

DOLLAR SENSE

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

Vol. II: Issue 8 A Service of the Desert Southwest United Methodist Foundation September 2004

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:

ENDOWMENT FUNDING

ESTATE PLANNING

CHARITABLE GIVING

INVESTING



Desert Southwest United Methodist FOUNDATION DSUMF 602-266-6956

Thank you for staying "tuned" to our newsletter. If you wish to add someone's name to our DOLLAR SENSE e-mail list or if you have questions, comments or concerns, please e-mail them to rick@dsumf.org or to dsumf@earthlink.net. Both e-mail addresses are operating concurrently until our new web site is up and completely operational. Lucille has attended a class using "Front Page" in the construction of our new web site. She learned a great deal and has made much progress in the web site construction. After Lucille attends another class towards the end of this month, our web site will be finished and ready to go. For more information about the Foundation and our services, please go to our current web site at www.desertsw.org/foundation.html.

ENDOWMENT FUNDING

In our last issues, we have been discussing the fact that **consistent and repeated educational**

efforts on your part are essential to the success of your Endowment Fund Program. We also discussed the educational plan itself. In the last issue, we discussed the Education of Leaders. In this issue a discussion about the Education of your Members follows.

CONSISTENT

&

REPEATED

EDUCATIONAL

EFFORTS

ARE KEYS TO A

SUCCESSFUL

ENDOWMENT

FUND

PROGRAM!

must be educated as to the importance of the Fund as well as to the actual making of such gifts. An educational program that engages the members in a face-to-face, hands-on manner is the most effective program.

Such programs, in the form of seminars are provided, free of charge, by the DSUMF. A variety of topics are available for discussion. These topics include, but are not limited to:

1. Estate Planning in Six Steps, which includes detailed information on the Last Will & Testament, the Living Will, the Revocable Living Trust and two different Powers of Attorney,
2. Charitable Giving, including Gift Annuities, Charitable Remainder Trusts, Gifts of Life Insurance, Gifts of Appreciated Securities and Retained Life Estates

Seminars should be presented at least twice

The members of your church are the ones who will be making gifts to your church's Permanent Endowment Fund. They



ENDOWMENT FUNDING Continued

per year in smaller churches (membership less than 350) and at least quarterly in larger churches.

Another, less engaging, therefore less effective educational tool involves mailings. A mailing is one of the ways to keep your congregation aware of estate planning issues and gift planning opportunities. The primary goal of these mailings is not to ask for money for any specific project or ministry, but to inform your members of ways they might give now or later through their estate plans.

A goal of one or two mailings per year is preferable. It is understood, however, that mailings are expensive and time consuming. Therefore, the content that would go into such mailings could just as easily go into a Newsletter in the form of an article and be just as effective.

Let's look at a couple of suggestions for these mailings.

1. Every mailing should include a personal letter from the pastor, Administrative Council chair, or chairperson of the Endowment Fund Committee. It should be

written as a call to action and serve as a cover letter to an enclosed brochure.

2. A mailing should also include an informational brochure. The subject of brochures might be:

A. Your church's Endowment Fund Program or your Memorial and Honor Fund Program,

B. Wills,

C. Gift plans such as giving securities, giving through life insurance, giving real estate, giving through life income plans, etc.

These mailings should always include a response device. Mailings, such as those described above are designed to prompt one to respond.

You should design a different response card for each mailing. The response card should give the member the opportunity to ask for more information as well as provide information to your committee about the member.



ESTATE PLANNING

All too often, the elderly fall prey to unscrupulous people trying to make a quick and dishonest buck. Telemarketing scams, "bait and switch" operations, etc., are constantly targeting the elderly based on an assumption that they are not as sharp as they once might have been. Unfortunately, the elderly must always be "on guard" because similar tactics are being used in the estate planning arena.

Recently, a member of one of our churches was contacted, by phone, by an individual portraying himself as an attorney who had reason to believe that her estate plan was inadequate. The member asked why the self-proclaimed attorney had such beliefs. She was told that a new law was passed in the state of Arizona and that if her estate planning documents did not address the new law, then all of the documents were invalid.

The claim scared the member, but she had presence of mind to call the Foundation because she attended one of our seminars. The member told her story. At the conclusion of her story, she was counseled to

have no further contact with the so-called attorney. You see the "slick operator" told a partial truth. There was a law proposed and passed by the state legislature that would have required all trusts to be amended. However, just prior to the law becoming effective, the legislature put the law and its effective date "on hold" for further study. After further study they discovered numerous detrimental unintended consequences. The legislature "killed" the bill. This telemarketing attorney failed to tell the member that major detail or the whole truth.

In this case, the so-called attorney was using a law that did not go into effect to scare an elderly member into thinking that her estate planning documents were ineffective!

Don't fall for these ploys to get your hard earned money. Do your homework before you buy, especially in the area of estate planning. When you do buy, make sure you know what you're getting. That living trust package advertised on the radio for \$395 or \$595 is funded by an insurance company attempting to do nothing more than sell



ESTATE PLANNING CONTINUED

you lots of commercial annuities!

Smart consumers know their rights and act on them. Information is the best defense against purchasing defective products or falling victim to fraudulent practices. Learn the facts. Ask questions. Be aware of current scam operations. Blow the whistle if you think you are on the receiving end of a bad deal. By all means, do not open your estate plans to anyone unless you have verified the person's credentials and trust their motives.

**Caveat
emptor!**

**LET THE
BUYER
BEWARE!**

CHARITABLE GIVING

Charitable giving is often thought of in terms of money. Gifts of money are required of every non-profit organization in order for them to be able to provide the services for which they were created. It is important for you to remember, however, that charitable giving also takes the forms of time and talent. What would your organization be like without the talent or expertise provided you by your volunteers? In the case of the DSUMF's Board of Directors we have an accountant, a retired salesman, a broker, a retired actuary, a few United Methodist ministers a retired marketing executive and a couple of consultants.

The Foundation is blessed to have the support of these people and their talents. While no organization operates without money and talent from donors and volunteers respectively, it is also important to realize that money and talent are renewable resources. When one donor no longer contributes, there is usually a plan in operation to acquire a new donor. When a volunteer terminates their service for whatever reason, there is usually a plan in operation to acquire a new volunteer.

It is critical for an organization's paid staff to maintain relationships with volunteers and donors in order to ensure the constant flow of talent and money that provides continuation of the organization's services into the future.

Too often, however, we overlook the importance of a volunteer's time. Time is the one resource that is not renewable. Once it is spent; it is gone! It is critical, therefore, that you use your volunteers' time with all the stewardship you can muster! Start and end your meetings on time. Provide your volunteers all the information they need to form opinions on agenda items prior to meetings. Be respectful of and grateful for the time that your volunteers are giving to you and your organization. If you do not respect the time donated by your volunteers, if you are not grateful for the time they give to you, then you will not only lose their time, but also their talent and their money!



**Once time is spent,
it is gone forever!**

**ESTATE
PLANNING
&
CHARITABLE
GIVING
SEMINAR
REQUESTS
ARE HIGH
THIS YEAR.**

**GOOD DATES
ARE BEING
SCHEDULED
FAST.**

**There are only 3
Sundays available
in October and
November!**

**DO NOT
DELAY!**

CALL NOW!

602-266-6956

INVESTING

The Foundation is very proud to announce the addition of two new members into our family of agency, board and church investors. They are First UMC of Winslow and Desert Spring UMC of Las Vegas. The addition of these two participants brings our total investor family to 45. Three more churches are considering our service.

The Investment Service of the DSUMF offers several benefits:

1. Our service has many layers of expertise including 10 professional money managers, 2 brokers, a 14 member Board of Directors, a 9 member Investment Committee, an Executive Director and a full time accountant. The service is not dependant on any one individual.

2. Our service provides monthly accounting and an annual audit for the all inclusive fee.

3. Our service provides the participating depositor with multiple layers of fiduciary responsibility.

4. Our service provides an actively managed, socially-screened, low risk portfolio that has achieved an annualized net rate of return equal to or better than the S & P 500 index since its inception in 1991.

5. Ownership of the funds deposited for investment with the Foundation remains with the depositor.

6. The Foundation exercises no distribution control over the funds under its management.



Congratulations and Welcome to the First UMC of Winslow for becoming the Foundation's 44th member of our family of Agency, Board and Church Investors.

On October 14, 2004, Bishop Carcaño will host our Investment Service Presentation in the Galvan Room in the Conference Center. If you would like to learn more about our Investment Service and meet the new Bishop, then please call Lucille for a reservation at:

602-266-6956.



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This program is raising serious income for its participants!

