

The following Endowment Committee Operational Guidelines were approved by the WM Church Council on March 15, 2007. A Technical correction was approved by the Church Council Meeting on 8-21-08 for the paragraph entitled “Distributions from the Endowment Program” and is reflected in this document.

Operational Guidelines For the Warwick Memorial United Methodist Church Endowment Fund Program

The Purpose

The Endowment Fund Program of Warwick Memorial United Methodist Church, Newport News, Virginia, herein referred to “the Endowment Program,” is established for the purpose of providing members and friends opportunities to make charitable gifts to Warwick Memorial United Methodist Church that will become a permanent endowment of financial support and a living memorial. The Endowment Program is intended for purposes that expands or strengthens ministry and that are not usually funded through the annual operating budget of the church and the regular giving of its members and friends.

Administration

The Endowment Program will be administered by the Permanent Endowment Fund Committee (2004 Discipline, Paragraph 2533) of Warwick Memorial United Methodist Church, herein after referred to as the “Committee,” under the authority granted by the Church Conference. The members of the Committee and its chairperson shall be elected by the Church Conference and shall serve as set forth in the Church Conference Resolution, dated 17 May 2007, authorizing the creation of the Permanent Endowment Fund Committee. The Committee shall elect a secretary and such sub committees as it deems necessary.

The Committee shall cooperate with the Finance Committee in assuring that the annual audit process (as stated in Paragraph 259.4c of the Book of Discipline of the United Methodist Church, 2004) is followed. The Committee shall make a written report no less frequently than once a year to the Church Conference and at least quarterly to the Church Council.

The Committee shall also be responsible for the creation and maintenance of the Endowment Fund Committee Operating Procedures and Policies which will further govern the administration of the Endowment Fund. These Procedures and Policies will include, but not be limited to, instructions on donor relations, gift acceptance, and distribution management. This document contains the operating policies and procedures which may be amended from time to time by the Church Council.

Investment of Endowment Funds

The Endowment Program's investment objectives are:

1. Conservation of principal for the effective maintenance of purchasing power.
2. Growth of the funds over and above that necessary to offset inflation
3. Reasonable growth at reasonable risk.
4. Investment of assets in institutions, companies, corporations or funds which adhere to the Social Principals of the United Methodist Church.

The Committee shall invest all gifts received by the Endowment Program in whatever investment vehicles the committee believes appropriate, including one or more accounts with the Virginia United Methodist Foundation. The specific purpose of each account authorized by the Committee shall be stated in order to fulfill the wishes of the donor and thereby segregate and maintain gifts for their stated purpose.

Limitation on Use of Principal

Principal is herein defined as the value of the original gift at the time it was made. The objectives of the Endowment Fund Program are to conserve principal and make distributions only from earnings on principal or reinvestment of earnings. No principal may be withdrawn except in extreme and overwhelming circumstances which are necessary to the survival of Warwick Memorial United Methodist Church. Any withdrawal of principal must be approved by a two-thirds (2/3) vote of a duly called Church Conference of Warwick Memorial United Methodist Church. The Committee is charged with ensuring that withdrawal of principal meet all the requirements of the United Methodist Church and the laws and ordinances of the Commonwealth of Virginia.

Gifts to the Fund

Gifts to the Endowment Program shall be assigned to one of the following established Endowment Funds as specified by the donor. If the donor does not specify a particular fund, then the Committee shall assign the gift to one or more of the established funds.

- A. **General Endowment Funds** (for special needs and ministries recommended by the Committee and approved by the Church Council)
- B. **Property Funds** (for maintenance, improvements, or construction of additions or new physical facilities or to apply to a debt for same)
- C. **Mission Funds** (for missions in and beyond the local church and community)
- D. **Music Funds** (for special programs, guest musicians, and instrument purchase or maintenance)
- E. **Youth and Christian Education Funds** (for special educational and youth events)

Any person may make a gift of any amount at any time to any of the established Endowment Funds.

All provisions of the Endowment Program as to the investment, administration, and limitation on the distributions shall be applicable to the established Endowment Funds. All gifts made to the Fund shall be subject to the terms and limitations set forth in this document.

A separate Endowment NAMED FUND within the overall Endowment Program may be established for a one time gift of ten thousand (\$10,000) dollars or more, upon the recommendation of the Endowment Committee and the Approval of the Church Council. The name of the NAMED FUND shall be designated by the donor and may or may not contain a proper name. Named Funds are usually for a specific purpose and are normally in honor or memory of some person or person.

The Committee shall have the authority and responsibility to accept or reject any and all gifts to the Endowment Program in keeping with the authority granted by the Church Conference and in accordance with established procedures.

Distributions from the Endowment Program

In the case of established Endowment Funds, the amount of all distributions shall be determined by the Endowment Committee. Until otherwise changed by vote of the Church Council, the Endowment Committee will limit spending from each of the Established Endowment Funds to *one half the earnings accrued since the last distribution. (Calculation: Compare current year end value to prior year end value after the last distribution, take one half the difference if there is growth, and that is the maximum amount to be distributed.) The remainder of the earnings will remain in the fund to enhance growth for the future.* The Endowment Committee will recommend for approval to the Church Council the purposes and causes to which distributions from the Established Endowment Funds are to be made. These recommendations will be made in the first quarter of the calendar year. (Italicized portion approved unanimously on 8-21-08)

Distribution from the NAMED FUNDS in the Endowment Program shall be made by the committee as directed by the donors at the time of their gift or as directed by will or other gift document if such direction is in conformity with the general purposes set forth herein.

Liability of Trustees and Members of the Committee

In absence of gross negligence or fraud, no member of the Board of Trustees or of the Endowment Committee of Warwick Memorial United Methodist Church shall be personally liable for any action made or omission with respect to the Endowment Program. In the event of gross negligence or fraud by a member, no other member of the Board of Trustees or of the Endowment Committee of Warwick Memorial United Methodist Church shall be personally liable for any action made or omission with respect to the Endowment Program.

Merger, Consolidation, or Dissolution of Warwick Memorial United Methodist Church

If at any time, Warwick Memorial United Methodist Church is lawfully merged or consolidated with any other church; all provisions hereof in respect to the Endowment Program shall be deemed to have been made in behalf of the merged or consolidated church, which shall be authorized to administer the same in all respects and in accordance with the terms thereof. If Warwick Memorial United Methodist Church should ever be dissolved without any lawful successor thereto, the Fund, including both principal, interest or other earnings to date, shall, by majority vote of the Endowment Committee and approval by the Church Conference, be entrusted to the Virginia United Methodist Foundation for making distributions while maintaining principal as an endowment in the name of said church.

Amendments

Technical corrections and amendments to the Endowment Program which do not alter the stated purpose of the Endowment Program may be made by a two-thirds (2/3) affirmative vote at a duly called Church Council meeting of Warwick Memorial United Methodist Church.

Severability

If any provisions or any application of any provisions of the Endowment Program shall be held or deemed be or shall be illegal or unenforceable, the same shall not affect any other provisions or any application of any provision herein contained or render the same invalid, inoperative, or unenforceable.

These Endowment Program Operational Guidelines were adopted the 18th day of October, 2007, in a duly authorized Church Conference of Warwick Memorial United Methodist Church by a vote of:

_____ Members in favor _____ Members against _____ Members abstaining

Attested for Record: Warwick Memorial United Methodist Church

By: _____
Recording Secretary

By: _____
Pastor

By: _____
District Superintendent

10/01/2007 4:11 PM

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