



CHRIST UNITED METHODIST CHURCH ENDOWMENT FUND POLICY

DESIGNATION OF THE FUND

This Fund is established as the Christ United Methodist Church Endowment Fund, hereafter referred to as "the Fund."

The Fund and its administration will conform to all applicable Maryland State 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*.

Gifts and potential gifts to the Fund are to be handled in accordance with the Gift Acceptance Policy of Christ United Methodist Church, hereafter referred to as "the Church."

PURPOSE OF THE FUND

The purpose of the Fund is to further enable the Church to fulfill its mission. The Fund, which is established and operated exclusively for religious purposes, provides an additional means for Church members and friends to make charitable gifts that, combined in a permanent endowment, will serve as a living memorial and support a broad variety of activities and projects related to mission and outreach for advancement of the Church's core principles of love, justice, and community.

The Fund is intended for mission and outreach purposes that are not funded through the annual operating budget. Endowment income may also be used to supplement existing programs and ministries.

ADMINISTRATION OF THE FUND

Restrictions

- No part of the Fund (neither principal nor income) may be used to the benefit of any individual member or other person who is in any way associated with the Church.
- The Fund may be used only for activities permitted for tax-exempt organizations and for organizations that are eligible to receive tax-deductible contributions under the Internal Revenue Code and applicable laws.

Authorities and Responsibilities

- The Administrative Board, hereafter referred to as "the Board," is responsible for the following:
 - Engaging the services of the Mid-Atlantic Faith Foundation, hereafter referred to as "the Foundation," or its successor.
 - Determining the amount of the endowment income to be disbursed each year.
Note: The amount of funds to be disbursed each year is a percentage of the 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 must never be lower than 2 percent and will generally be no greater than 7 percent. In years in which growth in the fund exceeds 7 percent, the Board may make additional distributions of income beyond the 7 percent ceiling by a 2/3 approval vote of its members.
 - Deciding how endowment income is to be used.
 - Approving any request to transfer any of the Fund's assets from the primary custodian to any other agency.
- The Foundation is responsible for the following:
 - Serving as the primary custodian of funds received by the Fund.
 - Serving as the Fund administrator, performing the responsibilities of handling the day-to-day activities associated with the Fund, i.e. correspondence, acknowledgments, receipts, deposits, reporting, and general administration.
 - Devising an appropriate investment strategy, whose objectives are:
 - Conservation of principal for the effective maintenance of purchasing power
 - Regular income at a reasonable rate.
 - Investing all funds received by the Fund.
 - Disbursing funds as directed by the Board.
- The Finance Chair as a member of the Board is responsible for recruiting appropriate individuals to perform the following:
 - Planning and executing educational and other activities in furtherance of the goals specified by *The Book of Discipline*
 - Seeking, at least annually, recommendations from the Council of Ministries and the Board for use of endowment income
 - Bringing to the Board, at least annually, proposals for use of endowment income
 - Making an annual report to the Board
 - Working with the Foundation to ensure that the annual audit or review is performed

BOND, COMPENSATION, AND LIABILITY

Bond: No member of the Church carrying out the responsibilities specified in this policy is required to furnish any bond or surety. (All members with financial responsibility are bonded through the existing insurance policy.)

Compensation: Any member of the Church carrying out the responsibilities specified in this policy serves without compensation but will be reimbursed from the Fund or the Church operating budget for any approved expenses.

Liability: No member of the Church carrying out the responsibilities specified in this policy will be held liable for acts or omissions made in good faith or for the acts or omissions of any accountant, agent, legal counsel, custodian, or other entity acting on behalf of the Fund.

AMENDMENT OF THIS POLICY

General

- This policy may be amended or modified after recommendation by a two-thirds vote of the Board and by a further two-thirds vote of a Charge/Church Conference.
- No amendment or modification of this policy may (1) alter the intention that the Fund be operated exclusively for religious purposes or (2) alter or eliminate the stated Fund purposes.
- Every amendment or modification of this policy must be in writing and approved by the Board.

In the event of structural changes: If at any time the Church or the Foundation is lawfully merged or consolidated with any other United Methodist Church or Foundation, all the provisions hereof in respect to the Fund will be deemed to have been made on behalf of the merged or consolidated Church or Foundation, which will be obligated to administer the same in all respects and in accordance with the terms thereto.

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

CUMC Endowment Policy 2025-09-11

Church/Charge Conference Approval Date: November 20, 2025