

CHARGE CONFERENCE RESOLUTION ESTABLISHING A
PERMANENT ENDOWMENT AND PLANNED GIVING MINISTRY COMMITTEE
AND PERMANENT ENDOWMENT FUND FOR
GRACE UNITED METHODIST CHURCH, INC. OF CHEYENNE, WY

DESIGNATION OF FUND

This Fund shall be known as the Grace UMC Permanent Endowment Fund, hereafter referred to in this document as “the Fund.”

The Fund and its administration will conform to all applicable Wyoming laws and regulations, any applicable Federal laws and regulations including the provisions of the Internal Revenue Code and the current *Book of Discipline of The United Methodist Church*, (“the Discipline”) particularly pertaining to Paragraph 2534.

PURPOSE OF FUND

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

The Fund is established to provide members and friends the opportunity to make charitable gifts to Grace United Methodist Church, Inc. (hereafter 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 which are not funded through the annual operating budget; however, gifts which intend to supplement programs and ministries are appropriate. There shall be a General Endowment Fund which shall contain all undesignated gifts. Special designated funds within the Fund may be established as provided herein.

Undesignated:

— General Endowment Fund

Designated funds that may be established with a minimum investment:

__ Capital Improvements and Unbudgeted Property Maintenance

__ Missions

__ Any other fund that shall be designated from time to time by the Permanent Endowment and Planned Giving Ministry Committee and approved by the Board of Trustees

DISTRIBUTION OF INCOME

The distribution of the Income from the undesignated or general endowment fund shall be determined by the Permanent Endowment and Planned Giving Ministry Committee.

After an initial three year period, the Committee is authorized to distribute annually for such purposes an amount not greater than the “income” of the Fund defined as follows: An amount determined each year as four percent (4%) of a rolling three-year average of the fair market value of the Fund as determined on the first business day of each calendar year (“Income”). Any Income not so distributed shall be added to the principal and reinvested.

The Committee is also authorized to accumulate distributions in a designated fund for future spending.

POWERS AND DUTIES OF THE BOARD OF TRUSTEES

The Board of Trustees shall have the following responsibilities with respect to the Fund:

The Board of Trustees shall have the full power and authority to accept or reject any and all property of whatsoever nature donated, bequeathed, or devised to the Church, and with respect to any such property accepted, to hold such property in the form in which it is received or to sell, assign, transfer, or otherwise dispose of such property and distribute the proceeds of such sales to the Fund. The authority to accept such gifts may be delegated to the Committee.

The Board of Trustees shall also have the power, authority, and right to establish, either from a portion of the income from the Fund or from any other source from which they may have received property not specifically given, donated, bequeathed, or devised to the Fund, separate funds named, designated, and set aside for specific special purposes.

ESTABLISHMENT OF THE PERMANENT ENDOWMENT AND PLANNED GIVING MINISTRY COMMITTEE

There shall be a Permanent Endowment and Planned Giving Ministry Committee of the Church, also known as the Endowment Committee (the "Committee"), which shall be nominated by the Committee on Lay Leadership and approved at the Church's Annual Conference, and shall have the power, duty and responsibility of directing the administration of the Fund in accordance with the relevant provisions of the Discipline and the following:

The Committee shall consist of not less than three or more than ten members. The Senior Pastor shall be an ex officio member, and the Committee shall include the Lay Leader and representative(s) from the Finance Committee, the Board of Trustees and the Stewardship Committee. The Committee on Lay Leadership shall seek to nominate at-large members with expertise in the following areas: estate planning, public relations, marketing and sales, finance, banking and other skills the Committee deems desirable. The Committee shall elect a chair, a secretary and such other officers as deemed necessary.

Accurate minutes and records shall be kept of the meetings, decisions, and actions of the Committee, and it shall be the continuous responsibility of the secretary elected by the Committee to record and keep such minutes and records. The Committee shall report annually to the Charge Conference regarding its carrying out of this responsibility.

Subject only to the limitations and prohibitions which may be imposed or approved by the Charge Conference or a donor, or as delegated by the Board of Trustees, the Committee shall receive and administer such bequests and other gifts, shall receive and administer trusts, and shall invest all endowment funds in conformity with all applicable provisions of this Resolution and the Discipline.

The chairperson and secretary of the Committee shall be authorized to sign, on behalf of the Committee, any and all documents requiring execution in connection with the administration of property held for the Fund and in the management of special funds included therein in accordance with the decisions of the Committee.

POWERS OF THE PERMANENT ENDOWMENT AND PLANNED GIVING MINISTRY 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 current Book of Discipline of The United Methodist Church.

The Committee shall have the powers and duties authorized by the Discipline and granted by the Charge Conference.

- A. To receive and administer gifts and bequests made or delegated to the Fund; to invest all funds of the Fund in conformity with laws of the country, state, or like political unit in which 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.
- 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. The intent is that the Fund's investments shall be made independently by the Committee or their contracted manager. These may include investments in bonds, notes, or other securities of the Rocky Mountain United Methodist Foundation, Inc. The terms "securities or other properties" as used in this document shall be deemed to include real or personal property, corporate shares, common or preferred stock, or any other interest in any corporation, association, investment trust, or investment company, bonds, notes, mortgages, debentures or other evidences of indebtedness or ownership, secured or unsecured.
- 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 in cash; however, such cash shall be deposited in an account with the Rocky Mountain United Methodist Foundation, Inc., or a federally insured commercial bank, savings bank, savings and loan association, or broker that is a member Securities Investor Protection Corporation.
- 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 resolution 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 (except amendments discussed under "Amendment of Resolution").

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

O. The Committee shall act by a vote of the majority of the Committee members authorized herein to vote, excepting amendments to this resolution as described under the section "Amendment of Resolution."

P. The term "majority" as used in this resolution is constituted by at least 50 percent plus one of the Committee members. Any instrument required to be executed by this resolution (except amendments to this resolution described under the Section "Amendment of Permanent Endowment Fund Resolution") shall be valid if executed in the name of the Fund by a majority of the Committee. The vote shall be recorded when the vote is not unanimous.

INVESTMENT OF PERMANENT ENDOWMENT FUNDS

The Fund's investment objectives are:

1. Conservation of principal for the effective maintenance of purchasing power.
2. Regular income at a reasonable rate.
3. Investment of assets in institutions, companies, corporations and funds which make a positive contribution toward the realization of the goals outlined in the Social Principles of The United Methodist Church.

The Rocky Mountain United Methodist Foundation, Inc. ("Foundation") shall be appointed the institutional custodian of the Fund to fulfill the goal of the Committee to act as a socially responsible investor. Reasonable compensation shall be paid to the custodian for services rendered. The Foundation, through an Investment Management Agreement with the Church, will invest all permanent funds received by the Fund. Any disbursements by such custodian from the Fund shall be made only upon the written direction of such person or persons as are designated by the Committee. Any transfer of the Fund's assets from the Foundation to any other agency must be approved by a majority vote of the Trustees upon the recommendation of the Committee.

The Committee is expressly authorized and empowered to hold, manage, sell, convey, lease, lend, invest, and reinvest any monies or property at any time forming a part of the Fund, in any property, real, personal and/or mixed, of any kind or nature, without being limited or restricted to the type or mix of investments prescribed or authorized for trustees by the laws of Wyoming. The Committee is expressly authorized to invest and reinvest any portion or part of the Fund in a common trust fund maintained and managed by the Foundation in accordance with and in compliance with the provisions of the laws of Wyoming relating thereto.

It shall be the duty of the Committee to investigate, analyze, and appraise all factors in connection with any proposed or suggested purpose or project for which the Income from the Fund may be used and to disburse such Income in such amounts and to such beneficiaries as the Committee deems appropriate. An appropriate investment strategy for all the Fund's assets will be determined by the Committee. The specific purpose of each 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 Fund shall be available for distribution by the Committee in a manner consistent with the designated category.

GIFTS TO THE PERMANENT ENDOWMENT FUND

A Gifts Acceptance Policy document is included as part of this Resolution.

The Board of Trustees and the Committee shall have the power, right, and authority to accept and to add to the Fund any and all conveyances, grants, gifts, donations, legacies, bequests, or devises, absolute or in trust, for the use and benefit of the Church, which are, or may be, offered to or placed in the custody or control of the said Board, subject to the following:

1. Every acceptance by the Board of Trustees or the Committee shall be in conformity with the laws of the United States of America and of the State of Wyoming and in accordance with the Discipline and any applicable directions of the Charge Conference.
2. A donor may establish a named designated fund within the Fund with a gift of not less than Ten Thousand Dollars (\$10,000.00). Each named designated fund shall be approved by the Board of Trustees and shall be administered in accordance with a written agreement between the Committee and the donor as to the purposes for which the Income of such fund may be used which must be consistent with the intent of the purposes of the Fund as set forth in this Resolution. Additional gifts of any amount may be made to a named designated fund by the donor or any other person. The manner of investment of any named designated fund shall be solely in the discretion of the Committee.
3. There shall be a General Endowment Fund to which all undesignated funds shall be allocated.
4. Any acceptance of any property hereunder will require the Fund to hold the principal amount in trust only so long as the Church remains an active institution.

LIMITATIONS ON USE OF PRINCIPAL

Neither the Board of Trustees nor the Committee shall have any power, authority, or right, at any time, to expend or encroach upon the principal of the Fund, or any portion thereof, except as expressly authorized herein without the specific prior approval of the Charge Conference which shall be set forth in appropriately executed and approved minutes as soon as possible following such vote of approval.

For the purposes of this document, principal is defined as 90% of all gifts given to the General Endowment Fund, revalued at the first business day of every year prior to distributions.

BOND AND COMPENSATION

The Trustees and the members of the Committee, collectively and individually, shall be excused from executing bond unless requested to do so in writing by the Charge Conference.

All members of the Board of Trustees and the Committee, and their successors in trust, shall serve without compensation.

LIABILITY OF THE PERMANENT ENDOWMENT AND PLANNED GIVING MINISTRY COMMITTEE AND THE BOARD OF TRUSTEES

No member of the Board of Trustees or of the Committee shall be liable to any donor or any beneficiary or to any person claiming under any donor or beneficiary, or to the Church, by reason of the exercise of any power or discretion hereunder, except in case of (a) fraud or gross negligence on the part of a Trustee or a Committee member or (b) failure to act in conformity with directions of the Charge Conference; and all and any directions

given to others by the Board of Trustees or the Committee hereunder shall be binding and conclusive on all parties concerned.

No Trustee or Committee member shall be personally liable for the acts or omissions of any attorney, agent, accountant, or other assistant of the Board of Trustees or of the Committee employed in connection with the administration of the Fund, provided such attorney, agent, accountant, or other assistant shall have been selected with reasonable care.

The Board of Trustees and the Committee shall be excused from filing any inventory or appraisal, statements or settlements of account with any court or public authority so far as is possible under the law and shall have all powers allowed by Wyoming law.

MERGER, CONSOLIDATION, OR DISSOLUTION OF THE CHURCH

If at any time the Church is lawfully merged or consolidated with any other United Methodist 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 thereto.

Should the Church be dissolved for any reason whatsoever without a lawful successor, the Fund shall be entrusted to the Foundation to direct the distribution of principal and accumulated income as directed by the Board of Trustees and the Committee. Should there be no Committee or Board of Trustees, the Fund shall be entrusted to the Foundation to direct the distribution and accumulated income to the Rocky Mountain Conference for the development of new ministries and/or church revitalization.

AMENDMENT OF RESOLUTION

This Resolution or any provision thereof may be amended or modified only after recommendation by a two-thirds (2/3) vote of the Committee members then serving and a two-thirds (2/3) vote of those present at a duly announced Charge Conference of the Church in favor of accepting such recommendation. Such vote by the Charge Conference of the Church shall be in accordance with any relevant provisions of the Discipline pertaining to notice or otherwise. No amendment or modification shall (1) alter the intent that the Fund be operated exclusively for the purposes stated herein or (2) alter the intent of any donor. Every amendment or modification of this Resolution shall be in writing and signed by the Committee members who voted in favor of such recommendation, by the Recording Secretary of the Charge Conference, the District Superintendent and the Senior Minister of the Church.

THIS IS TO CERTIFY that the foregoing Resolution was duly adopted by the Charge Conference of the Grace United Methodist Church, Inc. on the 22nd day of February, 2015.

(Name of Recording Secretary), Recording Secretary

(Name of District Superintendent), District Superintendent

(Name of Senior Pastor), Senior Pastor

The Book of Discipline of The United Methodist Church 2012

Paragraph 2534

2534. *Permanent Endowment and Planned Giving Ministry Committee* A charge conference may establish a local church permanent endowment and planned giving ministry committee. The purposes for establishing such a committee include the responsibilities to:

1. Provide the services described in ¶ 2533.5 as designated by the donor or at the direction of the charge conference upon notice to the board of trustees. When such property is in the form of investable funds, the permanent endowment fund committee may consider placement for investment and administration with the United Methodist foundation serving that conference or, in the absence of such a foundation, with the United Methodist Church Foundation. A conscious effort shall be made to invest in a manner consistent with the Social Principles and the creation of an investment policy.

When the charge conference has designated the committee to provide the services described in ¶ 2533.5, the committee shall have the same investment and reporting duties as are imposed on the board of trustees in that paragraph.

2. The charge conference shall adopt guidelines for endowment and planned giving as developed by the permanent endowment and planned giving ministry committee. Subject to the direction and supervision of the charge conference, the committee shall fulfill its responsibilities in administering the planned-giving and/or permanent endowment fund.

Following each General Conference, the charge conference shall update any required changes in the planned-giving and/or permanent endowment fund documents.

3. Emphasize the need for adults of all ages to have a will and an estate plan and provide information on the preparation of these to the members of the congregation.

4. 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.

5. Arrange for the dissemination of information that will be helpful in preretirement planning, including such considerations as establishing a living will, a living trust, and the need for each person to designate someone to serve as a responsible advocate should independent decision-making ability be lost.

6. Permanent Endowment and Planned Giving Ministry Committee trustees are directed by the charge conference to follow the guidelines and actions initiated by the charge conference, overturn any transaction that the charge conference may deem excessive, and remove any trustee who does not carry out the directions of the charge conference. Careful attention will be given to the election of trustees to ensure that there is no conflict of interest. Following each General Conference, the permanent endowment document shall be brought into line with any changes in the Discipline.

7. Other responsibilities as determined by the charge conference.

8. Resources for these tasks may be secured from conference and/or area United Methodist foundations and development offices, the National Association of United Methodist Foundations, the General Board of Discipleship, the General Council on Finance and Administration, and other appropriate sources for program assistance and direction.