

*Approved*  
ARAT 9/23/2013

## CHARTER

### BELLEVUE UNITED METHODIST CHURCH NASHVILLE, TENNESSEE

#### **THE ENDOWMENT AND PLANNED GIVING PROGRAM**

##### THE PURPOSE

The Endowment and Planned Giving Program of Bellevue United Methodist Church, Nashville, Tennessee, hereafter referred to in this document as “the Endowment Program,” is established for the purpose of providing members and friends opportunities to make charitable gifts to Bellevue United Methodist Church that will become a permanent endowment of financial support and a living memorial.

The Endowment Program is intended for one or both of the following purposes:

1. To supplement the church’s established programs which are funded through the annual operating budget of the church and the regular giving of its members (by way of example but not limitation, to provide additional funding for special needs in or seed money for new programs);
2. To accomplish projects that are not a part of the church’s established programs and are not funded through the annual operating budget of the church and the regular giving of its members (by way of example but not limitation, a building fund or capital improvement fund).

##### ADMINISTRATION

The Endowment Program will be administered by the **Permanent Endowment Fund and Planned Giving Committee** of Bellevue United Methodist Church, hereinafter in this document referred to as the “Committee,” under authority granted by the Charge Conference. The members of the Committee and its chairperson shall be elected by the Charge Conference and shall serve until their successors have been elected.

The Members of the Committee shall be as follows:

1. The Chairperson of the Committee on Finance (or representative of the Committee on Finance);
2. The Church Treasurer;
3. Chairperson of the Board of Trustees (or representative from the Board of Trustees named by the Board of Trustees);
4. The Church Financial Secretary;
5. The Pastor;
6. Six persons nominated by the Committee on Nominations and Leadership Development, the number of such persons and the term(s) to be served to be decided by the Charge Conference with the recommendation of the Committee on Nominations and Leadership Development. The tenure of such persons shall be limited to three-year terms. In succeeding elections, terms are for three years, and nothing shall prohibit a person from being nominated and elected to serve a second term.

The Committee shall elect a Secretary and such other officers and subcommittees as it deems necessary. Subcommittees may have members who are not on the Endowment and Planned Giving Committee; such members shall be appointed by majority vote of the Committee.

The Committee shall cooperate with the Committee on Finance in assuring that the annual audit process (as stated in ¶ 258.4d of *The Book of Discipline – 2012* or counterpart paragraphs of subsequent editions) is followed. The Committee shall make a full report no less frequently than once a year to the Church Council.

#### INVESTMENT OF ENDOWMENT FUNDS

The Endowment Program's investment objectives are:

1. Preservation of principal for the effective maintenance of purchasing power.  
Principal is defined as original contributions plus all appreciation of and capital gain distributions from invested assets.
2. Regular income at a reasonable rate. Income is defined as dividends and interest generated from investments.

3. Growth of income and principal over and above that necessary to offset cost of living increases.
4. Investment of assets in institutions, companies, corporations, or funds which make a positive contribution toward the realization of the goals outlined in the Social Principles of the Church.

All gifts received by the Endowment Program may be invested through the establishment of one or more accounts with The United Methodist Foundation for the Memphis and Tennessee Conferences with the investment approval of the Committee. The specific purpose of each account authorized by the Committee shall be stated in order to fulfill the wishes of the donor(s) and thereby to segregate and maintain gifts for their stated purposes.

#### CHANGE IN INVESTMENT POLICY

The Endowment Fund and Planned Giving Committee will work with The United Methodist Foundation for the Memphis and Tennessee Conferences regarding investments and investment policies. Any changes in investment policies must be approved by a majority vote of the Church Conference at which a quorum (defined as all persons present that are members of BUMC) is present, upon recommendation of the Committee and the Church Council of Bellevue United Methodist Church.

#### LIMITATION ON USE OF PRINCIPAL

The objectives of the Endowment Program are to conserve principal and make use of only the distributions determined by the Committee.

Any part of the principal may be withdrawn to meet operating expenses of the church only in extreme and overwhelming circumstances, bordering on the survival of Bellevue United Methodist Church. Any withdrawal of principal must be approved by a two-thirds (2/3) vote of the Church Conference of Bellevue United Methodist Church. Some accounts may be set up with different restrictions, and such information shall be shared with and kept in the files of the United Methodist Foundation for the Memphis and Tennessee Conferences.

## DISTRIBUTIONS FROM THE ENDOWMENT PROGRAM

Except as provided in the following sentence, the amount of distributions from accounts in the Endowment Program shall be determined by the Committee which shall keep in mind the Endowment Program investment objectives set forth herein. Distributions from accounts in the Endowment Program as to which specific direction has been given shall be made by the Committee as directed by the donors at the time of their gift or as directed by will or other gift document if such direction is in conformity with the general purposes set forth herein. Undirected donations shall be administered by the Board of Trustees.

## GIFTS TO THE FUND

### **Types of Funds**

The Fund is to be maintained in two categories. The first category of funds ("Class A") is to be managed and invested in the manner of endowment funds with the principal invested in perpetuity with only the income from investments to be used for the designated purposes of the Fund.

The second category of funds ("Class B") is to be managed where both principal and earned income may be used for the designated purposes of the Fund.

### **Designated Funds**

#### **I. Class A**

##### *A. Memorial Fund B#*

This fund is established where earned income only may be disbursed for building improvements, major maintenance, church furnishings, or other capital expenditures.

#### **II. Class B**

##### *A. Building Fund*

This fund is established where both principal and earned income may be disbursed for major renovations or additions to existing facilities or for planned facilities. This fund may also be used for building debt retirement. Currently designated as "Memorial \*".

##### *B. Major Maintenance Fund*

This fund is established to handle the maintenance and replacement of major church equipment and upkeep on facilities. A figure of 12% of the current operating budget is set as a goal for this fund.

C. Columbarium Fund and related 15% Perpetual Care reserve

This fund is established by payment for space in the Church Columbarium and is to be used for the upkeep of the Columbarium. A 15% reserve is to be maintained.

D. Playground Fund

This fund is to be used for the establishment and maintenance of the Church playground. At the date of the approval of this CHARTER, this fund has been maintained as an operating fund of the Finance Committee.

E. Piano Fund

This fund is to be used for the replacement of the existing sanctuary piano. At the date of approval of this CHARTER, this fund has been maintained as an operating fund of the Finance Committee.

F. Heat Exchanger—20-ton unit Fund

This fund represents an amount of \$5,000 set aside for the replacement of the 20-ton heat exchanger as approved by the Board of Trustees.

G. 5% contingency reserve

This fund represents a Board of Trustee-approved reserve equal to 5% of the total of all unrestricted funds.

H. Walden bequest of 2012 (to renovate church playground).

This fund is currently included within the Memorial Fund B # fund (Class A) and will need to be transferred to this category upon adoption of this CHARTER.

### **III. Other Funds**

Other funds may be established and included in The Fund which are in keeping with the program and ministry of Bellevue United Methodist Church and The United Methodist Church.

Gifts to the Endowment Program may be classified as “designated” by the donor(s) to one or more of the following categories:

1. General Endowment Fund (for special needs and ministries determined by the church leadership);
2. Children and Youth Fund (provide for children and youth activities);
3. Mission Funds (for missions in and beyond the local church and community);
4. Property Funds (for maintenance, care, improvements or additions to, or construction of physical facilities);
5. Scholarship Fund (for scholarship assistance to college or seminary students, with first consideration being given to students who are members or whose families are members of Bellevue United Methodist Church).

When “undesigned” contributions are made to the Endowment Program, the Committee will transfer the funds into the General Endowment Fund. Notwithstanding the preceding sentence, when “undesigned” contributions are made to the Endowment Program upon the death of some person in or related to the church, the family of the deceased shall be granted the privilege to select from among the designated categories if the donor has not so designated. Any honorarium, bequest, devise, trust, living trust, or gift accepted by the Church may be designated by the donor to go to any of the funds named herein or may be named in the future, or for any program or cause which is in keeping with the program and ministry of Bellevue United Methodist Church and The United Methodist Church.

When gifts come into the Church upon the death of some person in or related to the Church, the family of the deceased may suggest a designation of gifts.

Any person making a bequest, devise, trust, living trust, or gift of as much as \$5,000.00 for an endowment fund, may not only designate the purpose of the fund, but name the fund.

The Committee shall have the authority and responsibility to accept or reject any and all gifts to the Endowment Program in keeping with the authority granted by the Charge Conference. Gifts of any size may be accepted for “undesigned” contributions or contributions “designated” to one of the categories listed above. Additional categories and funds may be created by amendment as provided for herein. Gifts of any size may be accepted upon the establishment of an additional category.

The Trustees are to receive and make available for use the monies in the Fund as called for in the respective designations.

The Trustees may decline to receive and manage any honorarium, bequest, devise, living trust, trust or gift which they deem to be unwise or not in keeping with the best interest and ministries of Bellevue United Methodist Church or The United Methodist Church.

All provisions of the Endowment Program as to investment of funds, administration of funds, and limitation of use of distributions shall be applicable to both designated and undesignated gifts, and all gifts made to the Fund shall be accepted subject to the terms and limitations set forth in this document.

The Endowment Committee is to keep account of each designated and named fund even though monies from several funds may be invested together. A report to the Church Council is to be made at least quarterly, indicating receipts, investments, accrued income, and how any fund or income has been dispersed.

#### LIABILITY OF TRUSTEES AND MEMBERS OF THE COMMITTEE

In the absence of gross negligence or fraud, no member of the Board of Trustees of Bellevue United Methodist Church or of the Endowment Fund Committee of said church shall be personally liable for any action made or omission with respect to the Endowment Program.

#### MERGER, CONSOLIDATION, OR DISSOLUTION OF BELLEVUE CHURCH

If at any time Bellevue United Methodist Church is lawfully merged or consolidated with any other church, all the provisions hereof in respect to the Endowment Program shall be deemed to have been made in behalf of the merged or consolidated church which shall be authorized to administer the same in all respects and in accordance with the terms thereto. If Bellevue United Methodist Church should ever be dissolved, the Fund, including both principal and interest to date, shall be entrusted to The United Methodist Foundation for the Memphis and Tennessee Conferences, which shall make distributions to United Methodist congregations, agencies, or institutions in accordance, insofar as practicable, with the purposes stated in this Charter, while maintaining the principal as an endowment.

AMENDMENTS

Technical corrections and amendments to the Endowment Program which do not alter the stated purpose of the Endowment Program may be made by a two-thirds (2/3) affirmative vote at a duly called Charge Conference of Bellevue United Methodist Church at which a quorum is present, except where this Charter provides for a vote of the Church Conference.

These rules governing the Permanent Endowment Fund may be amended by a two-thirds vote of the Charge Conference.

PRIOR ENDOWMENT FUND

The Bellevue United Methodist Church Endowment Fund and the accompanying motion establishing the Permanent Fund Committee approved by Charge Conference November 15, 1992 are both rescinded as of the date of adoption of this charter.

SEVERABILITY

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

This Endowment Program Charter was amended and adopted this 23 day of Sept, 20 13 in a duly authorized Charge Conference of Bellevue United Methodist Church, Nashville, Tennessee, by a vote of 24 For, 0 Against, and 0 Abstained.

*Paula Waggoner*  
Recording Secretary

*Shirley Boyer*  
District Superintendent or Designee

*Lola Young*  
Pastor



PATH TO APPROVAL:

1. APPROVED BY AD HOC COMMITTEE MARCH 21, 2013.
2. THIS VERSION INCLUDES EDITS BY VIN WALDRUP.
3. APPROVED BY BOARD OF TRUSTEES APRIL 8, 2013.
4. APPROVED BY FINANCE COMMITTEE APRIL 9, 2013.
5. APPROVED BY CHURCH COUNCIL APRIL 22, 2013.
6. CHANGE OF ADOPTION VENUE FROM "CHURCH" CONFERENCE TO "CHARGE" CONFERENCE APPROVED BY CHURCH COUNCIL AUGUST 26.2013.