

**ST. PAUL'S
UNITED METHODIST CHURCH
Lenexa, Kansas
The Charter of the Legacy Fund Program
(Revised and Resolved 12/6/2018)**

THE PURPOSE

The St. Paul's United Methodist Church of Lenexa, Kansas, a Kansas not-for-profit corporation, ("SPUMC") hereby establishes the Legacy Fund Program (the "Program") for the purpose of providing members and friends opportunities to make charitable gifts to SPUMC that will become a source for long-term financial support and living memorials. The Program is intended to provide resources to grow and enhance our existing mission to Love, Seek, Serve. This includes existing ministries, creating new ministries or addressing special ministry needs and opportunities. Program distributions shall be used as specifically described in this Charter and for purposes that are not funded through the annual operating budget of the church and the regular annual giving of its members.

ADMINISTRATION

The Program will be administered by the Legacy Fund Program Committee of SPUMC, hereinafter in this document referred to as the "Committee", under authority granted by a Resolution of the Charge Conference pursuant to Paragraph 2534 of *The Book of Discipline of the United Methodist Church, 2016*. The five (5) members of the Committee and their terms of service shall be as follows:

- 1) The Senior Pastor or designated staff shall serve as a permanent non-voting member of the Committee.
- 2) A member of the Board of Trustees shall be nominated by the Board of Trustees, and a member of the Finance Committee shall be nominated by the Finance Committee. Each nominee shall be elected by the Charge Conference to serve a three-year term. Said persons may be nominated and elected to serve a maximum of two consecutive terms on the Committee and must maintain membership on the standing committee represented.
- 3) The Committee on Lay Leadership shall nominate three (3) at-large members. Initially, the Charge Conference shall elect two nominees to serve a two-year term and one nominee to serve a three-year term. Thereafter, each subsequent nominee shall be elected to serve a three-year term and may serve a maximum of three consecutive terms.
- 4) Replacement members of the committee shall be appointed by Lay Leadership to fulfill the balance of the departing committee member's term.

Any person who has served the maximum number of consecutive terms shall be eligible for re-election after two years off the Committee.

The Committee on Lay Leadership shall elect annually one of the Committee members to serve as Chairperson of the Committee. The Legacy Fund Program Committee shall elect a secretary, and other officers or sub-committees as it deems necessary, and may adopt operating rules consistent with this Charter.

The Committee shall cooperate with the Finance Committee by providing information necessary for the Finance Committee in fulfilling its financial reporting requirements. The Committee shall prepare a written report no less frequently than once each year and a designated member shall present the report to the Church Council, if requested.

INVESTMENT OF FUNDS

The portfolio(s) monitored by the Committee should be managed in a prudent manner with the objective of preserving the long-term purchasing power of assets while providing a relatively predictable and sustainable stream of periodic distributions supporting SPUMC's stated missions and ministry.

LIMITATION ON USE OF PRINCIPAL IN LEGACY FUNDS

It is hereby acknowledged that the Church may receive gifts from individuals that are unrestricted as to use or purpose. Any unrestricted amounts placed into any of the Program endowment funds by the Church are understood to be "quasi-endowment" subject to the administrative policies of the Church as amended from time to time.

Donor funds that are specifically given to one of the Program endowments or to the Church for the purpose of endowment are understood to be permanently restricted endowment funds. Gifts accepted into the Program pursuant to gift instruments that either specifically require use of principal or impose further restrictions shall be accounted for and used in keeping with the terms of the respective gift instruments.

DISTRIBUTIONS FROM THE LEGACY FUND PROGRAM

Distributions from all accounts in the Program shall be made with the majority approval of the full Committee. In keeping with the investment objectives listed above, annual distributions may be made from a portion of annual earnings, and/or accumulated appreciation. The amount of funds available for distribution each year shall be determined pursuant to a spending policy adopted by the Committee. This spending policy may be amended from time to time as deemed appropriate by the Committee.

ESTABLISHMENT OF FUNDS AND DESIGNATION OF PURPOSES

The Committee shall establish funds and accounts as are deemed necessary by the Committee to fulfill the purposes described in this Charter and to comply with the directives and designations of donors. The purposes and causes to which distributions from accounts are to be made shall be approved and accepted by the Committee, in conformity with the general purposes set forth herein. Separate accounts may be established at the discretion of the Committee, to allow donors to support specific types of SPUMC ministries and programs. These funds may be established for the purpose of accepting and administering charitable gifts to SPUMC that will become a

permanent endowment of financial support for the indicated programs.

The General Ministry Legacy Fund:

The Committee may accept gifts to establish and add to a fund to be known as the General Ministry Legacy Fund. This is the primary fund of the Program, and is established for the purpose of accepting and administering charitable endowment gifts to SPUMC that are not for a designated purpose. Distributions from this fund may be used for ministry projects and activities as needs arise. It is hereby specifically affirmed that distributions from the General Ministry Legacy Fund are intended to address special one-time or short-term funding needs or purposes. Distributions are not intended to underwrite projects or programs that are, or will become, part of the regular and normal annual operating expenses of SPUMC over periods of time exceeding three (3) years.

The Committee shall inform the Board of Trustees, the Finance Committee and the Church Council at least annually regarding the amount of funds available for use from the General Ministry Legacy Fund. Written requests for distributions must be submitted to the Legacy Fund Program Committee. All such requests that are in keeping with the terms of this Charter shall be promptly remitted to the SPUMC Business Manager.

The Mission Legacy Fund:

The Committee may accept gifts to establish and add to a fund to be known as the Mission Legacy Fund. Distributions from this fund may be used to provide assistance for program materials, equipment, transportation, leadership, personnel, or other expenditures related to new, or existing, mission activities and projects of SPUMC.

The Committee shall inform the Missions Committee at least annually regarding the amount of funds available from the Mission Legacy Fund. Written requests for distributions must be submitted to the Legacy Fund Program Committee. All such requests that are in keeping with the terms of this Charter shall be promptly remitted to the SPUMC Business Manager.

The Music Legacy Fund:

The Committee may accept gifts to establish and add to a fund to be known as the Music Legacy Fund. Distributions from this fund may be used to help underwrite the cost of printed and recorded music, choir supplies & equipment, costumes, musical instruments, sound equipment, musicians, vocalists, and expenses related to the performance and publicizing of music-related events.

The Committee shall inform the Music Committee at least annually regarding the amount of funds available from the Music Legacy Fund. Written requests for distributions must be submitted to the Legacy Fund Program Committee. All such requests that are in keeping with the terms of this Charter shall be promptly remitted to the SPUMC Business Manager.

The Building Maintenance & Capital Improvements Legacy Fund:

The Committee may accept gifts to establish and add to a fund to be known as the Building

Maintenance & Capital Improvements Legacy Fund. Distributions may be used for, but are not limited to: HVAC systems, roof, foundation, parking area, paint and wallpaper, plumbing systems, electrical systems, furnishings, remodeling, and new construction. Funds may also be used for equipment purchases necessary to maintain the church property.

The Committee shall inform the Board of Trustees at least annually regarding the amount of funds available from the Building Maintenance & Capital Legacy Fund. Written requests for distributions must be submitted to the Legacy Fund Program Committee. All such requests that are in keeping with the terms of this Charter shall be promptly remitted to the SPUMC Business Manager.

The Scholarship Legacy Fund:

The Committee may accept gifts to establish and add to a fund to be known as the Scholarship Legacy Fund. Distributions may be used for, but are not limited to preschool, youth, youth mission, adult mission, and music studies.

The Committee shall inform the Scholarship Committee at least annually regarding the amount of funds available from the Scholarship Legacy Fund. Written requests for distributions must be submitted to the Legacy Fund Program Committee. All such requests that are in keeping with the terms of this Charter shall be promptly remitted to the SPUMC Business Manager.

GIFTS TO THE ENDOWMENT FUNDS

Gifts payable to the SPUMC "endowment", "permanent fund", "memorial fund" or "legacy fund" without further description or designation shall be assigned to the General Ministry Endowment Fund. Gifts that are designated for an existing designated fund shall be assigned to that fund.

Gifts payable to SPUMC which have no specific cause or immediate use indicated by the donor; regardless of method receipt: plate, check, ACH, Memorial, etc., shall be classified as "undesignated."

All undesignated gifts will be appropriated per the following schedule:

- Fifty percent (50%) of each undesignated gift that is the equivalent of one percent (1%) up to three percent (3%) of the most recently approved SPUMC General Budget shall be available for current expenditure at the discretion of the Finance Committee. Fifty percent (50%) shall be placed in the General Ministry Endowment Fund and shall be tracked as the "quasi-endowment" portion of the Fund.
- Thirty percent (30%) of each undesignated gift that is more than three percent (3%) up to ten percent (10%) of the most recently approved SPUMC General Budget shall be available for current expenditure at the discretion of the Finance Committee. Seventy percent (70%) shall be placed in the General Ministry Endowment Fund and shall be

tracked as the “quasi-endowment” portion of the Fund.

- Ten percent (10%) of each undesignated gift that is more than ten percent (10%) of the most recently approved SPUMC General Budget shall be available for current expenditure at the discretion of the Finance Committee. Ninety percent (90%) shall be placed in the General Ministry Endowment Fund and shall be tracked as the “quasi-endowment” portion of the Fund.

DONOR RECOGNITION

The Committee shall acknowledge all gifts to the Legacy Fund Program in an appropriate and timely manner. It is the goal of the Committee to celebrate the gift, the giver and the ministry being supported through personal expressions of thanks and when appropriate, public recognition. Where appropriate, the Committee shall maintain records and publications that provide ongoing memorial recognition. By such actions the Committee intends to enhance the satisfaction of the giver, encourage others to give and lift up the ministries of the Church to greater public awareness.

Donor requests for anonymity shall be respected and strictly observed. All donors shall receive necessary gift receipts for tax reporting purposes.

GIFT ACCEPTANCE POLICY

The Committee shall have the authority and responsibility to accept or reject any and all gifts to the Legacy Fund Program in keeping with the authority granted by the Charge Conference, and shall develop and publish a policy statement for the acceptance of gifts. Contributions to existing Legacy Funds may not be designated more specifically than already set forth in this document.

Individual donors may create separately named and administered endowments for specifically designated or unrestricted purposes. All donors are encouraged to contact the Committee to discuss such plans.

The minimum gift amount to create a separately named endowment is \$50,000. Lesser amounts should be designated for one of the existing endowment funds.

LIABILITY OF TRUSTEES AND MEMBERS OF THE COMMITTEE

In the absence of gross negligence or fraud, no member of SPUMC or of the Committee shall be personally liable for any action made or omission with respect to the Program.

MERGER CONSOLIDATION OR DISSOLUTION OF SPUMC

If at any time SPUMC is lawfully merged or consolidated with any other church, all the provisions hereof in respect to the Program shall be deemed to have been made on 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 SPUMC should ever be dissolved without any lawful successor thereto, all funds administered under the Program, including both principal and

interest to date, shall be transferred to the Great Plains United Methodist Conference or its successor as an unrestricted endowment.

AMENDMENTS

Technical corrections and amendments to this Charter which do not alter the stated purpose of the Program may be made by a two-thirds ($2/3$) affirmative vote at a properly called Charge Conference of SPUMC.

SEVERABILITY

If any provisions or any application of any provisions of this Charter 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.