

First United Methodist Church
Salisbury, North Carolina

217 S. Church Street
Salisbury, NC 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 or by creating a new endowment fund.

The Permanent Endowment Fund Committee

The Permanent Endowment Fund Committee consists of five or more members who report to the Board of Trustees and make recommendations to the Board of Trustees on the receipt of endowed funds and the disbursement of earnings on these funds. Upon the resignation of any Committee member, a replacement will be appointed by the Board of Trustees upon the recommendation of the Committee.

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 endowment funds upon the recommendation of the 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.

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 makes 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 restricted endowments include, but are not limited to:

Enoch A. Goodman Family Fund

Established by Enoch Goodman, this fund is restricted to use by the Trustees of First United Methodist Church for capital additions, capital improvements, and for extraordinary repairs to the church facilities.

General Endowment Fund

Established in 1983 by the Charge Conference, earnings on the principal amount from this fund are restricted to expenditures for maintaining church property, acquiring church property (personal or real), establishing global or local missions, or supporting charitable and educational projects outside the normal operating budget of the church. The principal amount of \$100,000 is maintained in this fund.

This fund was established by bequests from the estates of Mrs. J. R. Lowery, Mrs. Cora Dwire, Mr. J. H. Knox, Mr. and Mrs. E. G. Faison, Sr., Mrs. Jackie Plyler, and Mrs. J. S. Youngblood, and from gifts from Mr. and Mrs. V. G. Faison, and Mrs. Dorothy Hedrick Goodman.

Curtis – Cowan Scholarship Fund

Established in 1992 by Ernest and Helen Curtis, earnings from this fund are restricted to providing post-secondary academic scholarships for members of Boy Scout Troop 442 who obtain the rank of Eagle Scout and earn at least one-half of their merit badges

while serving as a member of Troop 442. Proceeds from the fund also pay for lifetime membership in the National Eagle Scout Association for scouts from Troop 442 who qualify and for framing of Eagle Scout certificates for such Scouts.

C. P. Cowan Fund

Established in 1986 by Ernest and Helen Curtis to honor Mr. C. P. Cowan for his dedication and quality leadership of Boy Scout Troop 442, the income from this fund is restricted to expenditures related to camping by Troop 442.

W. H. Leonard Fund

Established in 1979 by gifts from W. H. Leonard and friend and relatives, earnings from this fund are restricted to support of educational, religious, and youth programs of the church.

Roy and Lula Goodman Scholarship Fund

In 2001, Mr. and Mrs. Roy Goodman gave a substantial gift to establish a college scholarship fund in memory of their son Larry. Combined with an initial gift made in 1968 from Mrs. Dan Nicholas, the Goodman gift became the basis for the Roy and Lula Goodman Scholarship Fund. Earnings from the principal are restricted to providing college scholarships for members of First United Methodist Church.

Cullen and Catherine Hall Memorial Fund

Established by Mrs. Cullen Hall, 4% of the earnings of this fund are to be distributed annually as follows: 40% to music ministries; 50% to any projects of the church as suggested by the pastor; and 10% to return to the fund to continue growth

Special Speaker Fund

Established in 2004, proceeds from this fund are to enable the church to provide special speakers for teaching evangelism, or other special events.

Mary Anne Laningham Fund

This fund was established in 2021. According to the terms of Ms. Laningham's trust, the "earnings on the principal amount of such fund [are] to be used for major needs of the church building such as renovation of the heating and cooling systems, updating the organ, interior and exterior painting and other similar major needs or repairs. This fund should not be used for routine upkeep and maintenance. The principal of the fund may only be invaded for extraordinary emergency need in [sic] the discretion of the church Trustees."

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”

Glasco who bequeathed her estate to First United Methodist Church. The Glasco Fund will be retained and managed by the Permanent Endowment Fund Committee as are the restricted endowment Funds. The proceeds of this Unrestricted Endowment Fund may be used at the discretion of the Trustees upon the recommendation of the Permanent Endowment and 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 be 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 approval 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.

V. 2 (15 Mar 2018)

V. 3 (19 April 2018)

V. 4 (20 April 2018)

V. 5 (19 February 2021)

V. 6 (27 January 2022)

