

# Creating Your Endowment Program

*A Resource Guide for Local Churches*



*Sowing seeds of faith for future generations*

## *Legacy*

**S**uccessful communications takes vision and dedication. The strategies outlined in this handbook can be effective when implemented as part of an overall stewardship and marketing communications plan. We encourage you to study this handbook and to adapt these ideas as needed. Most likely you will find interesting strategies of your own to illustrate the many ways planned giving can make a difference in the life of your church.

The Foundation offers the following resources:

- 1. Informational Materials** – brochures can provide general information on legacy gifts including wills and annuities.
- 2. Speakers** – Foundation staff members and outside experts are available to make presentations to churches on legacy giving, estate planning, and end-of-life planning.
- 3. Consultation** – Foundation staff members will consult confidentially with individuals who wish to leave a gift to a United Methodist church or charity.
- 4. Web Sites** – The Foundation’s Web sites, [www.gumf.org](http://www.gumf.org) and [www.gumfplannedgiving.org](http://www.gumfplannedgiving.org), offer general information, brochures and links to legacy giving resources.

Please feel free to share your thoughts with us. If you have questions or comments please direct them to:



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*The information in this handbook is not intended as legal, tax, or investment advice. Please consult an attorney, tax professional, or investment professional for advice.*

## What is an Endowment?

Legacy giving is all about giving for the long-term. Legacy gifts are often pooled and invested to endow the church with the resources to grow its mission and ministry beyond our lifetimes. When we make a legacy gift, we are giving to something that will continue in perpetuity. Part of the sense of satisfaction that comes from making a legacy gift lies in the knowledge that we can make a lasting impact; we can leave a legacy for generations yet to come.

Most church members think of giving in terms of plate offerings. Typically they make a pledge to a stewardship campaign based on anticipated annual income. By contrast, a legacy gift typically comes from accumulated assets rather than annual income. A legacy gift can be a once-in-a-lifetime gift. In many cases, it may require the assistance of an attorney or other professional financial advisor.

Legacy gifts can be as varied as the interests of the donor. They can include such items as stocks and bonds or other appreciated securities, insurance policies, retirement plans, art or antique collections, real estate or other assets. The gifts may be made through such vehicles as trusts, charitable gift annuities, a donor advised fund, or a bequest in a will. Often a donor will meet with a financial planner or a representative of the Foundation to decide how to fund the gift.

Certain types of legacy gifts provide added benefits to donors. For example, some provide tax benefits while others provide a life income arrangement.

There are several ways to educate your congregation about legacy giving. Legacy giving publications can be helpful in explaining the benefits of various types of legacy gifts. A legacy giving or estate planning seminar can be very informative for members who are just learning the language of legacy giving. It is also a good idea to offer educational workshops on a regular basis.

## Why Market Your Endowment Program?

Setting up an endowment program is a big step for most churches. It requires vision, hard work and dedication. However, once the program is set up, many of us adopt a “*Field of Dreams*” mentality. To paraphrase a famous line from the popular 1989 movie, we naively assume “if we build it, they will give.” If that were true, every church endowment would have all the funds it needs. The reality is that creating an endowment program is only the first step. Marketing the program is what makes the endowment grow.

## How to Market Your Endowment Program

**Define Your Vision.** The most successful endowment programs happen in an environment where long-range plans and goals are established, well-communicated and understood. People want to give to ministry. They are attracted to causes and ideas that make a difference in people’s lives. Churches that tell stories of mission and ministry through testimony, newsletter

articles, videos, e-mail blasts, special events, direct mail and Web site content are more likely to excite people about giving. If you have a donor who is delighted to be leaving a legacy to the church, have the donor give a brief talk during worship or at a church event.

**Get Your Leadership on Board.** When you first begin your endowment program, make sure to educate your lay leaders. Share the vision with them. Use them to help spread the gospel of legacy giving. Meet with your trustees, your finance committee and church council. Work with other small groups to help build excitement and support for your program. People who understand the vision will help you keep it alive.

**Communicate.** Do let people know what you are doing and why. Don't just mention the endowment program once in a while. Remind people of what it can do for them and for the church. Endowment giving should be part of the overall stewardship or giving emphasis of the church, and, as such, should be mentioned in any communication — spoken or written — about giving. Let people know that there are creative ways to give to the church; ways that may help stretch their “giving dollars.” Omitting legacy giving as an option from your ongoing stewardship communications materials only translates into lost opportunities.

In the world of marketing, most professionals believe that the most effective plans involve “integrated marketing.” That is, you communicate your message through every means possible: editorial coverage, advertising, promotions and special events. When it comes to marketing your legacy giving program, your strategy should be similar. Use every means at your disposal.

Talk about legacy giving from the pulpit, in church newsletters, at congregational gatherings, in workshops, in brochures, in bulletin inserts, pew cards, and other publications. Again, to borrow a principle from the world of marketing, most people don't get the “message” you are trying to convey the first time they hear it. Think about the most successful marketing campaigns you know. You probably remember such corporate slogans as “the real thing” or “you're in good hands” because you have heard them so often and in so many different ways.

Some marketing experts say that consumers have to hear a message at least seven times before they begin to get it. If you are introducing a new idea, communicate it often. People won't automatically remember it; you have to remind them.

**Educate.** Legacy Giving is a complex topic. Don't assume that everyone automatically knows what it is. Your marketing materials and/or presentations and workshops must clearly explain the benefits of legacy giving. They also should attempt to dispel any myths or misperceptions about legacy giving. For example, many people believe that legacy gifts are just for the most affluent church members. Truthfully, legacy giving is an option that everyone should consider. Plan at least one educational workshop a year.

Estate planning and/or end of life planning are essential elements of financial planning. Let people know why it is important — if not imperative — to have a will. Foundation staff members are available on a pro bono basis to talk about legacy giving and estate planning, and many churches have members who are financial and estate planning experts as well. Some

churches offer faith-based financial literacy programs. Learning to manage one's assets and to care and plan for one's heirs is a vital part of comprehensive Christian stewardship.

**Challenge Your Donors.** Faithful stewards are inspired stewards. If you want to inspire your prospective donors, look to the familiar. The Bible is perhaps the best source of inspiration when it comes to giving. It is filled with references to giving back to God. The story of the widow's mite and the parable of the talents teach us to give sacrificially and to make the most of our resources. In Matthew 6:19-21, Jesus challenges us to forgo the treasures of this world and to seek heavenly treasure *"for where your treasure is, there will your heart be also."*

In his letters to the early Christians, the Apostle Paul encourages us to be generous and cheerful givers. He teaches us to give as we have decided in our heart to give. Moreover, Paul equates giving with "thanksgiving."

*"You will be made rich in every way so that you can be generous on every occasion, and through us your generosity will result in thanksgiving to God." 2 Corinthians 9:12*

Likewise, John Wesley, the founder of Methodism, is famous for his teachings on stewardship. His sermons on *"The Use of Money"* and *"The Good Steward"* offer excellent insight into the Wesleyan tradition of giving. Wesley admonished his followers to "earn all you can, save all you can and give all you can." His teachings still resonate with Christians today.

The theology of stewardship is based on the concept that all we have comes from God. Stewardship is about giving back to God in response to His grace in our lives.

**Make it Easy to Give.** The number one reason people do not leave a bequest or other type of legacy gift to the church is that they are never asked. Please remind your congregation about leaving a final tithe to the church. Include reminders in the bulletin. Place cards, brochures or envelopes in the pews. Explain how to make a legacy gift to the church. Make it easy to give. Someone may be waiting to be asked.

**Celebrate.** Let church members know how the endowment program is doing. When new gifts come in, thank donors publicly, if possible, but respect the privacy of those donors who prefer to make anonymous gifts. You can acknowledge the gift and thank the donor without necessarily revealing the person's identity. There are many ways to report on the annual growth of your endowment program. Many churches plan a special event honoring donors. Some churches publish an annual report. Some do a combination of both.

We encourage every church to develop an annual recognition event. Invite anyone who has set up a legacy gift for the church through a bequest, charitable gift annuity, donor advised fund or trust. Report to them on how their gifts are growing and being used. If you are using a portion of your endowment income to fund certain ministries, let donors — and the general membership — know how these gifts are making a difference. Nothing encourages giving like success.

# Promotional Models

*The following information outlines two possible models for use in local churches. Model One is a beginning model that can be upgraded as needed. The second model is the most comprehensive. It begins with a modified promotional emphasis and adds more each year. Regardless of the chosen model, always remain sensitive to “overselling” the concept of making a legacy gift. If members begin to feel that they are being overwhelmed with a “demand” for a gift, the program will suffer. The model you choose should be tailored to reflect the needs of your congregation.*

## Promotional Model One

A Two-Year Program for Promoting Your Church’s Permanent Endowment

### Year One

- February: Make a presentation at a Church Council meeting to church leaders on giving through endowments, memorials and other permanent endowment vehicles. Distribute a flyer on giving opportunities. Conduct a written survey.
  1. Who has a will?
  2. Who has included the church in their will?
  3. Who will consider adding the church to their will?
  4. Who would like to talk privately about giving options?
- May: Send a mailing to the entire congregation about giving options through the church’s endowment and memorial program.
- November: Send a mailing about the advantages of giving at year-end.
- Use one-liners in bulletins and newsletters when appropriate throughout the year.
- Make announcements at group gatherings in the church (including worship) about giving through the church’s endowment and memorial program.

### Year Two

- January: Write an article for the newsletter about the necessity of having a will.
- February: Send a letter and brochure announcing a Wills Workshop.
- March: Conduct a Wills Clinic or Gifts and Wills Workshop.
- April – September: Write a short statement or monthly article in the newsletter about the church’s endowment and memorial program.

- October: Send a letter and brochure about giving through wills.
- November: Conduct an All Saints' Day remembrance and recognition service.

## **Promotional Model Two**

A Three-Year Plan for Promoting Your Church's Permanent Endowment

### **Year One**

- Make two educational presentations to the Church Council.
- Mailings
  - February: Send a letter and permanent endowment fund brochure.
  - May: Send a letter and brochure about giving through wills.
  - August: Send a letter and general planned giving brochure.
- Write quarterly articles in the church newsletter.
- Use one-liners in the bulletins each month.
- Conduct a Wills Clinic or Gifts and Wills Workshop.
- Conduct an All Saints' Day remembrance and recognition service.

### **Year Two**

- Make a quarterly educational presentation to the Administrative Board.
- Mailings
  - February: Send a letter and brochure about giving through wills.
  - May: Send a letter and estate planning brochure.
  - August: Send a letter and brochure about giving through wills.
  - November: Send a letter and brochure about giving through life insurance.
- Write monthly articles in the church newsletter.
- Use one-liners in the bulletin twice each month.
- Conduct a Wills Clinic or Gifts and Wills Workshop.
- Conduct an All Saints' Day remembrance and recognition service.

## Year Three

- Make two educational presentations to the Church Council.
- Mailings
  - January: Send a letter and brochure about giving through wills.
  - March: Send a letter and living trust brochure.
  - May: Send a letter and brochure about giving through wills.
  - August: Send a letter and permanent endowment fund brochure.
  - November: Send a letter and brochure about year-end giving.
- Write monthly articles in the church newsletter.
- Use one-liners in the bulletin each week.
- Conduct a Wills Clinic or Gifts and Wills Workshop.
- Conduct one Estate Planning seminar.
- Conduct targeted group presentations (i.e. United Methodist Women, United Methodist Men, Senior Adults)
- Conduct an All Saints' Day remembrance and recognition service.



# Sample Agenda: Estate and Gift Planning Workshop

## I. Welcome

- Devotional
- Statement of purpose for the workshop

## II. What is an Estate?

- How will my property be distributed?
- What about taxes?

## III. My Will

- What is a will?
- Who needs a will?
- What can a will do? Not do?
- What does it cost?
- Will I need an attorney?
- How do I choose my executor or executrix?
- Who should witness my will?
- Where should I keep my will?
- How often should it be reviewed?
- How can I remember the church in my will?

## IV. Creative Gift Planning

- Cash
- Bequests
- Securities
- Real Estate
- Tangible personal property
- Gifts through life insurance
- Life income gifts
- Gifts through retirement plans
- Gifts through business
- Transfer-on-death accounts

## V. Planned Giving and Endowment Funding in the Local Church

- Why legacy giving in the local church?
- Endowments and other opportunities in our church

## VI. Other Documents

- Durable Power of Attorney for health care
- Durable Power of Attorney for financial affairs
- Living will

# Sample Bequest Language

Leaving a bequest to your church or favorite United Methodist charity is one of the easiest ways to leave your legacy. You simply write the bequest into your will. As you consult with your attorney on the exact wording to reflect your goals and intentions, be sure to use the correct legal (corporate) name of your church or charity in all final documents.

Example: “*Wesley United Methodist Church, a nonprofit corporation, or its successor.*”

In your will, you have choices as to how to create your bequest. You may choose to leave a fixed dollar amount, or a percentage of your estate, or the residuary estate or a portion thereof. The following is a listing of examples of the most popular types of bequests:

**A General Bequest** of a stated sum of money may be worded: “I give to \_\_\_\_\_, a Georgia nonprofit corporation, or its successor (insert the exact dollar amount).”

**A Specific Bequest** of a certain asset from your estate may be worded: “I give to \_\_\_\_\_, a Georgia nonprofit corporation, or its successor (insert a description of the particular property).”

**A Residuary Bequest**, after other bequests and expenses have been paid, may be worded: “I give to \_\_\_\_\_, a Georgia nonprofit corporation, or its successor all (or a percentage) of the rest, residue and remainder of my estate.”

**An Endowed Bequest** allows you to restrict the principal of your gift, requiring the Foundation to hold the funds permanently and use only the investment income generated to support beneficiaries indefinitely. “I give to the Georgia United Methodist Foundation, or its successor, all (or a percentage) of the rest, residue and remainder of my estate as a permanent endowment gift to benefit (insert legal name of beneficiary here).”

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# Sample Tri-Fold Brochure:

For Reference Only

May be adapted to meet the needs of individual churches.

## *Cover Panel*

### ***So Many Ways to Give***

*(You may want to use photos of your church or photos of members and families).*

## *Inside Cover*

### **It's Easy to Give to (Church Name)**

Did you know that you can give to (church name) in a variety of ways; not just through Sunday morning plate offerings, but in creative ways that allow you to use your assets in addition to income?

#### **Outright Gifts**

- Cash
- Publicly Traded Securities
- Real Property
- Tangible Personal Property
- Other Property

## **Leaving Your Legacy**

Beyond your outright gifts, a legacy gift to the endowment fund can help ensure that the ministries that have meant the most to you in your lifetime will continue into the future. You do not have to be wealthy to give. You may make gifts in memory or in honor of friends and family. With legacy giving, you decide what to give and how to give it. Many legacy gifts offer certain advantages to both the donor and the church. You may designate your gift to benefit a certain ministry area. A list of our designated funds include: general endowment (list sub funds approved by Permanent Endowment Committee).

## *Inside Center Panel*

### **Popular Ways to Give:**

**Appreciated Securities** — Transfers of stocks or mutual funds may be made directly from your brokerage account to (church name). To inquire about how to transfer securities, please contact (church office/business administrator) at (phone number).

**Beneficiary Designations** — Donors may make a significant deferred gift to the church by designating (church name) as a beneficiary of a life insurance policy or retirement plan. There are many ways to give through life insurance and retirement plans, some of which may have benefits to donors. Please consult your financial advisor.

**Bequest in Your Will** — Give a fixed amount or item (or property) to the church. Some donors prefer to designate a percentage of their estate or donate the residual amount left in the estate after all other bequests are granted.

*Inside Back Panel*

**Real and Personal Property** — Real and personal property such as land, homes, automobiles, works of art, antiques, coin or stamp collections, jewelry, and other items also may be given to the church.

**Life Income Plans** — Life income plans such as charitable gift annuities and charitable remainder trusts may be set up through the Georgia United Methodist Foundation to benefit (church name). Donors receive a charitable deduction when the gift is made in addition to fixed income payments throughout their lifetimes. The remainder goes to the church upon the death of the donor.

*List other types of gifts as appropriate.*

*Outside Back Panel*

*(You may want to include inspirational quotes from members or philanthropists and Biblical passages that inspire giving.)*

*Outside Center*

*(Disclaimer and contact information)*

*The purpose of this publication is to provide general gift giving information. Neither the author nor this organization is engaged in rendering legal or tax advisory service. State laws govern wills, trusts and charitable gifts made in a contractual agreement. For advice and assistance in specific cases, the services of an attorney or other professional advisor should be obtained.*

*(Name and address of church, phone number, web address and e-mail address).*



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