



St Matthew's United Methodist Church
Annandale, Virginia

Endowment Program

FREQUENTLY ASKED QUESTIONS

Thank you for considering a legacy gift to support the continuing mission and ministry of St. Matthew's UMC (SMUMC). We hope that the following information will answer many of your questions about charitable gifts to the St. Matthew's Endowment Program. A number of important changes have been made to the Endowment Program recently and we believe it is appropriate to "re-introduce" the program to church members and friends. Members of the Endowment Committee will be glad to visit with you at your convenience to clarify any unresolved questions or to assist you in completing a legacy gift to the Endowment Program. If you prefer, the "Endowments" homepage under the "Giving" tab on the St. Matthew's UMC website (www.stmatthewsumc.org) provides an email contact address for the Committee.

Why are you re-introducing the Endowment Program now?

The Endowment Program has been in place since 2002. Over the past year, significant updates have been made to its structure, organization, and management practices. By "re-introducing" the program, we wish to encourage our adult members to establish a "long-term financial plan" and to consider the vital role that "planned giving" can play in maximizing the value of your estate and in sustaining the future of SMUMC. Our goal is to make the Endowment Program an important and enduring tool in the stewardship of our gifts from God.

What is the SMUMC Endowment Program?

The Endowment Program is a way for you to provide a charitable gift that will become a permanent resource to strengthen, expand and preserve the mission and ministry of SMUMC and to provide a legacy of support as the gift continues to grow and provide value over time.

Don't I need a sizeable estate in order to establish a legacy gift?

Absolutely Not! "Estate" is simply a term used to describe any investments, real or personal property, or liquid assets you may have, regardless of their size. There is a "planned giving" opportunity that is right for everyone wishing to make a long-term gift to SMUMC. And all that is required is simply to open your hearts to the possibility of building your own, personal legacy through the SMUMC Endowment Program.

Is there a minimum amount for giving to the endowment fund?

There is no minimum to contribute to any *General Endowment Fund* or to provide a supplemental gift to an established *Named Permanent Endowment Fund*. There is a \$5,000 minimum to establish a separate *Named Permanent Endowment Fund*.

What type of gifts can be made?

Gifts can be *immediate* (e.g., cash, securities, real or personal property), *deferred* (e.g., life insurance proceeds or bequests from a will), or *lifetime* (e.g., revocable living trust or charitable remainder trust that provide continuing lifetime benefits to the donor). We are confident that a giving plan can be structured that meets both your current and long-term financial and giving priorities.

So a deferred gift is just as welcomed as an outright gift?

Absolutely! We have established a *Legacy Society* membership program that is designed to memorialize any *deferred* or *lifetime* gift you wish to make to SMUMC. We strongly encourage every adult member to establish a long-term financial and estate plan and to consider how “planned giving” can become an important tool to maximize the overall value of your estate. A copy of St. Matthew’s “*Legacy Society Membership Record*” is available on the Endowments homepage at www.stmatthewsumc.org.

How will my gift be used?

Donor control is a key attribute of the Endowment Program. “Designated” or “undesignated” gifts in any amount can be made to the “*General Endowment Fund*” to support missions, education and training scholarships, or expansion of our facilities. “Designated” gifts with a current value of at least \$5,000 can be made to establish a separate “*Named Permanent Endowment Fund*” and used for any purpose identified by the donor.

Will my gift be used to support the annual operating budget?

Gifts are normally used for purposes that are not included in the annual operating budget of the Church.

Do I get a say in how my gift is spent?

Absolutely Yes! “*Your Gift, Your Way*” is a key attribute of the Endowment Program. Gifts are used solely for the purpose that you identify at the time your gift is accepted. The Endowment Committee is determined that the gift you wish to give will become the legacy you intend to provide.

Does my gift ever get completely used up?

The Endowment Program is intended to be a permanent source of funds to support the long-term future of SMUMC. It is not anticipated that any charitable gift will be exhausted over the life of the program.

Who runs the endowment fund?

Local control is also a key attribute of the Endowment Program. The SMUMC *Permanent Endowment and Planned Giving Committee* administers the program. This Committee consists of individuals selected solely from Church members including the Senior Pastor, representatives from Trustees, Finance and Missions and others.

How will my gift be invested?

SMUMC has established a comprehensive “investment policy guideline”. This document describes the investment philosophy and management procedures the Endowment Committee will follow to steward your gift into the legacy you wish to create. This guideline is available on the Endowments homepage at www.stmatthewsumc.org.

How does the committee intend to maximize the value of the Endowment Program?

The days of using an insured savings account to manage long-term investments has passed. The yield from such investments does not even keep pace with the current cost of living. The Committee includes members with broad money management and estate planning expertise. It is our intent to build the value of assets within the Endowment Program through a prudent policy of diversified investments including equities (i.e., stocks), fixed income (i.e., bonds), and cash equivalents (i.e., CD’s or money market funds).

Is my gift tax deductible?

Yes! Gifts to the Endowment Program are treated just like other gifts to the Church. However, it is important to discuss the tax consequences of any planned gift with a professional tax advisor.

How are distributions from the Endowment Program made?

When making decisions on the distribution of program assets, the Endowment Committee emphasizes long-term conservation of principal and the growth of net assets and income. Each year the Committee will establish, and the Church Council will consider and approve, an “annual withdrawal rate” to support the goals of the program and to provide for its long-term viability. Withdrawals from the program may not exceed four percent (4%) of its total assets in any year. This actual rate changes to reflect variations in the rate of inflation and actual investment performance.

How can I learn about the current status of the Endowment Program?

On an annual basis, the Committee will publish a statement of assets including income to and distributions from any endowment fund. Of course, members of the Committee are available to discuss any questions you may have about the program.

How does endowment giving differ from annual stewardship giving?

Pledges in support of the annual Church budget typically use fiscal resources that are immediately available to the donor. If the donor wishes, gifts to the Endowment Program may employ similar resources. However, more typically, gifts to the Endowment Program are derived as a part of a donor’s long-term financial and estate planning decisions. In many situations, donors select a *deferred giving* approach using beneficiary clauses in a life insurance policy, final will & testament, revocable living trust, retained life estate, charitable remainder trust or similar as the source funds for the planned gift to establish a permanent, living memorial within the Endowment Program.

How do I make a gift to the program?

The best gift is one that is consistent with your particular interests and circumstances. Gifts of all sizes and types are important and valued. Please review the “*Guide to Endowment Giving*” brochure and contact a member of the Endowment Committee to review the many giving options available.

Where can I get additional information on the Endowment Program?

All of the relevant documents associated with the Endowment Program are available online at www.stmatthewsumc.org or from any member of the Endowment Committee. Committee members are also available to respond to your questions about any aspect of the Endowment Program or to discuss the many options available to support the Endowment Program at St. Matthew’s UMC.

Who are current members of the Endowment Committee?

- Herb Hopwood (Chairman) 703-938-2040
- John Crabbe (At Large)
- Todd Creekman (Treasurer)
- Mike Plasters (Senior Pastor)
- Brad Oswald (Trustees Rep)