

CHARTER: A PERMANENT ENDOWMENT FUND and COMMITTEE
BETHANY UNITED METHODIST CHURCH
Ellicott City, MARYLAND

This Fund shall be known as the Bethany United Methodist Church Permanent Endowment Fund, referred to in this document as “the Fund.”

The Fund and its administration will conform to all applicable Maryland laws and regulations, any applicable Federal laws and regulations including the provisions of the Internal Revenue Code, and The Book of Discipline of the United Methodist Church (2016), particularly pertaining to Paragraphs 2533 and 2534.

PURPOSE OF FUND

The Fund is established to provide members and friends the opportunity to make charitable gifts to Bethany United Methodist Church (referred to as “the Church”) that will become a permanent endowment for financial support and a living memorial.

The Fund is intended for Church purposes that are not funded through the annual operating budget; however, gifts which intend to supplement programs and ministries are appropriate. The primary account is the Undesignated account. Gifts may be designated to specific purposes by a donor and the Committee will determine the specific sub-account, for example: Flower; Missions; Education; Youth; etc.

I. CHURCH PERMANENT ENDOWMENT COMMITTEE

The Fund shall be administered by the Church Permanent Endowment Fund Committee (referred to as “the Committee”) under the authority granted to the Committee by the Charge Conference.

A. Composition

The Committee shall be a standing committee of the Focus Team.

The Committee shall be comprised of the following members:

1. The Senior Pastor (Non-voting Member)
2. A representative of the Finance Committee named by the Finance Committee
3. A representative of the Board of Trustees named by the Board of Trustees
4. A representative of the Memorials Committee named by the Memorials Committee
5. Four (4) “At Large Members” elected by the Charge Conference.

The Trustee, Memorials and Finance Committee representatives are chosen by their respective committee and may serve a term from one (1) to three (3) years as long as they are members on their respective Committee or until their respective committee designates a replacement.

All "At Large" members of the Committee shall serve a three-year term or until their successors are duly elected. Members can serve up to two consecutive terms. Following the second term a member must be off the committee for at least one year before being able to serve another term. "At Large" members will be elected by the Charge Conference and terms shall be staggered. Each year the Charge Conference shall elect people to fill vacancies:

A Chair shall be elected by a majority of the members at the first meeting of the fiscal year and serve for a term of one (1) year. The Chair shall be the primary liaison to the Focus Team. The Chair shall attend Focus Team meetings.

There shall be a minimum of two (2) meetings a year. Special meetings may be called by the Chair. Any interim vacancies may be filled by action of the Focus Team.

B. Duties

The Committee shall have the powers and duties authorized by the current The Book of Discipline of The United Methodist Church (2016) Paragraphs 2533 and 2534 and granted by this session and future sessions of the Bethany UMC Charge Conference.

The Committee shall:

1. Receive and administer all bequests made to the local church; to receive and administer all trusts; to invest all trust funds of the local church in conformity with laws of the country, state, or like political unit in which the church is located.
2. Emphasize the need for adults of all ages to have a will and an estate plan; and to provide information on the preparation of these to the members of the congregation
3. Stress the opportunities for church members and constituents to make provisions for giving through United Methodist Churches, institutions, agencies, and causes by means of wills, annuities, trusts, life insurance, memorials, and various types of property.
4. Advise the Focus Team and other committees regarding possible investments of the Endowment Fund.
5. Provide education to church members that will be helpful in their pre-retirement planning, including such considerations as establishing a living will and a living trust, and the need to designate someone to serve as a responsible advocate should independent decision making be lost.

5. Accept or reject any designated or restricted gift, bequest or device based on the compatibility with Bethany United Methodist Church's stated beliefs, mission and values.
6. Update the Committee rules and regulations after each General Conference as needed.
7. Collect, receive, and provide receipt for the income, profits, rents, and proceeds of the Fund.
8. Sell for cash or credit, convert, redeem, exchange for other securities or other property, or otherwise dispose of any securities or other property at any time administered by the Committee.
9. Manage and administer the Fund, which shall include an acknowledgement of gifts.
10. Employ suitable accountants, agents, legal counsel, and custodians, and pay their reasonable expenses and compensations. Each separate sub-account shall bear its pro rata share of such reasonable expenses.
11. Other responsibilities as determined by the Charge Conference.

Any other provisions of this agreement notwithstanding, the Committee shall not be compensated; nor engage in any act of self-dealing as defined in the Internal Revenue Code including section 501(c)(3); nor retain any excess business holdings as defined in the Internal Revenue Code; nor make any investments in such manner as to incur tax liability under the Internal Revenue Code; nor make any taxable expenditures as defined in the Internal Revenue Code or corresponding provisions of any subsequent Federal tax law.

The Committee shall determine all matters regarding management of the Fund, expenditures, and investment by a majority vote present at a duly called meeting (except amendments discussed under "Amendment of Permanent Endowment Fund Agreement").(section IV B).

C. Accounting

The Committee shall annually render a statement of its transactions regarding the Fund to the Focus Team. At no time shall the amount of individual gifts nor the identity of donors to the Fund be published unless written permission to do so is obtained. The Church, or any member, or any donor to the Funds may file an objection to the accounting in writing within sixty (60) days of the date of the accounting. In the absence of such objection, the Committee shall be released, relieved, and discharged with respect to all matters and things set forth in such accounting as though such accounting had been settled by judicial decree of a court of competent jurisdiction.

D. Bonding and Liability

The Church will provide Directors and Officers insurance for the members of the Committee either through the Church policy or as a separate policy.

No Committee member shall be required to furnish his/her own bond or surety. Accounting, receipts, deposits, and disbursements for all Permanent Endowment Funds shall be handled by the bonded designee(s) of the Church as assigned.

No Permanent Endowment Fund Committee Member shall be responsible for loss in investments made in good faith. No Member shall be liable for the acts or omissions of any other Member, or of any accountant, agent, legal counsel or custodian selected with reasonable care. Each Member shall be fully protected in acting upon any instrument, certificate, or paper believed by him to be genuine and to be signed or presented by the proper person or persons. No Member shall be under any duty to make any investigation or inquiry as to any statement obtained in such writing but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained. The Board of Trustees shall include the Committee as part of the Trustees indemnification insurance.

II. INVESTMENT OF PERMANENT ENDOWMENT FUNDS

A. The Fund's Objectives

The Fund's investment objectives are:

1. Conservation of principal for the effective maintenance of purchasing power.
2. Regular income at a reasonable rate.
3. Investment of assets in institutions, companies, corporations, or funds approved by the Committee and in compliance with the Social Principles of the United Methodist Church.

B. The Naming and/or Change in the Primary Custodian

Any change in investment firms requires approval of the Focus Team with a recommendation from the Committee.

C. Limitations on the use of Principal

The objectives of the Fund are to conserve principal corpus and make use of only the income from the Fund unless the donor specifically designates the use of principal in the Gift Agreement. Only in extreme and overwhelming circumstances bordering on the survival of the Church itself may principal be withdrawn; and, then, only if use of the principal to be withdrawn has not been restricted by the donor(s).

Any withdrawal of principal (as long as it does not violate the donor's intentions as described in the gift agreement) must be approved by a three-fourths (3/4) vote of the Charge Conference

members present and voting at duly called meetings of both the Committee and the Charge Conference of Bethany United Methodist Church.

D. Distributable Income

Income is defined as dividends, interest and capital gains of the sub-accounts.

An amount determined each year by applying a percentage against a rolling three-year average of the fair market value of the fund as determined on the first business day of each calendar year. The percentage determined shall be between two (2) and seven (7) per cent in accordance with Maryland Law. The target percentage shall be three (3) to five (5) per cent unless there are unusual circumstances. In the event a distribution under this section requires a withdrawal of principal, the provisions of section II C above shall apply. In years in which there is excessive growth in the fund, the Committee reserves the right to make additional distributions of income by a two-thirds (2/3) approval vote of its members.

E. Distribution of Income

The Committee shall report the amount for available distribution to the Focus Team.

The Committee will recommend uses for the distribution of the Undesignated Fund.

To the greatest extent possible, the income of each of the sub-accounts shall be distributed as the donor has directed by will or other gift document provided such direction is in conformity with the purposes set forth herein.

To the greatest extent possible, the income of each designated sub-account shall only be distributed for the purpose associated with said designated sub-account.

III. GIFTS TO THE PERMANENT ENDOWMENT FUND

See the Bethany United Methodist Church Gift Acceptance Policy

IV. MISCELLANEOUS

A. Merger, Consolidation, or Dissolution of Bethany United Methodist Church

If at any time Bethany United Methodist Church is merged or consolidated following the appropriate paragraphs of the current Book of Discipline of the United Methodist Church with any other United Methodist church, all the provisions hereof in respect to the Fund shall be deemed to have been made on behalf of the merged or consolidated Church which shall be obligated to administer the same in all respects and in accordance with the terms thereto.

If at any time Bethany United Methodist Church is dissolved, all assets of the Fund shall be assigned to the conference following the appropriate paragraphs of the current Book of Discipline of the United Methodist Church. The Conference shall continue fund designations as written.

B. Amendment of Permanent Endowment Fund Agreement

This agreement may be amended or modified from time to time only by a two-thirds (2/3) vote of a duly announced Charge Conference of Bethany United Methodist Church. No amendment or modification shall (1) alter the intention that the Fund be operated exclusively for religious purposes; (2) alter or eliminate the stated Fund purposes found under purpose of the Fund herein, or (3) alter the intent of any donor to the Fund. Every amendment or modification of this agreement shall be in writing and signed by the Recording Secretary of the Charge Conference, the District Superintendent, and the Senior Pastor.

C. Severability

If any provisions or application of any provisions of this Fund shall be held or deemed to be illegal, inoperative, or unenforceable, the same shall not affect any other provisions or any applications of any provisions herein contained or render the same invalid, inoperative, or unenforceable.

This Charter for the Permanent Endowment Fund and Committee was adopted on November 4, 2017 at a duly authorized Charge Conference of Bethany United Methodist Church, and supersedes the “Endowment Program Charter” approved by the Charge Conference in November 2004, by a vote of

_____ For _____ Against, and _____ Abstained.

Senior Pastors

Recording Secretary

District Superintendent