

**RESTATED AND SUBSTITUTED  
THE PERMANENT ENDOWMENT FUND COMMITTEE RESOLUTION**

**MANDARIN UNITED METHODIST CHURCH, INC. OF JACKSONVILLE, FLORIDA  
CHARGE CONFERENCE RESOLUTION  
PERMANENT ENDOWMENT FUND COMMITTEE AND PERMANENT ENDOWMENT  
FUND**

**DESIGNATION OF FUND**

This Fund shall be known as the **Mandarin United Methodist Church, Inc.**, Permanent Endowment Fund, hereinafter referred to in this document as "the Fund."

The Fund and its administration will conform to all applicable Florida 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** (current issue), particularly pertaining to Paragraph 2533. All applicable provisions of **Florida Statute § 617.2104, Florida Uniform Prudent Management of Institutional Funds Act**, are hereby incorporated by reference.

**PURPOSE OF FUND**

The Fund is established and shall be operated exclusively for religious purposes.

The Fund is established to provide members and friends the opportunity to make charitable gifts to **Mandarin United Methodist Church, Inc.** (hereinafter 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 to enhance existing areas of spending within the annual budget and other areas which are not funded through the annual operating budget. Gifts may be designated to the following purposes through the corresponding sub-funds of the Permanent Endowment Fund.

Undesignated:

General Endowment Fund

(For special needs and ministries identified by the Church Council)

Any gift to the Fund which does not include a specific designation will be considered Undesignated.

Designated:

- Capital Improvements and Unbudgeted Property Maintenance
- Scholarships for College and Seminary
- Mission Projects
- Children and Youth Ministries
- Music Ministries

Any other Sub-Fund that shall be designated from time to time by the Fund Committee and approved by the Board of Trustees.

## **ADMINISTRATION OF THE FUND**

No part of the Fund (neither principal nor income) shall be used to the benefit of any member of the Permanent Endowment Fund Committee.

Notwithstanding any other provision hereof, this Fund shall be used to conduct or carry on only those activities permitted to be conducted or carried on by an organization, which is tax exempt or by an organization, donations to which are deductible from taxable income, pursuant to the provisions of the Internal Revenue Code and other applicable legislation and regulations as they exist or may hereafter be amended.

The Church Permanent Endowment Fund Committee shall administer the Fund (hereafter referred to as "the Committee") under the authority granted to the Committee by the Charge Conference.

## **THE PERMANENT ENDOWMENT FUND COMMITTEE**

The Committee shall be comprised of the following members:

1. A member of the Pastoral staff (Non-voting Member, meeting attendance optional)
2. The Church Accounting Manager (Non-voting Member, meeting attendance optional)
3. A member of the Stewardship Committee determined by the Stewardship Committee
4. At least eight persons nominated by the Committee on Lay Leadership

The Members shall be elected by the Charge Conference for a term of three years and may serve for a second three-year term. Upon completion of two terms, a Member may serve another two terms after a one-year absence from the Committee. The initial terms of Members shall be staggered with one member elected for a one-year initial term, one member elected for a two-year initial term, one member elected for a three-year initial term. All successors will be elected for a term of three years thereafter.

To allow for an annual Fund Leadership succession plan, Fund members in their second or third year of service will be eligible to serve in a Fund leadership role. The Fund Committee shall elect a Secretary, Treasurer, and Communications officer and appoint such sub-Committees as it deems necessary and shall define their duties. The Fund Chairperson shall recommend two nominees from the elected Fund Leadership for the role of Chairperson Successor to the Committee on Lay Leadership from the Funds elected officers. The Committee on Lay Leadership, from the Members established above and elected by the Charge Conference, shall nominate the Chairperson of the Fund Committee.

The Church Accounting Manager shall have the responsibility of handling the day-to-day activities associated with the Fund, i.e. correspondence, acknowledgements, receipts, deposits, disbursements, etc.

The Committee shall make a full report no less frequently than once a year to the Church Council.

The Committee, in cooperation with the Church Committee on Finance, shall ensure that the annual audit or review is performed.

The Committee shall act by a vote of the majority of the Committee members authorized herein to vote, excepting amendments to this agreement as described under the Section "Amendment of Agreement."

The term "majority," as used in this agreement, is constituted by at least fifty percent plus one of the Committee members, unless otherwise specified within this agreement, present and voting at a duly called meeting. Any instrument requiring execution by this agreement (except amendments to this agreement described under the Section "Amendment of Permanent Endowment Fund Agreement") shall be valid if executed in the name of the Fund by a majority of the Committee. All actions of the Committee shall be taken by resolution at a published meeting. The vote shall be recorded when the vote is not unanimous. Any person or entity dealing with this Permanent Endowment Fund Agreement may rely upon a copy of any resolution or action taken by the Committee, certified by any one of the Committee members.

## **INVESTMENT OF PERMANENT ENDOWMENT FUNDS**

The Fund's investment objectives are:

1. Growth of income and principal over and above that necessary to offset rises in the cost of living.
2. Regular income at a reasonable rate.
3. Investment of assets in institutions, companies, corporations, or funds approved by the Permanent Endowment Fund Committee.

The Florida United Methodist Foundation, Inc., Lakeland, Florida, shall be used to serve as primary custodian of any short-term investment of the assets received by the Fund.

The Florida United Methodist Foundation, Inc., Lakeland, Florida, through a Money Management Agreement with the Fund, will invest all permanent Funds received by the Fund.

Donors will be encouraged to consider The Florida United Methodist Foundation, Inc., in Lakeland, Florida, as Trustee in the management of revocable or irrevocable Charitable Trusts established to benefit the Church. The donor may designate otherwise.

The Committee and primary custodian will determine an appropriate investment strategy for all the Fund's assets. The specific purpose of each sub-fund authorized by the Committee shall be stated in order to fulfill the wishes of the donor and thereby to segregate and maintain gifts for their stated purposes. Earnings from each sub-fund shall be available for distribution by the Committee in a manner consistent with the

designated category.

## **CHANGES IN PRIMARY CUSTODIAN**

Any transfer of the Fund's assets from the primary custodian or Trustee to any other agency must be approved by a majority vote of the Committee and a majority vote of the Church Council.

## **LIMITATIONS ON USE OF PRINCIPAL**

The objectives of the Fund are to conserve principal corpus and make use of only the income from the Fund.

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 members present and voting at duly called meetings of both the Committee and the Charge Conference of the **Mandarin United Methodist Church, Inc.**

No withdrawal of funds shall be initiated until the fund balance has reached a minimum of five hundred thousand dollars (\$500,000) and then only as described in the Distribution of Income section below. At no time should a withdrawal cause the corpus of the fund drop below \$500,000.00

## **DISTRIBUTION OF INCOME**

The income of each sub-fund 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.

Each sub-fund shall be considered as a designated Fund and therefore the income from said account shall only be distributed for the purpose associated with said designated Fund. The Committee makes no determination of how the income is to be spent. Its responsibility is to direct income to the appropriate bodies within the church.

The spending policy of the Committee shall be as follows:

The Committee shall use the moving average method (trailing twelve quarterly averages) to determine the average market value to be used in calculating the distribution. The final quarter utilized in the calculation of the current year distribution shall be the quarter ending December 31 of the prior year.

The Committee shall establish an annual spending policy rate not greater than 5% nor less than 3%. This rate will be applied to the average market value of the fund as

calculated in the paragraph above to determine the amount of the distribution to be made. The Committee may elect, at its own discretion, not to make a distribution in any given year.

This spending policy will allow a portion of the income of the Fund to be reasonably utilized as income by the Church. The Committee may annually review the spending policy percentage that is selected.

## **GIFTS TO THE PERMANENT ENDOWMENT FUND**

A Gifts Acceptance Policy document is included as part of this Agreement. Gifts to the Fund that are classified as designated will be assigned to the corresponding sub-fund.

A gift to the Fund that is not designated to a specific sub-fund will be placed in the General Endowment Fund.

For a gift to be designated to an existing specific sub-fund, a minimum gift in the amount of twenty-five dollars will be required.

For a gift to be designated to an specific sub-fund not previously established it must be, at a minimum, an amount equal to the minimum amount that The Florida United Methodist Foundation, Inc., would accept to establish a Charitable Remainder Trust.

The Committee shall have sole authority to accept or reject any and all gifts to the Fund in keeping with the authority granted by the Charge Conference.

All gifts made to the Fund shall be accepted subject to the terms and limitations set forth in this document.

## **POWERS OF THE PERMANENT ENDOWMENT FUND COMMITTEE**

In the administration of the Fund, the Committee shall have the necessary authority to carry out the purpose of the Fund. No power or authority shall be exercised by the Committee in any manner or for any purposes whatsoever which may not be exercised by an organization which is tax exempt or by an organization donations to which are deductible from a donor's taxable income to the extent allowed by the provisions of the Internal Revenue Code and other applicable legislation and regulations as they now exist or may hereafter be amended. The acquisition, ownership, sale or transfer of any real or personal property must be consistent with **The Book of Discipline of the United Methodist Church** as amended from time to time.

The Committee shall have the powers and duties authorized by **The Book of Discipline of the United Methodist Church** and granted by this session and future sessions of the Charge Conference.

- A. To 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 where the church is located.

B. To 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.

C. To 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.

D. To arrange for the dissemination of information that will be helpful in 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.

E. To update the Committee rules and regulations after each General Conference as needed.

F. Other responsibilities as determined by the Charge Conference.

G. To collect, receive, and receipt for the income, profits, rents, and proceeds of the Fund.

H. To purchase, subscribe for, retain, invest, and reinvest in securities or other property, wherever situated, and whether or not productive or of a wasting nature and without any requirement for diversification as to kind or amount. The intent is that the Committee or their contracted manager shall make the Fund's investments independently. These may include investments in bonds, notes, or other securities of the Florida United Methodist Foundation, Inc. The terms "securities or other properties" as used in this document shall be deemed to include real or personal property at any time held by the Committee.

I. To 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 held by the Committee.

J. To hold part or all of the Fund un-invested; however, such un-invested Funds shall be deposited in an account with The Florida United Methodist Foundation, Inc., or a federally insured commercial bank, savings bank, savings and loan association, or broker that is a member of the SIPC pursuant to specific authority of the Committee.

K. To employ suitable accountants, agents, legal counsel, and custodians, and to pay their reasonable expenses and compensations. Each separate Fund shall bear its pro rata share of such reasonable expenses.

L. Any other provisions of this agreement notwithstanding, the Committee shall not engage in any act of self dealing as defined in the Internal Revenue Code; 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.

M. 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 Agreement").

## **BOND AND COMPENSATION**

No Committee member shall be required to furnish bond or surety. Each Committee member shall serve without compensation for their services hereunder, but all expenses of these Funds or any Committee member acting hereunder shall be paid by the Fund. The bonded designee(s) of the Church as assigned shall handle accounting, receipts, deposits, and disbursements for all Permanent Endowment Funds.

## **ACCOUNTING BY PERMANENT ENDOWMENT FUND COMMITTEE**

The Committee shall render a statement of their transactions regarding the Permanent Endowment Fund. At no time shall the amount of individual gifts or 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 has been settled by judicial decree of a court of competent jurisdiction.

## **LIABILITY OF THE PERMANENT ENDOWMENT FUND COMMITTEE**

No Permanent Endowment Fund Committee Member (hereafter referred to as "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. This coverage is included in the annual conference's self-insurance program.

## **MERGER, CONSOLIDATION OR DISSOLUTION OF MANDARIN UNITED METHODIST CHURCH, INC.**

If at any time Mandarin United Methodist Church, Inc. is lawfully merged or consolidated with any other 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 hereto.

If **Mandarin United Methodist Church, Inc.** should ever be dissolved without any lawful successor thereto, the Fund, including both principal and interest to date, shall be entrusted to The Florida United Methodist Foundation, Inc., to direct the distribution of principal and accumulated income as it determines to the **North East District of the United Methodist Church** or its successors to use for the purposes for which the gift (or gifts) was intended. In the event of such dissolution as set forth above, and in the case that The Florida United Methodist Foundation, Inc., should not then be in existence, the Fund, both principal and interest, shall be paid over and entrusted to a bona fide local charity selected by the surviving members of the last duly qualified Permanent Endowment Fund Committee which shall most closely resemble the purposes of the **Mandarin United Methodist Church, Inc.** Permanent Endowment Fund. Such charity must be a charity duly qualified under Section 170(c) and 501(c)(3) of the Internal Revenue Code.

#### **AMENDMENT OF PERMANENT ENDOWMENT FUND AGREEMENT**

This agreement may be amended or modified from time to time only after recommendation by a two-thirds (2/3) vote of the Committee members present and voting and by a two-thirds (2/3) vote of a duly announced Charge Conference of Mandarin United Methodist Church, Inc. No amendment or modification shall (1) alter the intention that the Fund be operated exclusively for religious purposes or (2) alter or eliminate the stated sub-fund purposes found under purpose of the Fund herein. Every amendment or modification of this agreement shall be in writing and signed by the Committee who voted to approve same and by the Recording Secretary of the Charge Conference, the District Superintendent, and the Senior Pastor.

#### **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 Permanent Endowment Fund Agreement was adopted the **xxth** day of **xxxxxx**, **20xx**, in a duly authorized Charge Conference of **Mandarin United Methodist Church, Inc.** meeting in **Jacksonville, Florida** by a vote of **xx** for, **0** against, and **0** abstained.  
\_\_\_\_\_, Recording Secretary

\_\_\_\_\_  
\_\_\_\_\_



, District Superintendent

, Senior Pastor

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# Mandarin United Methodist Church

## Policy & Procedure - Endowment Gift Acknowledgement

### Background

Mandarin United Methodist Church established the Permanent Endowment Fund Agreement in 2006. The first gifts to the endowment fund were received in 2010. An investment account, called the Development Fund, was opened through the Florida United Methodist Foundation in April 2011.

As the fund gained more attention and interest, it was decided to establish a policy and procedure to acknowledge gifts received so as not to overlook an opportunity to recognize and thank the giver.

### **Gift Acknowledgement Procedure - Monetary**

A gift (check, cash, etc.) is received by the church office.

#### Office procedure:

- Contributions Secretary records the cash receipt.
- Contributions Secretary sends a standard thank you note to the giver.
- Contributions Secretary sends a copy of this note to the individual or family recognized by the giver (in honor or memory of).
- Contributions Secretary generates a monthly 'Gift Detail Listing' report and provides to the Endowment Committee every third Thursday.
- Contributions Secretary communicates every third Thursday to Communications Coordinator any gifts made to the endowment fund and the names of the individuals involved. (No values are communicated or published.)
- Communications Coordinator communicates the gift(s) and current endowment balance in the Buzz

#### Endowment Committee procedure:

- Send a personal thank you note to the giver. (Communicate intent to recognize gift in newsletters and ask them to call the church office if they wish to remain anonymous.)

## **Frequency**

All donors will receive acknowledgment and a note of appreciation from the church office upon receipt. The Endowment Committee will send a note of appreciation to first time and occasional givers. Regular donors will also receive an annual note of thanks..

Positions as of xxxxxxxxx xx, 2019:

Contributions Secretary -  
Communications Coordinator -

Policy Date: