABILITY

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

(NOTE: the following is redundant if the Charter has already been specifically adopted in the Resolution.)

This Charter of the Endowment and Investment Program was adopted on this _____ day of _____, 20__, in a properly called Church Conference of Wesley United Methodist Church, Cityville, Missouri, by a vote of _____ For, _____ Against, and _____ Abstained.

Recording Secretary

District Superintendent

Senior Pastor

SCHEDULE “A”

This Schedule “A” shall be updated and amended by the Committee from time to time, as needed, to maintain a complete and accurate record of all funds and accounts administered by the Committee. Copies of gift instruments (e.g., wills, trusts, letters, checks) and other related materials shall be kept and maintained by the Committee for reference purposes.

Fund Names and Purposes:

(Last update: April 2010)