

First United Methodist Church  
Dalton, Georgia

PERMANENT ENDOWMENT FUND  
GUIDING PRINCIPLES

I. MISSION

Creating an endowment to honor and preserve *“the house built by God”* Hebrews 3:4

II. PURPOSE

- A. The Permanent Endowment Fund of First United Methodist Church of Dalton, Georgia, hereafter referred to in this document as the “Endowment Fund,” is established for the purpose of providing members the opportunity to make charitable gifts as a living memorial to loved ones and friends that will become a permanent fund yielding income for financial support of First United Methodist Church of Dalton, Georgia.
- B. The Endowment Fund is intended for purposes that are not funded through the annual operating budget of the church and the regular giving of its members.

III. ADMINISTRATION

- A. The Endowment Fund will be administered by the Endowment Fund Committee of First United Methodist Church of Dalton, Georgia, hereinafter referred to in this document as the “Committee,” under authority granted by the Charge Conference.
- B. The members of the committee and its Chairman shall be elected by the Charge Conference. The Committee will consist of nine members, nominated by the Nominating Committee, each serving a three-year term, one third of which rotate off annually. The Committee shall elect a Secretary and Treasurer and such other officers and appoint sub-committees as it deems necessary.
- C. A Representative from the Board of Trustees, Finance, Stewardship, Long-Range Planning and Communications Committee shall serve as Ex-Officio members.
- D. Members of the Committee will be a balance of individuals with talents and experience in Financial matters as well as those familiar with the needs of the congregation.

IV. RESPONSIBILITIES

It shall be the responsibility of the Committee to:

- A. Encourage gifts to the Endowment Fund;
- B. Invest and manage the Endowment Fund through the establishment of one or more accounts with the North Georgia United Methodist Foundation, Inc.;
- C. State the purpose of each account in order to fulfill the wishes of the donor and thereby segregate and maintain the gifts for their stated purposes;
- D. Recommend the expenditure of income from the Endowment Fund to the Administrative Council of First United Methodist Church of Dalton, Georgia;
- E. Cooperate with the Finance Committee in assuring that the annual process is followed;
- F. Prepare and present a report at least annually to the Board of Trustees, Finance Committee, Administrative Council and Charge Conference of First United Methodist Church of Dalton, Georgia.

V. LIABILITY OF TRUSTEES AND MEMBERS OF THE COMMITTEE

In the absence of gross negligence or fraud, no member of the Endowment Fund Committee, Finance Committee, Board of Trustees or Administrative Council of First United Methodist Church of Dalton, Georgia shall be personally liable for any act or mission with respect to the Permanent Endowment Fund.

VI. GIFTS TO THE FUND

- A. Numerous giving opportunities exist including, but not limited to, honorary or memorial gifts, gifts of real estate, stock and other appreciated assets, bequests, life insurance, gift annuities, or charitable remainder trusts. Potential donors should consult their financial planning expert for advice.
- B. Gifts to the Endowment Fund shall be classified as “Designated” or “Undesignated” and then assigned to one of the following categories:
  - 1. MISSION FUND – for missions in and beyond First United Methodist Church of Dalton, Georgia and the Dalton and Whitfield County community.
  - 2. FACILITIES FUND – for maintenance, care, improvements and construction of physical facilities of the First United Methodist Church of Dalton, Georgia.
  - 3. GENERAL ENDOWMENT FUND – for special needs and ministries determined by the church leadership.
- C. A designated Fund, other than those established by the Committee, may be established with a minimum gift of \$50,000 or more.
- D. Income from designated gifts shall be directed to the designated purpose (s). The Committee shall have the authority and responsibility to accept or reject any and all gifts to the Endowment Fund in keeping with the authority granted by the Charge Conference.
- E. All provisions of the Endowment Fund as to investment of funds, distribution of income and limitation on use of principal shall be applicable to both designated and undesignated gifts, and all gifts made to the Endowment Fund shall be accepted subject to the terms and limitations set forth in the document.

VII. INVESTMENT OF ENDOWMENT FUNDS

The Endowment Fund’s investment objectives are to:

- A. Conserve principal for the effective maintenance of purchasing power;
- B. Generate regular income at a reasonable rate of return;
- C. Invest assets in institutions, companies, corporation, or funds which make a positive contribution toward the realization of the goals outlined in The Social Principles of the United Methodist Church.

VIII. CHANGE IN INVESTMENT POLICY

Any transfer of the Endowment Fund assets for investment with another agency, other than the North Georgia United Methodist Foundation, must be approved by a majority vote of the Charge Conference, at which a quorum is present, on recommendation of the Committee, the Board of Trustees, and the Administrative Council of First United Methodist Church of Dalton, Georgia.

IX. DISTRIBUTION OF INCOME

- A. The income from designated endowment funds shall be distributed by the Committee as directed by the donor (s) at the time of the donor’s gift, or as directed by Will or other gift document of such direction is in conformity with the general purposes set forth herein.
- B. If the use of the gift is undesignated, the income shall be directed by the Administrative Council upon the recommendation of the Committee after seeking input from the Board of Trustees and Finance Committee in conformity with the categories set forth in Paragraph VIB, thereof.
- C. Annual distribution shall be 4% of the funds market value at year end based on a 3 year moving average. (See Attachment A)
- D. Pro rata distribution to the Mission Fund, Facilities Fund, General endowment Fund, and other designated funds based on the value of each individual fund at year end will be made to the funds appropriate committee.

X. LIMITATION ON USE OF PRINCIPAL

- A. The objectives of the Endowment Fund are to conserve principal and distribute only the income from the fund.
- B. Any part of the principal may be encumbered or withdrawn only in extreme and overwhelming circumstances, bordering on the survival of First United Methodist Church of Dalton, Georgia itself. Any encumbrance or withdrawal of principal must be recommended by the Committee and approved after a second reading at two separate and consecutive meetings of the Charge Conference of First United Methodist Church of Dalton, Georgia by two-thirds vote at which a quorum is present.

- XI. MERGER, CONSOLIDATION, SUCCESSION, OR DISSOLUTION OF FIRST UNITED METHODIST CHURCH OF DALTON, GEORGIA
- A. If at any time, First United Methodist Church of Dalton, Georgia is lawfully merged or consolidated with any other church, or is succeeded by any other church, all the provisions hereof with respect to the Endowment Fund shall be deemed to have been made in behalf of the merged, consolidated or successor church which shall be obligated and bound to administer the same in all respects and in accordance with the terms hereof.
  - B. If First United Methodist Church of Dalton, Georgia should ever be dissolved without any unlawful successor thereto, the Endowment Fund, including both principal and interest to date, shall be transferred to the Dalton District of the North Georgia Annual Conference.
- XII. AMMENDMENTS
- C. Technical corrections and amendments to the Endowment Fund which do not alter the Stated purpose of the Endowment Fund may be made at the recommendation of the Committee and approval after a second reading at two separate and consecutive meetings of the Charge Conference of First United Methodist Church of Dalton, Georgia by two-thirds vote at which a quorum is present.
- XIII. SEVERABILITY
- If any term or provision of the Permanent Endowment Fund Guiding Principals shall be held or deemed to be or shall be illegal, invalid, inoperative or unenforceable, the same shall not affect any other provisions or any application of any other term or provision herein contained or render the same illegal, invalid, inoperative, or unenforceable.
- XIV. APPLICABLE LAW
- The terms and conditions of the Permanent Endowment Fund Guiding Principals of First United Methodist Church of Dalton, Georgia shall be governed by the laws of the state of Georgia and any and all disputes that may arise regarding said documents shall be heard by the Superior Court of Whitfield County, Georgia, the same being the exclusive venue and jurisdiction regarding the same.

This Permanent Endowment Fund Guiding Principals Document was adopted this 20th day of May, 1998 in a duly authorized meeting of the Administrative Council of First United Methodist Church of Dalton, Georgia.