



## Matthews United Methodist Endowment

Preserving a legacy to REACH. TEACH. PRAISE. SERVE.

### Frequently Asked Questions and Answers

#### What is the Matthews United Methodist Endowment (the “Endowment”)?

- The Endowment is a permanently restricted fund that can be invested to establish a permanent source of income to support programs and ministries of the church. The Endowment is different from other designated funds because the initial gift amount is intended to remain invested and only the appreciation and earnings from that investment can be spent by the church. Since the original gift is not spent, it remains permanently invested to continue to generate income that is used to support the programs of the church in perpetuity.

#### Why did the church establish the Endowment?

- The long-term sustainability of the church’s mission is vital to each of us because:
  - We believe the church is the bride of Christ and the hope of the world
  - We believe in the mission of this church to **REACH. TEACH. PRAISE. SERVE.**
  - We believe that mission should continue until Christ returns
  - We believe God has entrusted to us all that we have and that the long-term sustainability of this church and that mission is part of that trust
  - We believe that together we can create a legacy that will have eternal impact on the lives of our children, grandchildren and great grandchildren.

By establishing the Endowment, there is an opportunity for each of us to include the church in our planned giving and to create an additional source of support for the ministries of the church.

- Establishing the Endowment and a planned giving program reinforces the principle that stewardship is not a one-time commitment, but a way of life.
- Establishing the Endowment eliminates a gap in the giving opportunities that were offered to church supporters in the past. Church members have and will make decisions to designate planned gifts, such as bequests, trusts or charitable gift annuities to charitable organizations that they support. The Endowment fund provides our members with the same options to make an endowment gift to MUMC.

#### How does an Endowment affect giving?

- In most churches, 99.5% of the operating budget is funded by gifts of current income (cash and checks) from members. Likewise, most capital campaign and Global Impact gifts are funded by contributions of current income, while planned gifts to the church endowment are given almost 100% from assets, and primarily through estate giving.
- Allows members to include their church in their present and future financial plans.
- The communication of the endowment fund focuses on estate consideration and emphasizes that this is not a substitute for supporting the ongoing needs of the church.
- The goal of endowment giving is to provide a new and stable income stream to sustain and expand the mission of the church.

### **How was the Endowment established and how does it operate?**

- The administrative council of the church approved the establishment of the fund and on September 25, 2017, the permanently restricted endowment fund for Matthews United Methodist Church was established through a vote of the charge conference for that purpose.
- In November, the Permanently Restricted Endowment committee membership for 2018 was approved and the committee has worked to complete and implement the details of the endowment program.
- The committee is led by a chair person, and is comprised of the senior pastor, director of operations, 3 at-large members and a representative from Administrative Council, GIC, Finance, Trustees and SPRC. The committee members are listed on the church's website under "Give - Endowment" tab.

### **How are the funds invested and managed?**

- Once funds are received by the church they are invested with the United Methodist Foundation of Western North Carolina (UMFWNC). The UMFWNC provides record keeping and investment management services for the fund.
- The funds invested with UMFWNC are invested in their Diversified Fund for the Matthews United Methodist Endowment account.
- The Endowment's investment objectives are:
  - Conservation of principal for the effective maintenance of purchasing power.
  - Regular income at a reasonable rate.
  - Growth of income and principal over and above that necessary to offset rises in the cost of living.
  - Investment 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.

### **What are the benefits of a Planned Giving/Endowment Program?**

- Ministry of the church is supported beyond your lifetime.
- Gifts can be directed toward one of four areas that have been impactful or meaningful to you in your experiences at Matthews United Methodist Church
  - General Endowment
  - Mission Fund
  - Capital Improvements and Renovation
  - Professional Development
- Everyone can participate in a planned giving program with no gift too small or too large.
- Donors may structure planned gifts to maximize tax deductibility.

### **How can I participate in Endowment?**

- Planned Giving: Consideration in your planned giving actions.
  - Including the program in your will and estate documents.
  - Life Insurance naming the program as beneficiary or partial beneficiary
  - Including the program in your IRA or Retirement Plan distributions
  - Life income arrangements such as Charitable Gift Annuities and Charitable Trusts
- Current Giving: Consideration of an above and beyond gift from current resources
  - Appreciated Securities
  - Real Estate
  - Required Minimum Distributions from your retirement plans

### **How can I learn more about the opportunities to participate in the Matthews United Methodist Endowment?**

- For more information and a chance to discuss further, please contact the Endowment Committee chair person or the senior pastor.

**Matthews United Methodist does not provide investment, tax or estate planning advice to any individual. Any decisions that you would like to make based on the information provided herein should be reviewed with your professional advisor.**