

DOLLAR SENSE

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

Vol. IV: Issue 3 A Service of the Desert Southwest United Methodist Foundation March 2006



This Newsletter's purpose is to provide clergy and lay leaders of the Desert Southwest Annual Conference's agencies, boards and churches 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 visiting our website and your continued support of this newsletter. From the beginning of 2005 to the end, the average number of visits per quarter to the website doubled! We receive compliments about DOLLAR SENSE often, and we like to hear them too! Of course, we'll accept criticisms, and make changes when necessary. Just let us know what's on your mind and we'll respond as best as we can.



In a recent visit with a newly reconstituted Endowment Fund Committee in a West District Church, I faced some very well meaning people who did not know what they are supposed to do. It seems the commitment level of previous committee members waned. The Pastor recognized this and "appointed" new members to revive the Permanent Endowment Fund Program.

You see, the Pastor knows the importance of

a Permanent Endowment Fund Program at his church. He believes in the future of his church. He is guided in his stewardship by the belief that all we have is a trust from God. He wants to build a sense of permanence in what he does. He expects each member of his church to be a good steward. He wants to "go the extra mile" in providing services and programs that currently, due to budget constraints, are only dreams. He wants to create a heritage that future generations can celebrate as joyfully as he celebrates his church's rich heritage today.

Besides what a Pastor believes, there are other things a Pastor can do to encourage gifts to your church's permanent Endowment Fund Program.

1. Preach on Biblical themes pertaining to being a good steward of one's trust from God (including one's income and accumulated possessions).

2. Teach in adult education settings the subject of responsible Christian stewardship in matters of

personal financial planning and estate planning.

3. Counsel with persons as a part of your pastoral ministry on the importance of wills and estate planning, especially in conjunction with premarital counseling, preparation for baptism of children, counseling at times of health crisis or at the death of a spouse, and pre-planning funeral arrangements.

4. Encourage the formation of a "Permanent Endowment Fund Committee" in the local church that will in turn seek to promote bequests, life income gifts, and other planned gifts in the life of the congregation.

5. Educate yourself about planned giving opportunities drawing upon basic information available through the DSUMF. Study and become familiar with the DSUMF's *PERMANENT ENDOWMENT FUND HANDBOOK FOR*



ENDOWMENT FUNDING

Continued

6. Communicate with church members through the various church media channels about the importance of Christian estate planning and the opportunities for giving through careful, prayerful, and creative gift planning.

7. Encourage the lay leadership to plan (and attend, and support) stewardship events in the local church such as Estate Planning Seminars, Gift Planning Workshops, etc.

8. Develop a long-range planning process with the congregation culminating in a mission statement, which includes endowment funding for the church's mission and ministry to and with future generations.

9. Acknowledge personally and publicly the receiving of bequests and other planned gifts that benefit the local church as a way of encouraging others as well as a way of saying "thank you" to donors.

10. Celebrate with gratitude what faithful friends have made possible through planned gifts that support the ministry and mission of the church today (in other words, what is being

made possible because of planned giving and endowment funding).

11. Evaluate your own estate plan. (Have you included the church or other charitable institutions in your will?)

12. Minister patiently and faithfully since this important aspect of Christian stewardship takes time to "bear fruit."

If each and every one of your church's Permanent Endowment Fund Program is also doing all 12 of the items listed above, then it will not be long before the seeds you plant will bear fruit.

"The Church is of God and will be preserved to the end of time."

ESTATE PLANNING

AND

CHARITABLE GIVING

According to industry standards, 84% of all planned gifts your church will EVER receive will be in the form of bequests. This industry statistic is precisely why DSUMF

has concentrated our educational seminar activities in the estate planning area. When DSUMF conducts an estate planning seminar at your church we specifically ask the members in attendance to include a bequest to your church in their estate plans. A bequest to a church is a way for the donor to perpetuate support for the role a church plays in the lives of others. A bequest also enables the donor to make a major gift that might not otherwise be possible.

Through a **bequest**, you may leave to your church a **specific dollar amount**, or you may reserve for your church all or a **certain percentage of the estate** either before (**Outright Gift**) or after provisions for family members and other beneficiaries have been made (**Residual Gift**). You may stipulate whether the bequest is for the general support of the church (**Unrestricted**) or for a specific purpose (**Restricted**). A bequest may also be made in honor or memory of another individual.

In addition to cash and securities, bequests to your church may include real estate, works of art, patent rights, etc. All bequests to your church are exempt from federal estate taxes, and there is no limitation on the size of the gift.

Suggested Forms of Bequests

When making or revising a will, you should obtain the assistance of an attorney. Members of your church's Permanent Endowment Fund Committee or Foundation Board will be pleased to work with you and your attorney to design an estate plan specifically tailored to your wishes. The following are suggested language for making various types of bequests.

1. Outright Bequest in Last Will and Testament:

(a) Specific dollar amount, unrestricted:

"I bequeath the sum of <\$> to < LEGALLY INCORPORATED CHURCH OR CHURCH FOUNDATION NAME>, <CITY, STATE ZIP>, to be used or disposed of as its Board of Directors in its sole discretion deems appropriate."



(b) Specific property (personal property), unrestricted:

“I bequeath <DESCRIPTION OF PROPERTY> to < LEGALLY INCORPORATED CHURCH OR CHURCH FOUNDATION NAME>, <CITY, STATE ZIP>, to be used or disposed of as its Board of Directors in its sole discretion deems appropriate.”

(c) Specific property (real estate), unrestricted:

“I devise all of my right, title and interest in and to the real estate located at <DESCRIPTION OF PROPERTY> to < LEGALLY INCORPORATED CHURCH OR CHURCH FOUNDATION NAME>, <CITY, STATE, ZIP>, to be used or disposed of as its Board of Directors in its sole discretion deems appropriate.”

(d) Share of, or entire residue, of estate, unrestricted:

“I devise and bequeath [all/or (%), (a tithe is 10%)] of the remainder of my property to < LEGALLY INCORPORATED CHURCH OR CHURCH FOUNDATION NAME>, <CITY, STATE ZIP>, to be used or disposed of as its Board of Directors in its sole discretion deems appropriate.”

2. Conditional or Contingent Bequest in will

Insert conditional language in one or more of the outright provisions above. For example:

(a) Survival Succession Condition, unrestricted:

“If my spouse does not survive me, I bequeath the sum of <\$> to the < LEGALLY INCORPORATED CHURCH OR CHURCH FOUNDATION NAME>, <CITY, STATE ZIP> to be used or disposed of as its Board of Directors in its sole discretion deems appropriate.”

(b) If the gift is for a restricted purpose, insert the restrictive language in place of the words “to be used or disposed of as its Board of Directors in its sole discretion deems appropriate.” For example:

“I bequeath the sum of <\$> to < LEGALLY INCORPORATED CHURCH OR CHURCH FOUNDATION NAME>, <CITY, STATE ZIP>, for the following use and purpose: <DESCRIPTION OF PURPOSE>.”

In the event of a gift that will be subject to a restriction, we suggest including one of the following provisions:

“However, I impose no legal or equitable obligation in this regard, particularly if my designated purpose is not feasible to achieve or is not consistent with the goals of the organization.”

Or

“If in the judgment of the Board of Directors of < LEGALLY INCORPORATED CHURCH OR CHURCH FOUNDATION NAME>, it becomes impossible to accomplish the purposes of this gift, the income or principal may be used for such related purposes and in such manner as determined by its Board of Directors.”

Provide all this bequest language to members of your church. Reproduce the information into a brochure. Promote giving to your church through bequests from Last Wills and Testaments or Revocable Living Trusts.

BEAT THE SUMMER HEAT; CRUISE TO ALASKA!

Join Bishop Carcaño and DSUMF on our August 25th to September 1st cruise to Alaska!

Go to the “Alaska” button on our website for more information, then call “Heather” at Cruise Masters @ 1-800-848-7120 to make your reservations now!

Don’t delay, cruise reservations and final payments must be completed by June 2, 2006!





Some people question our Asset Allocation Model and the fact that we have placed 5% of our portfolio into Managed Futures. I get the question: "Managed Futures - isn't that like investing in pork bellies?"

The answer is "NO – not any more!" When the Managed Futures style of investing originally started in the early 1970's, it did involve "pork bellies," and it was a very speculative style of investing. Here's a news flash: Managed Futures investing has evolved in the last 35 years!

Before placing 5% of our portfolio into Managed Futures, we investigated the industry. We investigated risk and return and industry statistics that provide evaluative information. We investigated different Managed Futures Asset Managers with the help of our Wachovia advisors. Since we ascribe to Modern Portfolio Theory, we even employed Sharpe Ratios to determine the impact of using Managed Futures in our portfolio both in terms of the level of risk we are willing to assume on behalf of our depositors and in terms of the future rate of return we could expect.

Our current Managed Futures Asset Manager is Campbell & Company. They've been investing in the Managed Futures style since 1972, and they have an annualized rate of return since inception of 18.84%. Campbell & Company invests in Currencies(49%), Interest Rates(36%), Energy(8%), Stock Indices(6%), and Other(1%). From September 1, 2004 to December 31, 2005, Campbell & Co. has generated a 20.41% cumulative return for us. More importantly, by placing 5% of our portfolio into Managed Futures with Campbell & Co., we actually reduced our portfolio's over all risk by more than 25%.

Anytime you can increase your return and decrease your risk at the same time – it is a good day! If you want to learn more, then stayed tuned to DOLLAR SEN\$E! Better yet, become a member of our Investment Committee by getting your Church, Agency, or Board to become a depositor. All Church, Agency and Board depositors are encouraged to appoint a representative to our Investment Committee.

Recycle Your Old Cell Phone with DSUMF. Bring Your Old Cell Phone to Annual Conference 2006.

**BEAT THE SUMMER HEAT;
Join Bishop Carcaño and DSUMF on an Alaskan Cruise from August 25th to September 1st, 2006!**

Sail the famed Inside Passage from Vancouver to Seward and see Ketchikan, Icy Strait Point, Juneau, Sitka, and Hubbard Glacier on the way!

Enjoy fellowship with Bishop Carcaño, other like-minded United Methodists, and educational presentations about estate planning and charitable giving from DSUMF's Dr. Rick Brown too!



Holland America's elegant ms. Statendam and her crew provide gracious service, and five-star, sophisticated dining, while you enjoy the breath taking vistas of Alaska!

Go to our web site at dsumf.org. Click on "Alaskan Cruise" for more information, and pricing. Call Heather, our cruise specialist at 1.800.848.7120 to book your travel now!

Alaskan cruises sell out every year! Don't delay. Reservations and final payments must be completed by June 2, 2006!



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Charitable Giving,
Investing,
Cell Phone Recycling,
Vehicle Donations,
and
Cruising to Alaska,

WHAT ELSE YOU ASK?

The Answer is:

LEADERSHIP TRAINING!

Read On.

ATTEND DSUMF'S LEADERSHIP TRAINING IN 2006!

Throughout the day at each Training Event, a presentation will be made in five different areas that effect a church's financial future. It is highly recommended that you send representatives from your Finance Committee, Foundation Board, Endowment Fund Committee, Stewardship Committee, and Board of Trustees to the event scheduled for your district or cluster.

Training Topics Include:

1. Creating and Operating a Permanent Endowment Fund Program at Your Church.
2. Charitable Giving in Your Church.
3. Charitable Gift Annuities vs. Charitable Trusts.
4. Encouraging Bequests to Your Church Through Estate Planning.
5. Investing Your Church's Long-Term Money.

Sites and Dates:

**South District
Christ Church UMC
March 25, 2006**

**West District
Epworth UMC
April 1, 2006**

**East District
Velda Rose UMC
April 8, 2006**

**Yuma Cluster
Trinity UMC
April 22, 2006**

**North District
University UMC
May 6, 2006**

**Flagstaff Cluster
Trinity Heights UMC
May 20, 2006**

The registration fee is a sliding scale. The more people you send from your church, the cheaper it is to register additional people. The registration fee is \$25 for each of the first 2 attendees from your church. The fee for each of the next 2 attendees is \$15, and for each of the rest of the people you send from your church, the fee is \$10.

For \$100, you can send 6 people who will have the opportunity to meet and interact with like-minded United Methodists from other churches, receive more than 250 pages of the best written materials we know how to produce, and of course, lunch will be served. All the training materials will be burned onto a CD, which will automatically open when you put it into your computer.

Registration fees may be paid via check made payable to "DSUMF." If you wish, we can invoice your church for the registration fee, but you need to register now!

To register, ask us for a registration form, or just call and we'll complete the form for you.

**Register Now!
Call us at:
602-266-6956
Ext. 203**

**The Spring
Calendar is
almost full!**

Schedule an

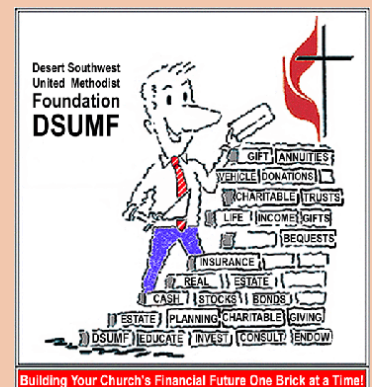
**Estate
Planning
or a
Charitable
Giving
Seminar**

**or a
G.R.E.A.T.
Program
Presentation
NOW!**

**We are actually
scheduling dates
for the Fall!**

**DO NOT
DELAY!**

**Schedule your
next seminar
NOW!**



Building Your Church's Financial Future One Brick at a Time!