

DOLLAR SENSE

BUILDING YOUR CHURCH'S FUTURE ONE BRICK AT A TIME!

Vol. II: Issue 2

A Service of the Desert Southwest United Methodist Foundation (DSUMF)

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THANK YOU!

This Newsletter's purpose is to provide clergy and lay leaders of the Desert Southwest Annual Conference with reliable and consistent financial information that we believe you need to help secure your church's financial future.

In every issue of **DOLLAR SENSE**, information under the following headings is provided:

INVESTING

ESTATE PLANNING

CHARITABLE GIVING

ENDOWMENT FUNDING



Desert Southwest
United Methodist
FOUNDATION
DSUMF
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As word spreads about the DOLLAR SENSE newsletter, more and more people have asked to be added to the E-Newsletter mailing list. Many of you have referred others to the publication and we Thank You for your thoughtfulness. As always, we welcome your responses. Please e-mail your responses to dsumf@earthlink.net. For more information about the Foundation and our services, go to our web site at www.desertsw.org/foundation.html.

ENDOWMENT FUNDING

In the first three issues of DOLLAR SENSE, we discussed why it is essential for every church that chooses to look towards its future financial security to establish a Permanent Endowment Fund and a Committee to work on behalf of the Fund. There are three steps to accomplish this task.

STEP 1: Create an AD HOC Committee. A good "first step" begins with an Ad Hoc Committee made up of people who have a dream for their church,

who want to see their church's stewardship vision grow, and who want to see their church in the role of inspiring persons to be good stewards of their own as well as their church's assets.

The Ad Hoc Committee should include the pastor and other staff related to the stewardship program along with several laypersons whose interest in planned giving and endowment funding has already surfaced. The Committee could also be made up of members who would be open to considering some new and different stewardship concepts and procedures. In some churches, an existing Committee like one on Stewardship might serve as the Ad Hoc Committee.

The agenda for the first meeting of the Ad Hoc Committee might well include a visit from The Foundation's Executive Director, Dr. Rick Brown, CFRE. Rick is skilled in matters related to gift planning, has assisted other churches in the creation of endowment programs, and is ready, willing and able to provide valuable information,

guidance, and resources for your church.

The primary objective of the Ad Hoc Committee is to prepare for and make a recommendation to the Administrative Council or Trustees that a Permanent Endowment Fund Committee be elected and empowered. The Ad Hoc Committee will want to make a strong presentation to the Council or Trustees, which should include:

1. The personal benefits to members,
2. The financial benefits to the church,
3. An opportunity for questions,
4. Opportunities for personal witness and support,
5. A positive response to any negative reactions,
6. An official motion to endorse the creation of a Permanent Endowment Fund Committee, and
7. Authorization to the Ad Hoc Committee to draw up a resolution to be presented at a Charge Conference, calling for the creation of this Committee.



ENDOWMENT FUNDING CONTINUED

STEP 2: Draft the Resolution. A permanent Endowment Fund Resolution should contain three main elements:

1. The new Committee's proposed relationship to the Trustees,
2. The selection of Committee Members and subsequent election of new members, and
3. The Scope of the Committee's Responsibilities in terms of both the powers and the duties of a Permanent Endowment Fund Committee.

STEP 3: Create the Permanent Endowment Fund Committee. The Ad Hoc Committee should present the Resolution to either a regular or special Charge Conference called for the purpose of creating the Permanent Endowment Fund Committee as described in ¶ 2533 of *The Book of Discipline - 2000*. The procedures for a Charge Conference are given in ¶ 245 and they should be carefully followed.

The Resolution may be presented in the Charge Conference session by the chairperson or a member of the Ad Hoc Committee, or it may be presented as a recommendation from the Administrative Council / Trustees. If the resolution is presented by the Ad

Hoc Committee, it is preferable to have the prior endorsement of the Administrative Council / Trustees. Once the Charge Conference votes to create a Permanent Endowment Fund Committee and elects members to the new Committee, the Ad Hoc Committee is dissolved.

In next issues of DOLLAR SENSE, we'll discuss the important work of the Permanent Endowment Fund Committee.

CHARITABLE GIVING

A real-life example of charitable giving combined with an eye focused on the future involves a recent deposit made into the Foundation's Investment Accounts by MaryLou Chopelas, the Manager of the Annual Conference's Pine Canyon Camp. Approximately one year ago, MaryLou contacted the Foundation and asked for assistance regarding

raising funds for the Pine Canyon Endowment Fund.

After some suggestions, MaryLou was off to the races! She created a "membership club" much like a college or university's alumni association and solicited "memberships" from friends of Pine Canyon Camp.

During the year, MaryLou was both persistent and consistent with her requests for support of the Pine Canyon Endowment Fund. She raised a few dollars here and a few dollars there and within just one year's period of time, MaryLou was able to generate \$6,500 in contributions!

We thank you for your generous contributions to the Pine Canyon Endowment Fund. The Fund is designed to spend earnings on Program, Promotion and Facilities at Pine Canyon Camp. As long as there are market gains, there

will always be an income stream distributed to Pine Canyon Camp. MaryLou, you're a visionary!

If you would like to join MaryLou's work to secure a bright financial future for Pine Canyon Camp, feel free to contact MaryLou at (520) 824 - 3553. Or better yet, just send a check made payable to "DSUMF" and designate the check for the Pine Canyon Endowment Fund.

By the way, the Foundation also manages endowment funds for our other two Annual Conference Camps, Mingus Mountain and Potosi Pines, as well. All three of our camps can have brilliant financial futures if you will support their Endowment Funds with your charitable gifts.

ESTATE PLANNING

When the Foundation is asked to present an Estate Planning Seminar, we speak about six steps towards proper estate planning. Within one of the steps, we advise people to remember about the possibility of becoming disabled and what one can do to insure that they are cared for in



MaryLou Chopelas presenting a \$6,500 check for deposit to the Pine Canyon Endowment Fund with Dr. Rick Brown and Jim Parkhurst at her sides!

a manner of their choosing.

One of the Estate Planning documents we discuss is the Durable Healthcare Power of Attorney. This document is a contract between you and another of your choosing. The contract details the kind of healthcare you expect in the event that you can't communicate on your own behalf.

Armed with a Durable Healthcare Power of Attorney your chosen advocate can work on your behalf, with legal standing, to make sure your healthcare providers are doing what you want them to do. So you include this document in your overall Estate Plan and just when you think you've got everything covered, along comes this new law called the Health Insurance Portability and Accountability Act of 1996 known as HIPAA.

The purpose of this law which was fully phased in during early 2003, was to improve the Medicare program under title XVIII of the Social Security Act, the Medicaid program under title XIX of such Act, and the efficiency and effectiveness of the health care system, by encouraging the development of a health information system through the establishment of standards and requirements for the

electronic transmission of certain health information.

On its surface, the new law sounds like a good idea. However, "the devil is in the details!" Healthcare providers who violate the new law can be fined from \$50,000 to \$250,000 and/or be sentenced up to 1 to 10 years in prison. These are some serious penalties! In an effort to comply with the new law and avoid such stiff penalties, many healthcare providers have "gone overboard" in their interpretation of and compliance with the new law.

**AVOID PROBLEMS
WITH THE NEW
HIPAA LAW.
WAIVE YOUR
RIGHTS!**

For example, in a recent estate planning seminar, an individual, who lived with his elderly father, explained that he came home to an empty house after a brief out of town trip. His father wasn't home and the son had no clue as to what might have happened to him.

After frantic searches and phone calls, neighbors told the young man that while he was gone, the father became seriously ill. He was taken by ambulance to the local hospital.

Upon the son's arrival at the hospital, he was refused not only access to his father, but also information about his father's condition. The hospital wouldn't even confirm that the father was a patient in the hospital!

Under the new law, how did that hospital go from a requirement to secure electronic transfers of medical records to refusing a son's access to his father? Talk about a serious misinterpretation of the new law! HIPAA wasn't designed to prohibit access to family members or the physical exchange of important medical information. HIPAA was designed to place standards on how and to whom one's medical information can be electronically transferred.

The son was eventually able to gain access to his father, but not until legal counsel was employed and lots of time and money was unnecessarily spent. In this particular case, even if the father had named the son in his Durable Healthcare Power of Attorney, this hospital's interpretation of HIPAA would still have prevented the son's access.

Because we don't believe a healthcare provider's misinterpretation of a law should come between you and your healthcare as

detailed in your Durable Healthcare Power of Attorney, we have a solution to the potential problem. Our solution is to waive your rights under HIPAA!

That's right! We believe you should be well armed with all the legal documents you can muster so that those you name in your Durable Healthcare Power of Attorney can make the informed decisions you want them to. To this end, The DSUMF has posted on its Web Site at: www.desertsw.org/foundationwaiver a Limited Waiver of Confidentiality / Privilege. If you have a Durable Healthcare Power of Attorney and you want to insure your advocate doesn't run into the same problems the son in this story ran into, then print the Waiver. It was crafted by an estate planning attorney with more than 35 years of experience. As a matter of fact, print several. Take them to a notary and sign them in the notary's presence. Then distribute one to each of those you've named in your Durable Healthcare Power of Attorney, to your doctor, your specialist, etc. Be proactive and try to avoid the unintentional consequences of a new law!





WOW! 2003, What a Year! The S & P 500 was up 26.3%; the DOW was up 25.3% and the NASDAQ was up a whopping 50.0%! The index that more closely resembles the make-up of the Foundation's portfolio is the 60/40 S&P 500 / Lehman Brothers Government Corporate Bond Index. It was up 18.9% and the Foundation, with its conservative, low-risk approach to investing finished 2003 with a gross return of just over 17%!

Our depositors experienced a net return of 15.24% after all fees, accounting, audits, statements, postage, etc. This rate of return was a relief since our rate of return in 2000 was flat, and down in 2001 and 2002.

Even during the time period between 2000-2002, and the markets were going down, down, down, our investment philosophy never wavered. We've always believed that our conservative, low-risk approach was the right way to invest church money.

While many others who invested in riskier, more aggressive styles are still trying to recapture their losses from the previous three years our portfolio has already recaptured its

losses and our long-term depositors are in the "Plus Column" for the 3, 5, 7 and 10 year time periods.

For the first time in the Foundation's history, we will be producing an Annual Report. The report will be ready in the last half of March of this year. But unlike the standard, typical printed version of an Annual Report, we intend to take our Annual Report "On the Road." We will be inviting not only our current church depositors, but also representatives from all other churches to come to a "Wine and Cheese" without the wine and see our Annual Report, presentation-style, complete with a time for Q & A with our Financial Advisors at Wachovia Securities. Stay tuned for more details!

**PLEASE CONTACT US AT:
602-266-6956
TO RESERVE YOUR PLACE AT OUR ANNUAL REPORT ROAD SHOW!
MAKE YOUR RESERVATIONS NOW!**

**PEOPLE ARE ATTENDING OUR ESTATE PLANNING SEMINARS IN RECORD NUMBERS THIS YEAR!
FEBRUARY AND MARCH ARE BOOKED!
SCHEDULE AN ESTATE PLANNING SEMINAR IN YOUR CHURCH FOR APRIL OR MAY NOW!
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