



THE
Endowment
FUND OF

Fairfax United Methodist Church

*Helping to change lives for Christ through
your generous gifting*

The Endowment Fund of Fairfax United Methodist Church was established to encourage, receive and administer perpetual gifts in a manner consistent with the loyalty and devotion expressed by the donors and in accordance with the goals and principles of this congregation and of The United Methodist Church as outlined in the Social Principles of The United Methodist Church. The purpose of the Endowment Fund is to enhance the mission of Fairfax United Methodist Church apart from the general operation of the church. No portion of the income generated by the Endowment Fund will ever be used for the annual operating budget of the church. All principal amounts will be retained and only the income and net appreciation of the Endowment Fund will be expended.

Endowment funds are donated assets held by the church in perpetuity and invested to generate income to be spent for specific purposes outside of the general operating budget of the church. There are three ways that Endowment Funds may be established by donors: a gift while living, a life income gift, and a gift in one's will. The life income gift is held in trust to produce income for the donor and/or a donor-designated beneficiary over his or her lifetime or a term of years. At maturity the life income gift becomes part of the Endowment Fund.



Why does FUMC have an Endowment Fund?

As Members of Fairfax United Methodist Church, we have all pledged to support the work of this congregation through our prayers, presence, gifts, service and witness. For many individuals, this includes lasting gifts made during the donor's lifetime or through bequests in wills, trusts, annuities, life insurance benefits, and transfers of various other types of property, including cash, stocks, bonds, and real estate.

How will FUMC distribute the income from the Endowment Fund?

In general, all net income from the Endowment Fund will be distributed annually through an assessment of the individual merit of each grant application and awarded based on the availability of funds for that calendar year. Grant applicants should seek to support the mission of the church and expand the direct outreach of our ministries into the community or betterment of the church.

In addition, any donor may, upon transfer to the Endowment Fund of a gift worth at least \$25,000, specify general use(s) for the income generated by that gift with approval of the Endowment Committee. Such donor requests shall be honored to the greatest extent practicable, provided said uses are consistent with the goals and principles of this congregation and the goals and principles of The United Methodist Church as outlined in the Social Principles of The United Methodist Church.

What is the value of the FUMC Endowment Fund?

The value of our Endowment Fund is constantly increasing. Income is earned, additional gifts are made, and the value of assets appreciate over time. Income will be spent for approved grant applications.

Who manages the investments of the Endowment Fund?

Fairfax United Methodist Church has an Endowment Committee that is responsible for the investment of the Church's endowment funds. Members of the Committee are elected annually at the Charge Conference. Investment responsibilities include: the development and implementation of appropriate investment strategies, the allocation of assets to these strategies, the selection of investment managers, and the monitoring of performance. Criteria for selecting investment managers include the existence of a seasoned management team with a well-defined investment process proven through above-average performance over several market cycles.



Do other churches have Endowment Funds?

Yes, many other large churches in Northern Virginia and across the country have some form of an endowment fund, and many of those have been in existence for much longer than our fund.

What types of gifts can I make to the FUMC Endowment Fund?

You can make gifts to the Endowment Fund through lifetime gifts of money or other assets such as stocks, bonds, mutual funds, certificates of deposit, etc., as well as tangible property such as real estate, automobiles, boats, etc. In addition, you can contribute to the Endowment Fund upon your death through a will, trust, annuity, life insurance policy, and other methods.

You can also make a life income gift in the form of a Charitable Remainder Trust, described below. Of course, all gifts are tax deductible as charitable donations. Plus, if you transfer an asset to the Endowment Fund whose value has appreciated (stocks, mutual funds, real estate, etc.), you will not only receive a charitable deduction, but you will also avoid paying capital gains tax on the transfer.

The payment you receive from a Charitable Remainder Unitrust may vary from year to year. You receive a percentage of the trust's assets each year; the trust's income fluctuates with the fair market value of the investment portfolio. This flexibility allows you to benefit from an increase in the value of the trust over time, which can act as a hedge against inflation. Additional contributions may be made to the Unitrust at any time.

The payment you receive from a Charitable Remainder Annuity Trust will remain constant from year to year. The amount of the payment is determined when the gift is made. This fixed payout may be attractive to an individual who is risk-averse or who needs to assure a stable stream of income. Additional contributions may not be made to an annuity trust, but additional annuity trusts may be established at any time.

How do I benefit the Endowment Fund through my estate?

In your Will or in your Revocable Living Trust, you may designate a specific amount of money, a specific item or items of property, or a specific percentage of your estate, to go to the “Fairfax United Methodist Church Endowment Fund.” The value of whatever you leave to the Endowment Fund will not be counted as part of your taxable estate.

How do I benefit the Endowment Fund through life insurance?

Many people take out life insurance to protect their children, but find that once their children have grown they no longer need this financial protection. By making the Endowment Fund the beneficiary of your life insurance policy, you can provide a perpetual benefit for those truly in need. Changing the beneficiary of a life insurance policy is simple; just call your insurance agent and ask for a change of beneficiary form. Naming the Fairfax United Methodist Church Endowment Fund as beneficiary will also ensure that the insurance proceeds will not be counted as part of your taxable estate.

How do I benefit the Endowment Fund through a Charitable Remainder Trust?

A Charitable Remainder Trust allows you to make a substantial gift to the Church through an irrevocable trust and still receive income from the asset(s) you place in trust. Income can be paid for life to you and/or a second beneficiary you name. There are two types of charitable remainder trusts: unitrusts and annuity trusts.

There are many potential benefits of a Charitable Remainder Trust. You can:

- Increase the income you receive from certain assets (and, if desired, you may be able to purchase a life insurance policy to replace the value of the donated asset)
- Secure your retirement via a regular stream of income
- Ensure income for your spouse, another relative, or a friend
- Decrease your current income tax via charitable deductions
- Avoid capital gains tax on appreciated assets
- Reduce estate taxes by removing assets from your estate
- Benefit from the Church's professional investment management
- Help secure the future well-being of Fairfax United Methodist Church.

I'd like to give to the Endowment Fund... What's the next step?

If you are interested in making a current gift, you may discuss it with any of the Pastors, any member of the Endowment Committee, or with Libby Barricks, the Director of Administrative Ministries. (lbarricks@fairfaxumc.org)

If you are interested in making a future gift through your Will, Revocable Trust, or a Charitable Remainder Trust, you should also consult with your attorney. Questions about the Endowment Fund should be directed to Wyatt Bethel, chair of the Endowment Fund.



FAIRFAX

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