

## Foundation Endowments

UMFI manages over 85 endowments, trusts and designated funds. Each is administered in accordance with the donor's restrictions and in compliance with UPMIFA standards. We are committed to serving our Conference and find it exciting to partner with our donors and churches to bring life changing ministry to Indiana.

UMFI manages general endowments supporting missions, evangelism, church development, outdoor ministries, scholarships and clergy emergencies. Donations of any size can be made to these or other existing funds. Funds supporting specific ministries identified by the donor, including their local church, can be established with a minimum gift of \$15,000.



*"God is love, and those who remain in love remain in God and God remains in them... we love God because God first loved us."*

1 John 4:16-19



United Methodist  
**FOUNDATION**  
Of Indiana

### Fueling the Future of Ministry

The United Methodist Foundation of Indiana traces its roots back to the Preacher's Aid Society of the Indiana Conference of The Methodist Church.

Since the Foundation's creation in 1835, it has served as a steward of funds supporting our retired clergy and now supports a vast array of missions and ministries.

For over a quarter century, the Foundation has also provided asset management services to local churches and agencies of The United Methodist Church in the state of Indiana.

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## PLANNED GIVING



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# PLANNED GIVING

## PLANNED GIVING MINISTRY

A planned giving ministry extends beyond an endowment. It involves the spiritual development of our congregation, but the endowment structure is the tool we use to manage this ministry.

## ENDOWMENT

An endowment is usually a permanently restricted donation that directs the corpus be invested to create a perpetual source of funding for ministries. The ministry could be a local church, a mission or ministry within The United Methodist Church, or even a general missional area such as missions or Christian education.

## KEYS TO A SUCCESSFUL PLANNED GIVING MINISTRY

Four critical components of a successful Planned Giving Ministry are structure, organization, transparency and vision. The vision must be in coordination with the church vision, but the structure and organization should be partially independent to provide assurance that donor restrictions will be honored.

## UNIFORM PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS ACT (UPMIFA)

UPMIFA applies to any charitable institution, which includes churches, that manages perpetual funds such as endowments. The templates developed by UMFI are in compliance with UPMIFA.

UPMIFA governs how nonprofits manage, invest and spend endowed funds and has been in effect since June 30, 2007.

- Assets should be invested prudently in diversified investments that seek growth as well as income.
- Investments should be managed based on a long investment horizon.
- Market gains may be spent for the purposes of an endowment fund held by a charitable institution.
- The purchasing power of the endowment distribution should be maintained by endowment growth.
- Generally a charity should disburse a percentage of the endowment account balance on an annual basis. This percentage should be established by the church, but a general rule of thumb is between 4% and 6% annual, regardless of the actual return recognized that year. This is based on historical averages and should allow for continued growth in the fund.

## STEPS TO CREATING A PLANNED GIVING MINISTRY

### *Vision*

Establishing the vision or purpose for the ministry is critical. Generally this vision should look beyond the operational needs of the church and should focus on future ministry beyond the local congregation.

### *Structure*

An Endowment Charter should be developed that outlines the structure of the Endowment Committee, the organization of the Endowment and the process of management. UMFI has templates that can be used to streamline this process and provides consultation in the completion of these documents. These documents include the charter, investment policy, gift acceptance policy, spending policy and a development plan.

### *Education*

It is critical for both the leadership and congregation to understand the Planned Giving ministry. Church leadership should receive in depth training on the purpose and structure of the endowment. Brochures and articles can be used to explain the general purpose and process of the endowment. Seminars and workshops are useful in developing an understanding of how endowments can be used to create a legacy and vehicles that can be used to accomplish that goal.

