



First United Methodist Church
Salisbury, North Carolina

217 South Church Street
Salisbury, North Carolina 28144

ENDOWMENT HANDBOOK

THE MISSION OF FIRST UNITED METHODIST CHURCH IS TO MAKE AND NURTURE CHRISTIAN
DISCIPLES THROUGH THE POWER AND PRESENCE OF GOD.

INTRODUCTION

Since 1783, First United Methodist Church of Salisbury has provided a Christian ministry through the generous financial support of its members. The annual operating budget of the Church is underwritten by unrestricted gifts pledged annually to that budget by church members. This operating budget provides salaries and benefits to staff and supports a variety of missions and ministries sponsored by the church. While a Stewardship team undertakes an annual giving campaign in support of the operating budget as well as support for facilities maintenance, the operating budget is set and managed by the Church Finance Committee. **All members are urged to support the ministries of the church through gifts to these annual budgets.**

This “Endowment Handbook” exists to help the congregation understand the various means of sustaining the mission of the church for the long-term. The “Endowment Handbook” may also encourage members and friends of First United Methodist Church of Salisbury to make contributions to the ongoing legacy of this congregation through one of the established Funds of the church.

The Board of Trustees – Its Role and Responsibilities

RECEIPT OF FUNDS

Subject to the direction of the Charge Conference, the Board of Trustees of First United Methodist Church of Salisbury receives, invests and administers all trusts and endowments funds through a Permanent Endowment Fund Committee.

All property, money, securities, valuables, collectibles, or assets of any kind given, transferred, or bequeathed by any person or organization to First United Methodist Church of Salisbury must be formally accepted or rejected by the Board of Trustees upon the recommendation of the Permanent Endowment Fund Committee.

MANAGEMENT OF FUNDS

The Permanent Endowment Fund Committee, in its sole discretion, may retain the services of an investment firm or manager or any other financial organization to manage, invest, and administer the Funds in a financially sound and ethically conscious manner. The Permanent Endowment Fund Committee shall present annually to the Trustees a statement of the investment policy for the Endowment and for any Fund of the Endowment in accordance with any specific requirement of a Fund as well as a report on the performance of the Funds. Individual Funds may be commingled with one another for investment purposes provided a separate accounting can be provided in a timely manner for each Fund separately. It is also possible that any specific Fund of the Endowment can be managed independently of the other Funds of the Endowment if the Committee agrees to do so. Any fees or expenses incurred as a result of the investment, administration, or management of the Funds shall be paid from the income of the Funds.

PERMANENTLY RESTRICTED FUNDS

The Funds that comprise the bulk of the Endowment of First United Methodist Church are those Funds listed in this document and primarily consist of Permanently Restricted Funds. The use of these funds is restricted to the donor's explicit stipulation or from circumstances surrounding the receipt of the contribution that make clear the donor's implicit restriction or use.

In most cases the principal amount of a Permanently Restricted Fund is left intact in perpetuity, and only the earnings from the fund are used for the restricted purpose.

These include, but are not limited to:

Enoch A. Goodman Family Fund

Endowment Fund

Curtis – Cowan Fund

C. Cowan Scholarship Fund

W. H. Leonard Fund

Roy and Lula Goodman Scholarship Fund

Cullen and Catherine Hall Memorial Fund

Special Speaker Fund

Unrestricted Fund – the Margaret “Peggy” Lewis Glasco Fund

In addition to the Restricted Endowment funds, the Board of Trustees has established an Unrestricted (or Quasi-Endowment) Fund in memory of Mrs. Margaret “Peggy” Lewis Glasco who bequeathed her estate to First United Methodist Church. The Glasco Fund will be retained and managed as are the restricted endowment Funds. The proceeds of this Unrestricted Endowment Fund may be used at the discretion of the Trustees upon advice of the Church Council. Members and friends of the church may make contributions in any amount to the Glasco Fund at any time, and those gifts will be added to the corpus of this Fund.

ESTABLISHING NEW FUNDS

Persons wishing to create new Restricted Endowment Funds for specific purposes should contact the Senior Minister and the Chairman of the Permanent Endowment Fund Committee who can offer guidance about the process.

To receive approval by the Permanent Endowment Fund Committee and the Church Council for the establishment of a new Endowed Fund, a donor must:

1. Write a statement of purpose for the Restricted Endowed fund, including a clear objective and information about who will benefit.
2. State the overall financial goal, who will contribute, how they will contribute (bequest, charitable remainder trust, stock gifts, etc.) and how long it will take to reach the minimum amount for establishing an Endowed Fund. The minimum amount is currently \$100,000. The current minimum has been set because of the work and expense involved in establishing and caring for such funds in perpetuity. The Permanent Endowment Fund Committee reserves the right to increase or alter the minimum amount at any time.
3. Clearly state expectations for use of the principal as well as generated income.
4. Indicate organizations and ministry areas that it would helpful for Trustees to consult in oversight of the Fund.
5. Indicate another area of the church's ministry where income should be directed in the event the stated objectives cease to exist.

After all materials have been gathered, the Permanent Endowment Fund Committee will consider the proposal and, if approved, will make a recommendation to the Church Council for final approval and establishment of the Restricted Endowment Fund.

TERMINATION OF AN ENDOWED FUND

In accordance with the *Book of Discipline* and upon recommendation of the Permanent Endowment Fund Committee and the Board of Trustees, the Charge Conference may terminate any Fund of the Endowment for any valid reason, such as the Fund having only a nominal balance or upon request of the original grantor of the Fund (if such person is still living), and a three-fourths vote of the total members of the Charge Conference. In recommending termination of a fund to the Charge Conference, the Permanent Endowment Fund Committee will also recommend another Fund in the Endowment for the remaining funds in keeping with the original intent of the donor.

UNDESIGNATED BEQUESTS AND MEMORIAL GIFTS

Undesignated bequests of full or partial estates are received by the Board of Trustees and assigned to the Unrestricted Endowment Fund.

Undesignated memorial gifts given by individuals and family members in memory of a loved one are applied to the annual operating budget overseen by the Finance Committee.

Adopted 2018-02-14