

SAMPLE

Endowment Fund General Policies

Prepared by: United Methodist Foundation of Michigan

A. General Information

The following general policies are established to enable the Endowment Committee (EC) to effectively proceed with the management and administration of the Endowment Fund. It is the intent of this listing of general policies to work in conjunction with the previously adopted Endowment Fund Charter. The following policies are addressed either in the Endowment Charter or within additional, freestanding policy statements:

- Investment Policy
- Spending Policy
- Definition of Income
- The composition of and election guidelines for the EC
- Powers and duties of the EC
- Borrowing from the Endowment Fund
- Changing the designation of a previously received gift
- Request Process for Grants

B. Additional policies and clarifications are included in the following content:

1. Receipt of Gifts

- a. The EC welcomes and encourages gifts and bequests to be designated to the Endowment Fund. Gifts shall include, but not be limited to, cash, stocks, bonds, certificates of deposit, real estate, and personal property. The donor may transfer such property to the Endowment Fund by outright gift, life estate gift, or any one of several deferred giving arrangements (planned gifts).
- b. The Endowment Committee must approve any gift offered to the Endowment Fund before being officially accepted. The EC reserves the right to decline or otherwise refuse any gift offered to the Endowment Fund, with or without cause. Reasons that a gift may be declined include, but are not limited to, the following:
 - i. The EC does not believe it is in the best interest of the Church or Endowment Fund to abide by the restrictions placed on the gift by the donor.
 - ii. The costs to maintain the gift, or to meet the restrictions placed on the gift by the donor, are considered to be excessive for the Endowment Fund.
 - iii. The gift is considered to be inappropriate or unrelated to the tax-exempt purposes of the Endowment Fund or the Church.

- iv. The gift may result in inappropriate or undesirable publicity.
 - v. The EC cannot accept a gift that is designated to benefit or be channeled to an individual staff member of the Church (or to any other individual).
 - c. The EC will develop programs to encourage gifts to the Endowment Fund.
 - d. The EC will maintain complete and accurate records on all gifts and abide by all related federal, state and local rules and regulations.
- 2. Priority of Donor's Interest
 - a. The EC shall exercise care and caution in accepting and abiding by the interest of the donor for the endowed use of their gift. A written letter of designation, in the absence of a Will or other legally drafted document, from the Donor must exist to assure the Donor's interest is being honored.
 - b. No member or representative of the EC shall use any form of pressure on a prospective donor. However, education and the provision of informational materials is encouraged and shall be provided to the prospective donor to aid in making an informed decision concerning their Endowment gift.
- 3. Confidential Information
 - a. All information concerning donors and prospective donors, including their names, names of beneficiaries, the amount and type of the gift, aspects relating to their estate, etc., shall be kept strictly confidential.
 - b. The use of any of this confidential information can only be done with prior, written permission of the donor.
- 4. Use of Legal Counsel
 - a. The EC shall seek legal counsel, where appropriate, in matters pertaining to its deferred giving program and shall execute no deferred giving agreements without the advice of the Church's legal counsel.
 - b. All prospective donors shall be urged to seek their own legal counsel and/or tax counsel in matters relating to their deferred gifts, tax and estate planning.
- 5. Serving as Trustee
 - a. The EC, or any member of the EC, shall not serve as trustee of any trust created by any donor for the benefit of the Endowment Fund.
 - b. Prospective donors will be referred to the United Methodist Foundation of Michigan for services relating to planned giving.

Adopted by _____ **United Methodist**

Endowment Committee on _____, _____.

Note: This sample document was prepared by the United Methodist Foundation of Michigan and is to be used only as a guide for local churches in developing their own statement of policy.

This sample document can be supplied in electronic media form (computer file). If you wish to have an electronic media copy, please contact the Foundation office at (888) 217-1905 or our website, UMFMichigan.org.