

Permanent Endowment & Planned Giving

(Book of Discipline 2020/2024 — ¶¶ 2533.5, 2534)

Toolkit for Board of Trustees and Permanent Endowment Committee

1. How to Establish a Committee

Step 1 — Clarify Purpose

The endowment should strengthen long-term mission, not replace faithful stewardship.

Step 2 — Draft Basic Policies

- Endowment Guidelines
- Investment Policy
- Spending Rule
- Conflict-of-Interest Policy

Step 3 — Charge Conference Action

The Charge Conference must:

- Establish the Committee (¶ 2534)
- Adopt written guidelines
- Define membership
- Delegate fiduciary authority if appropriate (¶ 2533.5)

No delegation = Trustees remain fiduciary authority.

2. The Delegation Rule (Critical)

Under ¶ 2533.5:

- Trustees are the default fiduciaries.
- The Charge Conference may delegate to the Committee.
- The Charge Conference must delegate if a donor designates the Committee.

If a will names the Committee → formal delegation is required.

3. Core Duties of the Committee

When authority is delegated, the Committee must:

- Honor donor intent
- Invest in conformity with civil law
- Invest consistent with the Social Principles
- Maintain proper records

- Report annually to the Charge Conference

It assumes trustee-level fiduciary responsibilities.

4. Basic Spending Guidance

- Limit annual distribution to 4–5% (rolling average).
- Do not invade permanently restricted principal.
- Use income to expand mission, not cover chronic deficits.

5. Conflict-of-Interest Safeguards

Require:

- Annual written disclosures
- Recusal when necessary
- Transparent documentation

The Charge Conference retains supervisory authority.

6. Committee vs. Foundation (Quick Reminder)

Committee

- Created by Charge Conference
- Not a separate legal entity
- Directly supervised

Foundation

- Separate nonprofit corporation
- More complex governance

Most churches only need a Committee.

7. Three Governing Principles

Always protect:

1. Donor intent
2. Lawful fiduciary administration
3. Connectional accountability (§ 2501 Trust Clause)

Final Reminder

A Permanent Endowment is not a savings account.

It is a covenantal instrument entrusted for future mission.

Administer it with discipline, transparency, and theological integrity.