

## DESERT SOUTHWEST UNITED METHODIST FOUNDATION

*Rev. Steve Ziegler (2024)*

*Paula Adkins, Vice-President (2024)*

*Colleen Becker, Secretary-Treasurer (2024)*

The Foundation continues to seek new ways to serve the clergy, churches and organizations within the Desert Southwest Annual Conference. We saw no exception to that in 2024. Many new connections have been made in all of the districts, and we are really excited by our many new investment partners! The District Superintendents continue to be wonderful partners in promoting the many services the Foundation offers. We look forward to continued success in the Conference and building new relationships with clergy and their churches.

Our Executive Director, Anne Green continues to visit a different church on most Sundays. This allows for more visibility of the Foundation, as well as getting to know more pastors and members of the congregation. Most importantly, it allows her to experience worship in a multitude of ways.

We had a wonderful year with investments in 2024! Our Multiple Asset Fund came in at 9.5% in returns; the Fixed Income Fund had a 2.46% return; the Equity Growth Fund really did well with 12.7% in returns; our newly opened Fossil Free Moderate Fund had a 12.5% return and rounding out the group was the Short-Term Investment Fund at 5.19% in returns. Our outreach efforts continue, and this has resulted in some additional church investment accounts. We have also been busy in the field with presentations on wills and estates, as well as Planned Giving.

Monthly e-newsletters are being sent with valuable information on our Foundation as well as numerous financial and economic topics. Please reach out if you would like to receive our e-newsletter!

### MISSION/VISION

As the Foundation created to support the Desert Southwest Annual Conference, our mission is to be dedicated to providing the highest quality of investment, education and growth development programs for individuals and churches, delivered with transparency, sincerity, and professionalism. Our vision is to secure the financial cornerstones of the church through preserving the generosity of faithful givers and by using gifts to create a legacy for the future.

To accomplish its mission, the Foundation operates as a Service Bureau. The Foundation focuses on three main services for the purpose of promoting Stewardship in the local church: 1) The Educational Service Program, 2) The Investment Service Program, and 3) The Consulting Service Program.

**The Educational Service Program** has traditionally provided educational materials and presentations in three areas: 1) Estate Planning, 2) Stewardship and Charitable Giving, and 3) Creating Endowment Funds. Estate Planning Seminars are designed to teach members the importance of becoming good stewards of their own assets. In turn, it is known that members will transfer their new stewardship knowledge to work for the benefit of their church. We estimate that thousands of our members have created new estate plans and have committed millions of dollars in deferred bequests to their host churches.

The Charitable Giving, aka Planned Giving Seminar is designed to teach members about the charitable giving vehicles available, their tax implications, and how the Foundation can assist the local church in promoting a charitable gifting culture for the benefit of the local church. DSUMF has assisted in the creation of almost 375 deferred gifts designed to support their churches' ministries with gift values over \$3 million.

The Permanent Endowment Fund presentation is conducted for a committee at a local church that wishes to establish a permanent endowment fund. Having a permanent endowment fund provides a church the opportunity to have a fund that lives in perpetuity, with income used to support the many missions of the church for years to come.

The Estate Planning presentation is designed to educate members of the importance of leaving their affairs in order and the importance of remembering their church in their will. This should be of great importance to your church. Keep in mind, if someone else is asking for those charitable dollars and your church is not, that is an opportunity missed!

We work with local attorneys who are happy to discuss wills, trusts and estate preparation at your church. In addition, Judi Smith, our Gift Planning Officer, can give presentations to include estate planning, as well as her standard planned giving presentations.

The Foundation is here to serve the churches, boards, and agencies of the Desert Southwest Conference. Therefore, all seminars and handouts are provided free of charge. We encourage all churches to participate in these free presentations. To schedule a presentation, contact the Foundation at 602-798-8202 or email your request directly to Anne Green at [agreen@dsumf.org](mailto:agreen@dsumf.org) or Judi Smith at [jsmith@dsumf.org](mailto:jsmith@dsumf.org).

**The Foundation's Investment Service** is for churches, agencies, or boards of the Annual Conference that have long-term and short-term funds to invest. The Investment Service is generally not for individuals, unless it involves opening a Donor Advised Fund or creating their own endowed fund to benefit their church or a United Methodist entity. Our Investment Service charges an all-inclusive management fee based on the total funds a depositor has under our management. For 2024, the annual fee was not raised and remained the same at 1.0% annual. There is an opportunity to further reduce the fee for each additional million dollars you have invested. At the end of 2024, the Foundation had over \$46 million in assets under management.

We continue to be pleased in our partnership with Wespath Institutional Investments. Wespath Institutional Investments is a branch of Wespath Benefits and Investments, the UM general agency responsible for the pension and health benefits for clergy and lay members within the denomination. They continue to support the Foundation in many ways and can always be relied upon for top-notch service.

Representatives from Wespath report regularly to the DSUMF Board of Directors regarding the state of the market, current events, and their impact on investments, as well as the Foundation's funds' performance specifically. By using Wespath Institutional Investments, we are working together with a strategically thinking entity that is part of our denomination's connectional system. We are confident that we are always invested according to the Social Principles outlined in the Book of Discipline. It brings us and our churches great peace of mind.

## FUND OFFERINGS

In 2024, we offered five investment options – our Multiple Asset Fund which consists of 65% equities and 35% fixed income; a Fixed Income Fund which consists of 80% fixed income and 20% inflation protection; an Equity Growth Fund which consists of 70% US equities and 30% international equities; a Fossil Free Moderate Fund, which excludes investments in fossil fuel companies with a 65% equities and 35% fixed income allocation; and lastly, a Short-Term Investment Fund consisting of short-term fixed income instruments. A particular fund to highlight, the Short-Term Fund is similar to a CD or Money Market with an expected annual return of 5%. The beauty of this fund is it has no time restrictions and as with all of our funds, they are liquid at all times. These fund offerings allow customers more freedom and choice when it comes to investing their funds. Feel free to contact Anne Green at [agreen@dsumf.org](mailto:agreen@dsumf.org) for more information on these offerings.

## INVESTMENT STRATEGY AND OVERSIGHT

A goal of the Foundation is to protect our depositors' funds and make them grow. The investment strategy reflects that goal. The process we follow includes oversight, diversification of investments, long term focus, and industry best practices.

The investments of the Foundation are guided by the Board of Directors. The Board sits in on quarterly webinars hosted by Wespath Institutional Investments explaining the quarter's earnings. While they cover the earnings of the funds, they also report on the economy and other important factors that directly relate to those changes. It brings great solace to know that Wespath Institutional Investments has our United Methodist mindset and thus our best interests in mind.

The Foundation deposits are made up of more than 207 different sub-accounts which fall into four main categories: 1) Endowment Accounts, 2) Charitable Gift Annuity Accounts, 3) Charitable Trust Accounts and 4) Church and Agency Depositor Accounts. We appreciate the continued confidence demonstrated by the Desert Southwest Conference Churches, Boards and Agencies. During 2024, we were blessed to receive over \$1.3 million from both new and existing depositors.

## OTHER SERVICES

Another benefit of the Foundation involves our **Gifted Securities Transfer Service**. When a donor gives securities to a church, the **church** is responsible for completing: 1) a properly worded “Donation Letter,” if the gift is valued at more than \$250; and 2) an IRS Form 8283 stating the Fair Market Value of the gifted security on the date of receipt. The donor will need these documents if they intend to claim the gift as a deduction on an itemized tax return. DSUMF refers to these documents as the “**Donor Packet**.” Preparation of these documents by the church is *required by law*. Therefore, preparation of the Donor Packet requires specialized knowledge that most churches do not have readily available. In addition to preparing and distributing the documentation in a reasonable time, the church is required to produce certain records for permanent files that are required by auditors. If a church is accepting gifted securities and is not producing both the Donor Packet and permanent records of the transactions, it runs the risk of both running into trouble with the IRS and “failing” its professional audit.

**However**, when churches encourage their members to transfer their gifts of securities to **DSUMF**, the security comes directly to DSUMF. Therefore, DSUMF is the recipient organization that becomes responsible for producing all the proper documentation required by the IRS (i.e. the donor packet). We also keep permanent records. All the church needs to do to receive the proceeds from a gift of stock from a member is to give the DSUMF transfer instructions to their member/donor and wait for a check from DSUMF. We properly prepare the Donor Packet in a timely fashion. **This is a free service offered by DSUMF.**

In 2024, we distributed approximately \$165,000 to various churches as a result of our Gifted Securities Transfer Service. Please contact the Foundation office for more information on Donor Packets and security transfers.

## LOAN FACILITATION

We have partnered with Wesleyan Impact Partners (formerly Wesleyan Investive) to facilitate and partner with churches and organizations who may be seeking a loan. While loans are made directly by Wesleyan Impact Partners, our Foundation acts as a liaison between the church and the Partners to give/gather information, do local site tours and walk by the organization’s side through the loan process.

## GIFT ANNUITIES/TRUSTS

Approximately \$31,000 was distributed to gift annuitants and beneficiaries of charitable trusts.

While promoting gift annuities among your congregation, keep in mind the Foundation will 1) write the contract, 2) assume the liability, 3) make all the annuity payments and 4) provide the proper tax information and upon maturity, deliver the residuum per the annuitant’s wishes.

## DO MORE GOOD – FOR CLERGY AND THE CONFERENCE

The Foundation issued over \$100,000 in gifts/grants to churches and clergy to help both achieve success. That amount does not include the educational awards we issued.

The Foundation had the distinct pleasure of once again hosting a Fellowship Room at the annual “Gathering” of clergy in Tucson. The Gathering is a time for clergy to reconnect, receive continuing education, as well as participate in meetings of the Orders. It is a busy time for them. The Foundation’s Fellowship Room provided a room for just that – fellowship. We had a pool table, ping pong, beverages, snacks, a charitable project for a local animal shelter, other arts and crafts, as well as professional chair massages. Fresh popped popcorn was also a highlight!

During the 2024 Annual Conference, the Foundation sponsored coffee, beverages and snacks to make the meeting more enjoyable. The Foundation also sponsored the reception for the Ordinands as well as a special snack break honoring the Retirees.

We love supporting churches, clergy and individuals who all have the common mission of *Making Disciples of Jesus Christ for the Transformation of the World!*

## SCHOLARSHIPS

In 2024, the Foundation distributed \$22,500 in scholarships. Distributions were made to Deontez Wimbley, Cross Roads UMC; Rachel Mosher, St. Marks UMC; Nicholle Hansen, First UMC of Mesa; Robert Payne, Desert Mission UMC; Naythan Vargas, Native American UM Fellowship; Ben Hauth, Paradise Valley UMC, Mary Shaver, First UMC of Phoenix; Paul Cho, Tempe First UMC; Luis Nazario, Iglesia Aliento UMC; and Adriana Hernandez, Gilbert UMC.

DSUMF once again partnered with the Desert Southwest Conference, The General Board of Higher Education & Ministry (GBHEM), the Lilly Foundation and the UM Accredited Seminaries to fund a qualified DSC candidate in their second or third year of seminary who would be funded a \$12,500.00 scholarship if they met all of the application criteria. The name of the program is Excellence in Leadership Scholarship and can be found on the GBHEM website [www.GBHEM.org](http://www.GBHEM.org). In 2024, DSUMF was proud to fund their share for Nicholle Hansen from First UMC in Mesa.

**DOLLARS FOR SCHOLARS** – We were happy to receive two applications for the matching ‘Dollars for Scholars’ program based on our partnership with the United Methodist Higher Education Foundation. This program involves matching support from a student’s church, UMHEF, partnering UM-related schools and participating UMC conference foundations. An award may total up to \$4,000. We awarded two \$1,000 grants. One recipient was Nicholle Hansen, whose church is First UMC of Mesa and the second went to Ron Bartlow of St. Paul’s UMC of Tucson. For more information on this program, please visit [www.umhef.org/scholarships/umdfs](http://www.umhef.org/scholarships/umdfs).

DSUMF is blessed to provide valuable educational, investment and other services for agencies, boards, and churches of the Desert Southwest Conference. The Foundation encourages all members and all churches to use our services. The Foundation believes each of these services is consistent with the priorities of the Desert Southwest Conference and should be incorporated into the daily life of every local church. We appreciate your continued trust and for allowing us the opportunity to serve you.

For more information about the Foundation and its services, contact:

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## 2024 DSUMF Board of Directors

Paula Adkins, Paradise Valley UMC  
Colleen Becker, FUMC Sun City  
Dr. Paul Hewitt, Green Valley UMC (NV)  
Linda Lulkovich, Cross in the Desert UMC

Rev. Antonieta Wyrick, Christ Community UMC  
Rev. Steve Ziegler, Retired, N. Illinois Conference  
Matt Kuss, Ex-Officio, DSAC

The 2024 Board of Directors voted to approve this report on April 28, 2025. The vote was six in favor, zero against, and zero members absent.