

# DOLLAR SENSE

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

**Vol. II: Issue 10 A Service of the Desert Southwest United Methodist Foundation November 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**

Each month we receive a very positive response from several of you who receive this electronic newsletter. We have been producing DOLLAR SENSE for a year now and we have been told that the newsletter is considered a valuable resource. So, once again, thank you for staying "tuned" to our newsletter. As always, 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](mailto:rick@dsumf.org). Lucille, the Foundation's Controller, and "Web Mistress Extraordinaire" has created and posted our new web site. For all new and updated information, go to [www.dsumf.org](http://www.dsumf.org) and "click a brick" to obtain information about our educational, investment or consulting services. Click the Gift Annuity brick to find out more about obtaining a guaranteed lifetime income from a gift you make to your church or favorite United Methodist ministry. Click the DSUMF brick to find out about our wonderful Board of Directors or our history since 1985.

Join us on the web and contact Lucille at [lucille@dsumf.org](mailto:lucille@dsumf.org) with any of your web site or investment service questions.

**VISIT US AT  
OUR NEW  
WEB SITE:  
[dsumf.org](http://dsumf.org).**

**CLICK A BRICK  
TO OBTAIN  
INFORMATION  
ABOUT ANY  
TOPIC.**



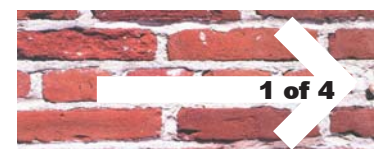
**ENDOWMENT  
FUNDING**

When it comes to endowment funding, we continue to beat the drum that consistent and repeated educational efforts on your part are essential to the success of your Endowment Fund Program. In past issues of DOLLAR SENSE, we've discussed the Education of Leaders and Members.

In terms of educating members, we've discussed seminars, direct mail pieces, and news items. Now, we finish this topic with a discussion about recognizing those who make gifts to your endowment program.

A special event is one of the best ways to recognize those who have made gifts to your endowment fund program. Such a special event not only expresses gratitude for those who have demonstrated an interest in the financial future of your church, but also serves as another marketing tool for getting the word out about your program.

Some churches choose to hold a special, recognition Sunday by introducing endowment fund donors to the congregation during services. Other churches have sponsored a "potluck" meal to honor endowment fund donors, while others have hosted a catered meal.



## ENDOWMENT FUNDING Continued

Recently, one East District church advertised their special event in their church newsletter for several weeks prior to the event. The advertising actually prompted a few members to make their gifts prior to the event so they would be recognized in the inaugural event.

The event was held at a pizza restaurant; the endowment committee arranged for an "all you can eat" luncheon. Organ music was played during the meal and the donors were individually recognized during a special service after the meal. Each donor received a gift of appreciation from the endowment committee. More than 80 people were in attendance at this first-time event. Most of them were endowment fund donors.

There are many ways to recognize your endowment fund donors. Each church will come up with a plan that suits their style. But the important point to remember here is that **YOU MUST RECOGNIZE YOUR ENDOWMENT FUND DONORS!**

Fundraisers in the secular world have a favorite mantra: "If you don't ask, you will not receive."

Endowment fund volunteers must ask others to share their vision for a sound financial future of their church. When others do share, their efforts and gifts must be recognized!

**YOU  
MUST  
RECOGNIZE  
YOUR  
ENDOWMENT  
FUND  
DONORS!**

## ESTATE PLANNING

As you are probably well aware by now, one of the services provided by the DSUMF involves an educational presentation about estate planning. When invited, the Executive Director will present a 90 minute seminar on the "Six Steps Toward Becoming a Good Steward of Your Own Assets." We discuss the horrible consequences of poor estate planning as well as the list of benefits available to you with proper estate planning.

We are finishing up our seminar schedule with 43 presentations for 2004. We already have a few seminars scheduled for early 2005, but if you haven't scheduled your

church's 2005 free, estate planning seminar yet, now is the time to do so. Please e-mail [rick@dsumf.org](mailto:rick@dsumf.org) or call us at 602-266-6956 or 800-229-8622 to schedule your estate planning or charitable giving seminar now. Please don't wait. Please call or e-mail now to schedule your 2005 seminar dates.

**PLEASE  
SCHEDULE  
YOUR 2005  
ESTATE  
PLANNING  
SEMINAR  
NOW!**

## CHARITABLE GIVING

Charitable giving via life insurance is often overlooked. Yet, gifts of life insurance are some of the easiest types of gifts your church can obtain.

Folks who seriously consider making significant gifts to your church generally fall into an older demographic. They are either childless or they have raised their children; they have set aside assets for their retirement; they are looking to make a difference in programs and services that are

important to them.

These same people remember the day when small life insurance policies were purchased to pay for burial expenses or to provide minor financial support for heirs. The policies referenced were the \$1,000 to \$5,000 ones that will no longer accomplish their intended purposes. These policies are the ones where the insurance sales person came by the house on a weekly basis for the \$0.50 premium payment until the policy was paid in full.

There is a strong chance that you have a few folks in your congregation who own those types of insurance policies. Once you find out if some of your members own those types of policies, then ask them to donate them to the church! Yes, if you don't ask, then you don't get. So, "flat out" ask for those policies to be given to your church or a specific ministry of your church.

Giving these policies involves a couple of "paperwork" steps, but they are not complicated and do not take very much time. If a donor wants to give a life insurance policy to your church, tell them to contact the insurance company to initiate the



process. The company will send a form to the donor. The donor should complete the form by indicating they want the church to become both the owner and beneficiary of the policy.

When the company receives the completed form, they will transfer ownership and beneficiary status of the policy. They will then notify the church of their status in the policy. Upon such notification, the church should thank and recognize the donor. The donor will also qualify for an income tax deduction equal to the cash surrender value of the policy.

Once received, the church must make a decision. Does the church want the cash value of the policy now? Or, will the church hold the policy until after the donor's death to receive the death benefit?

The answers to these questions will be dependent on the type of policy being given. If there are any questions about that decision, talk to an insurance expert or contact [rick@dsumf.org](mailto:rick@dsumf.org) and we will help you get an answer to your question.

The good news is that by the time you're trying to figure out what to do with the life insurance gift, the fact is that you have already received the gift!

**GIFTS  
OF  
LIFE  
INSURANCE  
REALLY  
PAY  
OFF!**



On October 14, 2004 Bishop Carcaño hosted our Investment Service Presentation in the Galvan Room in the Conference Center. The presentation began at 10:00 AM; lunch and fellowship was catered after the presentation. Representatives of 9 nine churches that have very significant amounts of long-term funds invested other than with the DSUMF were invited to this important presentation by Bishop Carcaño; representatives from seven churches attended.

During the presentation we conveyed several important pieces of information:

1. The DSUMF wants to become self-sufficient without apportionment support and the only way this can happen is by increasing income from investment service management fees. This means that in order to obtain self-sufficiency, the nine churches with a combined total of approximately \$20 million in long term investment funds not invested with the DSUMF would need to invest 25% of their funds with us.

2. There are three acts of congress that identify 27 investment practices required, by law, of non-profit organizations that invest funds. We, here at DSUMF, are in compliance with all 27 practices.

3. The United Methodist Church requires all of its churches, boards, and agencies to invest according to the Social Principles of the United Methodist Church. The DSUMF is fully invested with active management in a low risk portfolio that is screened for the Social Principles of the UMC.

If your church is looking for a solid investment strategy that is in compliance with federal and state law as well as with the Social Principles of the UMC, then give us a call. We will present all the details of our investment service to you

with the hope of adding your church to our growing list of church, agency, and board depositors.

**On October 14, 2004,  
Bishop Minerva  
Carcaño hosted a  
DSUMF Investment  
Service Presentation  
in the Galvan Room  
of the UM Conference  
Center.**

**On behalf of the  
DSUMF Board of  
Directors and all the  
participants in the  
DSUMF Investment  
Service, we extend  
our very sincere  
thanks to Bishop  
Carcaño for all her  
support!**



## SIDE NOTE

One of the ways the DSUMF attempted to generate income for both itself and our participating churches during this past year was to operate a Vehicle Donation Program. Through a sub-contracted agent, the DSUMF accepts donated vehicles of all types including cars, vans, golf carts, boats, and we even accepted a riding lawnmower!



The member who wishes to donate a vehicle is to call 602-252-1360. The call is answered by our agent, who will arrange a time and place convenient to the donor for the actual pick-up of the vehicle. The vehicle's title is signed over to the DSUMF at the time of pick-up and the vehicle is transported to the agent's facility in Phoenix.

The agent determines the vehicle's sales-worthiness and will perform minor repairs, wash and detail the vehicle. If the vehicle is salable, then it is sold at the agent's facility at public auction. If the

vehicle cannot be sold the vehicle is taken to the salvage yard.

Proceeds from the sales of vehicles or salvage of vehicles, less the costs of transportation, transfer of title, and minor repairs are forwarded to DSUMF. When the donor identifies their church or favorite United Methodist ministry to receive some of the net proceeds at the time of donation, the DSUMF actually distributes 60% of the net proceeds and retains 40% to support its own operational expenses.

The DSUMF follows up with the donor by providing an official "donation letter," which provides proper documentation in the event the donor chooses to claim an income tax deduction for their donation. The DSUMF also provides a receipt detailing the vehicles identification number, sales date, proceeds, and fees assessed by the agent.



The reason for recapping this program in this issue of DOLLAR SENSE is because we are finishing this program's first year of

operation. During this past year of the Vehicle Donation Program (VDP), members have donated more than 50 vehicles in various stages of repair. Our agent sold or salvaged these vehicles and generated almost \$22,000 net proceeds. Of the \$22,000, almost \$5,000 was distributed to churches, agencies and a couple of our camps too!



We're proud of this program and encourage you to use it in your church. To advertise the VDP we have bookmarks like the one to the right. We'll send them to you for your distribution in your Sunday Bulletin. November and December are the best months for this program, so don't delay; call now for your Vehicle Donation Program Bookmarks! Your church WINS, your donor WINS and the DSUMF WINS too! This is truly a WIN, WIN, WIN program! Don't pass it up!

**ORDER  
YOUR  
FREE VDP  
BOOKMARKS  
NOW!**



**Support  
Your Favorite  
United Methodist  
Ministry.**

**DONATE  
YOUR USED  
VEHICLE!**

**CALL:  
602 - 252 - 1360**

**Free Pick Up!**

**Full Value Tax  
Deductions!**

**Any Vehicle,  
Any Condition,  
Running or Not!**

**All IRS and Title  
Documents!**

**Support Your Church!**

**This program is raising  
serious income for its  
participants!**

