

Plan Description: Soapstone UMC Laura Stern Heritage Endowment Fund

Date Initiated: 3/30/2018

Date Modified: 8/10/2018 (JGP)

Objective: The primary objective of this endowment is to provide long term financial support for needed capital improvements to Soapstone UMC's buildings, grounds, and plant (HVAC, etc.). This endowment is to establish a long-term funding source that will increase in value year over year, based on a 20% reinvestment requirement of earnings each year. This endowment will utilize the United Methodist Foundation for its investments, with oversight of the investment program by the Soapstone UMC Finance Committee.

Purpose: Proceeds from the endowment will be directed to capital improvement projects agreed upon by the Trustee Committee to improve, maintain or expand the buildings, properties and plant of Soapstone UMC. Additionally, the intent of this endowment is to relieve the stress to the General Budget for Trustee items for much needed improvements. Finally, this fund is intended to provide an opportunity for a long-lasting blessing to Soapstone UMC through one time and estate planning gifts from members, friends and families. All proceeds must be distributed to these types of capital improvement projects at least once each year.

Policies and Procedures

1. The endowment was initially funded in March 2018 with an investment of \$10,000.
2. The fund is to be invested in the Balanced Fund with the United Methodist Foundation. The minimum investment to initiate this fund was \$10,000.
3. Soapstone's Trustee Committee will be responsible for determining the building, grounds or plant projects and the allocation of those funds to the identified projects. These decisions must be made annually by Soapstone's Trustee Committee.
4. Funds must be allocated to capital improvements for buildings, grounds, and plant. These allocations can include projects for the main building, the Old Chapel, the cemetery and surrounding grounds.
5. Earnings cannot be used to support the operating expenses of the church.
6. Earnings from funds should be distributed in February of each year. Funds to be distributed will be from earnings from the prior year. For example, February 2019 distributions will be made based on December 31 (year-end) 2018 earnings.
7. A minimum of 20% of earnings must be re-invested back into the endowment. No more than 80% of earnings can be distributed each year. Less than 80% can be distributed if more than 20% is held for re-investment. Example, if the fund earns \$100 during the calendar year, in January a minimum of \$20 must be reinvested back into the principal of the endowment. No more than \$80 can then be withdrawn from the fund and distributed based on the earlier requirements. (note: endowments require only earnings can be withdrawn from the fund).
8. Individuals who wish to make one-time, on-going or estate planning contributions to the fund can do so by contributing to Soapstone UMC and specifying that it be directed to the Laura Stern Heritage Fund endowment. Any level of contribution will be accepted for being invested in the endowment fund. Contributions for the endowment must be made to Soapstone UMC so it can be recognized as a tax-deductible gift. Contributions will not count towards an individual's pledge. All contributions go to the principal of fund.

9. Contributions, especially from estate plans, may be made in honor of or in memory of a loved one, friend, or family member. Contributors' names (not amounts) and the names of those dedicated in memory of the contribution will be published annually, unless anonymity is requested, in the Laura Stern Heritage Fund Annual Report.

9. Soapstone's Treasurer will maintain a designated fund for ongoing contributions made by members, friends and family of Soapstone UMC to the Laura Stern Heritage Fund. Contributions will be held in the designated fund and invested into the endowment fund monthly, timing within the month to be determined by the Financial Committee. All funds will be transferred from the designated fund to the endowment no less than every 3 months following the contribution.

10. Soapstone's Financial Committee will be responsible for monitoring the performance of the fund and responsible for making any investment decisions and changes related to the fund through the United Methodist Foundation.

11. Each year, Soapstone's Legacy Giving and Permanent Endowment Committee will be responsible for building the Laura Stern Heritage Fund Annual Report, reporting on fund performance, listing contributors and their dedications (if they have so chosen) and including a brief description of the projects selected for funding. The annual report is to be published to the congregation at least one time per year. The Finance and Trustee Committees are to provide input and support in building the annual support.