

**The Permanent Endowment Program Charter of
First United Methodist Church, Huntsville, Alabama**
Amended (28 August, 2023)

This Endowment Program Charter was originally adopted on 27 November, 2007 by a duly authorized Charge Conference of First United Methodist Church, Huntsville, Alabama (as outlined in Paragraph 2533.5 of *The Book of Discipline* - 2004). This amendment to the Charter is in accordance with Paragraph 2534.2 of *The Book of Discipline* - 2016).

The Purpose

The Endowment Program of First United Methodist Church, Huntsville, AL, hereafter referred to in this document as “the Endowment Program”, is established for the purpose of providing members and friends opportunities to make charitable gifts to First United Methodist Church that will become a continued legacy of financial support and a living memorial. The Endowment Program is intended for purposes that are not generally a part of the church’s established programs, which are funded through the annual ministry, building and faith promise (mission) budgets of the church and the regular giving of its members. The Endowment Program is meant to be a growing supplement to help carry out the mission of the church: “To influence our community to know Jesus Christ.”

Administration

The Endowment Program will be administered by the Endowment Committee of First United Methodist Church, hereafter in this document referred to as the “Committee”, under authority granted by the Charge Conference and shall serve until their successors have been elected.

The following persons will constitute the membership on the Endowment Committee:

- A. The Senior Pastor
- B. Two representatives from the Finance Committee named by the Finance Committee
- C. Two representatives from the Board of Trustees named by the Board of Trustees
- D. Three at-large persons selected by the Nominations Committee

The three at-large members are elected by the Charge Conference to serve staggered three-year terms or until their successors have been selected. The Chairperson of the Committee shall be nominated by the Nominations Committee from the membership established above and shall be elected by the Charge Conference. The Committee shall elect its own Secretary, and such other officers and sub-committees, as it deems necessary.

The Committee shall cooperate with Finance Committee in assuring that the annual audit process (as stated in Paragraph 258.4d of *The Book of Discipline* – 2016) is followed. The Committee shall make a full report no less frequently than twice-a-year to the Board of Trustees, the Finance Committee, and the Church Leadership Team (CLT). The Committee does not meet on a fixed

schedule, but shall meet as needed to perform its pertinent duties. The Committee shall document minutes of all meetings.

Investment of Endowment Funds

The Endowment Program's investment objectives are:

1. Conservation of principal for the effective maintenance of purchasing power.
2. Regular income at a reasonable rate.
3. Growth of income and principal over and above that necessary to offset rises in the cost of living.
4. Investment of assets in institutions, companies, corporations, or funds which make a positive contribution toward the realization of the goals outlined in the Social Principles of the Church.

All gifts to the Endowment Program shall be invested through the establishment of one or more accounts with investment institutions, companies and/or the North Alabama United Methodist Foundation Inc. Any investment firm used by the Committee must have the approval of and be in good standing with all applicable governing organizations. The donated principal in all investments made by the Committee must be protected so that the earnings can be used year after year for the named endowment purpose. Investment strategy shall strive to achieve the particular investment objectives of each endowment.

The endowment accounts are established to generate growth through income and/or change in market value. Each of our present endowments* are structured to use up to ninety percent (90%) of the earnings toward the endowment's purpose. Ten percent (10%) is added to the principal to assure continued growth. Any exception to this rule shall be approved by a two-thirds (2/3) vote of the Endowment Committee.

*Note: The Amanda Taylor Watson Graduate Award Endowment has been approved to distribute awards as monies are donated.

Limitation on Use of Principal

The objectives of the Endowment Program are to conserve principal and distribute only the earnings as determined by the Committee to satisfy the purpose of each endowment. Expenditure of any part of an endowment's principal is allowed only in extreme and overwhelming circumstances bordering on survival of First United Methodist Church. Should a financial crisis exist, additional amounts, including principal, may be withdrawn from an endowment only if approved by a two-thirds (2/3) vote of a Charge Conference of First UMC.

Gifts to the Endowment Program

Designated gifts to the Endowment Program shall be directed by the donor into one or more of the following established endowments:

- A. General Endowment (for special needs and ministries determined by the Church Leadership Team)
- B. Faith Property Endowment (for maintenance, care, improvements or additions to, or construction of physical facilities)
- C. Peeler-Lewis Garden Landscape Endowment
- D. Monroe Youth Endowment
- E. Miller Lectureship Endowment
- F. Turvey-Miller Organ Term Endowment
- G. Joint Scholarship Endowment
- H. Amanda Taylor Watson Graduate Award Endowment

Undesignated gifts shall be allocated between the General Endowment and the Faith Property Endowment as deemed appropriate by the Endowment Committee. The Committee shall have the authority and responsibility to accept or reject any and all gifts to the Endowment Program in keeping with authority granted by the Charge Conference. A minimum threshold, to be determined by the Committee, shall be required for a gift to establish a new endowment.

Distribution from the Endowment Program

Distributions from the Endowment Program accounts shall generally be made each year to support the intended purpose of the particular endowment in the coming year. Scholarship and Graduate Award distributions will generally be made once or twice a year as needed. Other requested distributions can be considered by the Endowment Committee on an as-needed basis.

Liability of Members of the Committee

In the absence of gross negligence or fraud, no member of the Endowment Committee shall be personally liable for any action taken or omitted with respect to the Endowment Program.

Merger, Consolidation or Dissolution of First United Methodist Church

If at any time First United Methodist Church is lawfully merged or consolidated with any other church, all provisions hereof in respect to the Endowment Program shall be deemed to have been made on behalf of the merged or consolidated church which shall be authorized to administer the same in all respects and in accordance with the terms thereto. If First United Methodist Church should ever be dissolved without any lawful successor, Endowment Program monies, including both principal and earnings to date, shall be turned over to the North Alabama Conference, United Methodist Foundation as a Permanent Endowment bearing the name of First United Methodist Church, Huntsville, Alabama, with the request that the North Alabama Conference United Methodist Foundation use the earnings for the purpose of establishing new United Methodist Churches in North Alabama (See paragraph 2549.5 of *The Book of Discipline – 2016*).

Amendments

Technical corrections and amendments to the Endowment Program which do not alter the stated purpose of the Endowment Program may be made by a two-thirds (2/3) affirmative vote at a duly called Charge Conference of First United Methodist Church.

Severability

If any provisions or any application of any provisions of the Endowment Program 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.

This Amended Endowment Program Charter was adopted this ____ day of _____, _____ in a duly authorized Charge Conference of First United Methodist Church, Huntsville, Alabama, by a vote of:

_____ For _____ Against and _____ Abstained.

Recording Secretary

District Superintendent

Senior Pastor