GUIDELINES
PERMANENT ENDOWMENT FUND
BUDA UNITED METHODIST CHURCH

INTRODUCTION

The Buda United Methodist Church Endowment Fund is a duly organized Permanent Endowment Fund through the authority of the Charge Conference of Buda United Methodist Church and in accordance with The Book of Discipline, 2020-2024 of The United Methodist Church (paragraphs 2528.3, 2534, 2533) and as revised.

PURPOSE

The Permanent Endowment Fund of Buda United Methodist Church (Endowment Fund) is established for the purpose of providing members and friends the opportunity to make charitable gifts to Buda United Methodist Church (Church) that will become a permanent endowment of financial support and a living memorial. The Endowment Fund will be used for those parts of the Church's established programs which are normally included in the operating budget and which are funded through the regular giving of its members.

ADMINISTRATION

The Endowment Fund will be administered by the Finance Committee (Committee) at the direction of the Charge Conference. The Committee is accountable to the Administrative Council and ultimately to the Charge Conference. An ad hoc member may be appointed by the Committee to further track the investment.

No person serving on the Committee shall profit personally or through any business entity with which they may be involved from any transaction or investment made by the Endowment Fund. All questions of applicability of this paragraph should be submitted to the Committee for review.

DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

1. Provide all services described in paragraph 2534 of then The Book of Discipline 2020-2024 of the United Methodist Church.
2. Provide information to the congregation on the mission and purpose of the Endowment Fund.
3. Mount a campaign to encourage giving to the Endowment Fund.
4. Accept or reject gifts based on the appropriateness of the gift relative to its type, purpose, and possible liability.
5. Carry out responsibility for the investment and management of the Endowment Fund.
6. Prepare and make a written report to the Church to include: beginning and ending balances; gifts received, how invested, distributions, a list of officers and committee members and plans for the coming year.

INVESTMENT OF ENDOWMENT FUNDS

The Endowment Fund is required to place its funds in prudent investments. The Endowment Fund's investment objectives are:

1. Grow the fund above the target distribution rate while attempting to minimize risk.

2. Uphold the Social Principles of the United Methodist Church

The Committee shall invest all gifts received for the Endowment Fund. All gains and losses realized by the Fund must be applied against the Fund and not against any other assets of the church.

DISTRIBUTION OF INCOME AND PRINCIPAL

The Committee will determine annually the amount of money from the Fund to be distributed based upon a target of 4% spending rate. The Committee has the right to recommend against expenditure of earnings or capital gain in any given year due to factors such as financial market conditions or poor investment performance. The Finance Committee shall periodically review the distribution percentage and may adjust said percentage upward or downward as it determines to be advisable in order to meet the investment objectives of the Endowment Fund.

The objectives of the Endowment Fund are to make use only of the distributions determined by the Committee. Any additional funds beyond the target distribution may be withdrawn only in extreme and overwhelming circumstances, bordering on the survival of the church itself. Any such additional withdrawal of funds beyond the target distribution must be approved by a majority vote of the Charge Conference.

No distribution of earnings will occur until the corpus reaches Sl0,000.

GIFTS TO THE FUND

1. Donors may make gifts, bequests or devises to the Endowment Fund. All gifts made to the Endowment Fund may be used in accordance with these Guidelines and are subject to the terms and limitations set herein.

LIABILITY

In the absence of gross negligence or fraud, no member of the Administrative Council, the Finance Committee, or Board of Trustees shall be personally liable for any action taken or omission made with respect to the Endowment Fund.

MERGER, CONSOLIDATION OR DISSOLUTION OF CHURCH

If at any time the Church is lawfully merged or consolidated with any other church, all provisions hereof in respect to the Endowment 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 hereof. If the Church should ever be dissolved without a lawful successor, the Endowment Fund, including both principal, capital gains and interest to date, shall be transferred to the Southwest Conference of the United Methodist Church to be used as a permanent endowment fund in its ministry in accordance with The Book of Discipline, 2020-2024 and with particular reference to paragraph 2550.9.

AMENDMENTS

The terms and conditions of the Endowment Fund may be amended only by majority vote at a duly announced Charge Conference of the Church.

SEVERABILITY

If any provisions or any application of any provisions of these Guidelines 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.

These Guidelines have been prepared in multiple original parts so that one fully executed original may be a part of the minute book records of the Finance Committee and another original may be retained for the records of the Charge Conference.

Ratified by Charge Conference action this ____ day of _______, 2025.

Buda United Methodist Church Charge Conference

By _________________________ _________________________

District Superintendent

Hill Country District

Senior Pastor