



# **SAMPLE**

**UNITED METHODIST CHURCH OF {Church Name}**

**{Address}**

**{Your Church's Name, State Zip}**

## **SUB-ACCOUNTS POLICY**

There are many worthwhile categories to which gifts may be made.

- I. Capital:** The physical plant is always a great concern for churches. Therefore, the United Methodist Church of {Church Name} expects this to be a major gift category if it is to meet its future building needs. Some of the anticipated projects might include examples such as:
  - A. Capital renovation (for major work on the current structure);
  - B. Capital improvements (for unbudgeted repair and enhancements);
  - C. New buildings (for additions, campus expansion, and new property).
  
- II. Program:** Funding in this category is for enhanced ministry programs. General categories of ministries may be included as means to provide future “seed money” for program development. For example:
  - A. Music (staffing and/or program enhancements, additions)
  - B. Youth Ministry (staffing, training, and/or program initiatives)
  - C. Christian Education (new programs for children, youth, and adults)
  
- III. Outreach (Missions):** As a community of passionate disciples of Jesus Christ, the church expresses its faith by acts of compassion through mission and service. It may be helpful also to further classify church's priority outreach ministries by:
  - A. Geographical distinctions (local community, state/nation, or world);
  - B. Type distinctions (missionary covenant support, disaster relief/ UMCOR; education/service programs in other cultures/Volunteers in Mission; or economic/poverty/homeless social programs).
  
- IV. Education Scholarships:** History suggests that many donors wish to direct gifts to permanent funds that provide scholarship support in perpetuity. The students who will benefit and the types of support they may receive might include:
  - A. Tuition support for congregation's college and/or seminary students
  - B. Tuition support for United Methodist Youth – i.e., “camperships”
  - C. Tuition support for United Methodist Youth – i.e., retreats, seminars, conference.
  
- V. General Endowment Fund:** Earnings from the General Endowment may be used for any purpose that is consistent with the mission of the church. Related to this category are the following issues:

- A. General Endowment earnings are typically used for special needs and ministries. Examples include: “General/Undesignated Endowment Fund earnings will be distributed annually or as recommendation by the Endowment Committee and approved by the Administrative Council.
- B. Earnings from the General Endowment may be used to provide for reasonable endowment promotional and/or donor recognition expenses.

**VI. Additional Sub-Accounts:** Additional sub-accounts may be designated from time to time by the recommendations of the Endowment Committee and approval of the Administrative Council. See appendix A, Gift Acceptance Policy.

**VII. Minimum Gift Amount:** In order for a gift to be a separate permanent endowment, the gift must be a minimum of \$25,000 or reach this minimum within three [3] years.

- A. Distributions from the endowment may not be made until the principal reaches the minimum threshold of \$25,000
- B. If the endowment does not meet the \$25,000 minimum goal within the required three [3] years, the funds will be transferred to the General Endowment Fund.
- C. Once the minimum threshold is met the fund may declare a designated permanent endowment.
- D. Once the minimum threshold is met gifts of any size will be accepted.