



Endowment Fund Handbook

First United Methodist Church
of Clermont
Clermont, Florida

Table of Contents

Chapter I	Procedures
-----------	------------

Chapter II	Gift Acceptance Policy
------------	------------------------

Chapter III	Investment Policy Statement
-------------	-----------------------------

Chapter IV	Financial History of the Endowment Fund
------------	--

Chapter V	Custodial Fees and Sample Letters
-----------	--------------------------------------

Chapter VI	Meeting Minutes
------------	-----------------

FIRST UNITED METHODIST CHURCH OF CLERMONT
Clermont, Florida

**Procedure for Receiving, Administering and Making
Disposition of Bequests and Trust Funds
and the Establishment of a Permanent Endowment Fund
Amended October 12, 2003**

The following are the procedures, rules and regulations for the receiving, administering and distribution of funds given to the church by will or trust, or donated to the Permanent Endowment Fund:

1. Subject to the direction of the Charge Conference, a Permanent Endowment Fund committee consisting of at least seven (7) members, two of whom are members of the Trustees and Finance committees respectively, selected by the Charge Conference and requiring a quorum of at least five (5) members to do business shall:
 - a. Receive and administer all bequests and trust distributions to the Church and any other gifts or donations to the Permanent Endowment Fund.
 - b. Receive and administer all trusts.
2. In carrying out the above duties, the Permanent Endowment Fund Committee shall be guided by the following principles:
 - a. Any such monies coming to the Church shall be considered as "God's money" to be used in His cause to help others and not used to lighten the normal obligations and responsibilities each member now has to the church.
 - b. It shall be the object and duty of the Permanent Endowment Fund Committee to receive, collect, and hold in trust for the benefit of the First United Methodist Church of Clermont, Inc. all bequests of any kind, funds or properties, that may be given, devised, bequeathed or conveyed to the First United Methodist Church of Clermont, Inc., and to administer the same and the income therefrom in accordance with the directions of the donor, trustor, or testator.
 - c. The Permanent Endowment Fund Committee shall have power to invest, reinvest, sell, transfer, and convey any and all funds and properties which it may receive by bequest or hold in trust, subject always to the terms of the bequest, devise, or donation and paragraph 2533 of *The Book of Discipline of the United Methodist Church*.
 - d. The Permanent Endowment Fund Committee shall be responsible to determine the intent of the donor, trustor, or testator, with respect to the use, and disposition both of the corpus and of the income of each separate gift, bequest or acquisition which it may receive. If the terms of the gift, bequest, or other instrument involved are vague, uncertain, or impossible of literal fulfillment, the Committee shall have authority to determine the use or uses of each such fund which shall conform with the general purposes of the donor, trustor, or testator provided that such purposes can reasonably be determined from the terms of the gift, bequest, or other applicable instrument. If the specific or general purposes of the donor, trustor, or testator cannot be reasonably determined by the Committee, or no purpose or use is designated in the will, trust or gifts instrument, the disposition of such funds or property shall be referred to the Administrative Board for direction. Such determination regarding the intent of the donor must be conveyed in writing. Verbal or written testimony from the deceased's relatives or friends will be referred to the Administrative Board for direction.

3. The Permanent Endowment Fund Committee is directed to establish and administer a Permanent Endowment Fund:

- a. The Permanent Endowment Fund shall consist of all gifts or bequests by will or trust to the church, unless otherwise designated, and any other gifts or donations given to and designated to be placed in the Permanent Endowment Fund.
- b. The Permanent Endowment Fund is to be held in trust, invested, administered and distributed by the Permanent Endowment Fund Committee as authorized above. The principal of this fund shall be invested, and distributions to the Church may be made at the beginning of each quarter at the rate of 1.75% of the total value of the fund at the end of the previous quarter. These monies shall be distributed or set aside each year for the following purposes:

(I) Benevolences

- (a) World wide
- (b) National
- (c) Local
- (d) Other types

(II) Scholarships (Church-oriented)

(III) Expanded Ministries

(IV) United Methodist Institutions

(V) Capital Expenditures Under the direction of the Board of Trustees, up to fifty percent (50%) of the annual income may be accumulated up to a maximum of \$150,000 toward one or more urgent and specific capital expenditures to meet the growing needs of this church in serving our Lord. Such expenditures must be beyond the normal capabilities of the general budget, and of special giving to support the particular items approved for this capital improvement program.

c. No income or principal is to be spent for capital improvements other than as designated in 3b(V) above or normal current expenses or budgeted items of the church.

d. Within the basic principles established under paragraph 2a, any member or committee seeking an allocation of Permanent Endowment Fund interest for any purpose shown in 3b(I)-(IV) above shall submit a "Permanent Endowment Fund Allocation Request" for consideration by the Administrative Ministry Team. Requests that are approved by the Administrative Ministry Team shall be forwarded to the Administrative Board for final approval. An annual accounting of such expenditures shall be made to the Administrative Board and the Charge Conference as specified in paragraph 5 below.

4. The Permanent Endowment Fund Committee is authorized and directed to intervene and take all necessary legal steps to safeguard and protect the interests and rights of the First United Methodist Church of Clermont, Inc. anywhere, in all matters relating to property and rights to property whether arising by gift, bequest, or otherwise, or where held in trust or established for the benefit of the First United Methodist Church of Clermont, Inc. or its membership.

5. The Permanent Endowment Fund Committee shall make annually to the Administrative Board and the Charge Conference a full, true and faithful report of its management and administration of all funds, money, securities, and property held in trust by it, and of its receipts and disbursements during the year.

6. The Board of Trustees shall make annually to the Administrative Board and the charge Conference a full, true and faithful report of its management and administration of all funds from the Permanent Endowment fund use at its discretion for Capital Expenditures.

7. This document may be amended only with the approval of the majority of those present at meeting attended by two-thirds (2/3) of the membership of the Administrative Board. Board members must be given ten (10) days written advance notice of such meeting and of the change to be taken up at the meeting.

8. In accordance with paragraph 2533 of The Book of Discipline of the United Methodist Church, "following each General Conference, the charge conference shall update any required changes in the planned giving and/or permanent endowment fund documents."

Approved at Charge Conference held October 12, 2003.

First United Methodist Church of Clermont
Clermont, Florida
PERMANENT ENDOWMENT FUND

GIFT ACCEPTANCE POLICY

PURPOSE

The purpose of this Gift Acceptance Policy is to describe the type of gifts that can be accepted and the manner in which they can be accepted.

INTRODUCTION

In order to protect the interests of First United Methodist Church of Clermont, (hereinafter referred to as “the Church”) and the persons and other entities supporting its programs, these policies are designed to assure that all gifts to the Church, or for the use of the Church, are structured to provide maximum benefit to both parties.

This document focuses on both current and deferred gifts, with special emphasis on various types of deferred gifts and gifts of non-cash property. The goal is to encourage funding of the Permanent Endowment Fund (hereinafter referred to as “the Fund”) without encumbering the organization with gifts that may prove to generate more cost than benefit, or which are restricted in a manner not keeping with the goals of the Church.

To optimize funding from individuals and other entities, the Church must be capable of responding quickly, and in the affirmative where possible, to all gifts offered by prospective donors. Except where stated otherwise, these policies are intended as guidelines only. Flexibility must be maintained since some gift situations can be complex and decisions only made after careful consideration of a number of interrelated factors. Therefore, these policies may in some instances require that the merits of a particular gift be considered by the Permanent Endowment Fund Committee (hereinafter referred to as “the Committee”) and a final decision be made only after a recommendation by that Committee.

GIFT ACCEPTANCE TERMS AND CONDITIONS

All gifts will be acknowledged by written confirmation of the gift and of any terms and conditions of the gift acceptance policy. The Church will abide by any request of the donor to remain anonymous.

I. OUTRIGHT GIFTS

A. CASH

1. Gifts in the form of cash and checks shall be accepted in any amount.
2. All checks must be payable to First United Methodist Church of Clermont and in no event shall they be made payable to an employee, agent, or volunteer for credit to the Church.

B. PUBLICLY TRADED SECURITIES

Securities, which are traded on the exchanges, shall be accepted by the Church. The Committee shall make the decision to keep or sell the security.

C. CLOSELY HELD SECURITIES

The Committee may, upon approval, accept Non-publicly traded securities. The Committee shall make the decision to keep or sell the security.

D. REAL PROPERTY

1. All gifts of real property must have the approval of the Committee and a fair market value in excess of (for example, \$ 10,000)
2. Prior to approval, the Committee shall make a recommendation for accepting the real estate and shall include a report on (but not limited to) the following:
 - a. Current title and ownership
 - b. Current zoning
 - c. Any and all restrictions
 - d. Any encumbrances, including an Affidavit of Lien signed by the Donor.
 - e. An independent qualified third party appraisal
 - f. An environmental assessment
 - g. A recommendation on marketability
3. Upon recommendation from the Committee, the Board of Trustees shall make the final decision to keep or sell the property.

E. TANGIBLE PERSONAL PROPERTY

1. All gifts of personal property must have the approval of the Committee and a cash value in excess of (for example \$1,000).
2. Prior to approval, the Committee shall make a recommendation for accepting the personal property and shall include a report on (but not limited to) the following:
 - a. current title and ownership
 - b. an independent qualified third party appraisal
 - c. a recommendation on marketability
3. The Committee shall make the decision to keep or sell the property.

F. OTHER PROPERTY

The Committee shall make the decision to accept and to keep or sell any other property that it may deem to be in the interest of the Church.

II. PLANNED (DEFERRED) GIFTS

A. BEQUESTS

1. Gifts through wills (bequests) shall be actively encouraged by the Church.
2. Upon inquiry by a prospective donor, all representations as to the future acceptability of various properties to be left to the Church in a will or other deferred gift shall be made in accordance with the terms and provisions of Paragraph I (A-F) of this document.
3. Gifts of property that are not acceptable from estates shall be rejected by the Committee and that decision shall be communicated to the legal representatives of the estate.

B. REVOCABLE LIVING TRUSTS AND CHARITABLE TRUSTS

1. The Committee will recommend as fiduciary The Florida United Methodist Foundation, Inc.
2. The Church will not normally pay the fees for management of a Charitable Remainder Trust, however, upon approval by a majority of the Committee, the Church may pay these fees. The fees for management of a Revocable Living Trust will not be paid by the Church under any circumstances.
3. Revocable Living Trusts and Charitable Remainder Trusts and all other deferred gifts shall be encouraged as a method of making gifts to the Church while retaining income, which may be needed by the donor for personal purposes. Such trusts shall not be marketed as tax avoidance devices or as investment vehicles and it is understood that no activity will be conducted that will violate Federal and /or State security regulations.
4. Any employee or other persons acting on behalf of the Church shall make no representations as to the manner in which trust assets will be managed or invested.

C. LIFE ESTATE GIFTS

The committee may accept such gifts provided that there has been a full disclosure of the possible ramifications of the transaction to the donor. That is, the maintenance, taxes and other costs associated with upkeep of the residence are ordinarily borne by the donor throughout his or her lifetime. The life estate gift must be the donor's primary residence.

D. LIFE INSURANCE POLICIES

1. The Church will encourage donors to name the Church as beneficiary of life insurance policies that they have purchased.
2. The Church will not accept gifts from donors for the purpose of purchasing life insurance on the donor's life. Exceptions to the policy may be made only when the

Church has an insurable interest and is in compliance with all State and Federal statutes.

3. No insurance products will be endorsed for use in funding gifts to the Church.
4. In no event shall lists of Church donor's names be furnished to anyone for the purpose of marketing life insurance for the benefits of donors and/or the Church.

E. GIFT ANNUITIES

The Church will accept Charitable Gift Annuities purchased from The Florida United Methodist Foundation, Inc.

III. PAYMENT OF FEES RELATED TO GIFTS TO THE CHURCH

A. FINDERS FEES OR COMMISSIONS

No fees shall be paid to anyone as consideration for directing a gift to the Church.

B. PROFESSIONAL FEES

1. In general, the donor shall pay any fees associated with the gift. The Endowment Fund Committee can the request the Board of Trustees to pay the fees.
2. No fees shall be paid to anyone as compensation for sale of any products to the donor.

IV. RESTRICTIONS

The Committee prior to acceptance of the gift must approve any restriction on the use of any gift.

V. DESIGNATED GIFTS

The Endowment Fund does not accept designated gifts.

This Gift Acceptance Policy Document shall be attached to and shall become an integral part of the First United Methodist Church of Clermont Permanent Endowment Fund Agreement.

Accepted: _____
(Date)

INVESTMENT POLICY STATEMENT

FOR

FIRST UNITED METHODIST CHURCH OF CLERMONT

EXECUTIVE SUMMARY

Current Aggregate Fund Assets (as of 12/31/2008)	\$ 1,340,899
Investment Objectives	Growth & Income
Main Goal of the Fund	To provide money for missions & outreach as described in the PEF document as amended Oct. 12, 2003
Risk Tolerance	Balanced: Moderate Growth Moderate Income
Investment Time Horizon	25 years plus
Absolute Target Return	7%
Relative Target Return	4% plus CPI
Spending Target	Annual spending rate 4% of portfolio market value
Liquidity Requirements	Quarterly and/or special disbursements
Portfolio restrictions	
Asset Allocation Target Weightings	0-10% cash 40% to 60% equities 40% to 60% fixed income
Tax Status	Tax Exempt

Purpose

The purpose of this Investment Policy Statement (IPS) is to assist the Committee in effectively monitoring and evaluating the management of the Endowment Fund's assets. The Fund's investment program is defined in the various sections of the IPS by:

- Stating in a written document the Committee's attitudes, expectations, objectives and guidelines for the investment of the Fund's assets.
- Setting forth an investment structure for managing Fund assets. This structure includes various asset classes, asset allocation policies and investment approaches. The structure is expected to produce adequate diversification and total investment return over a long term horizon.
- Encouraging effective communication between the Committee and service providers.
- Establishing formalized criteria to monitor and evaluate service provider results on a regular basis.
- Complying with all applicable laws, rules and regulations and fiduciary, prudence and due diligence requirements.

Investment Objective & Main Goal of the Fund

The primary objective of the Fund is to provide growth with the secondary objective being income. The goal is to provide money for Missions & Outreach as described in the "Procedure for Receiving, Administering and Making Disposition of Bequests and Trust Funds and the Establishment of a Permanent Endowment Fund Amended October 12, 2003" paragraph 3b items I through V.

Return Objective

Based on our investment objective, the return objective is an annualized expected (average) return of 7.0%. This return however is not guaranteed and may display substantial volatility from year to year, with the most likely scenario falling within a range of -2.0% and 15.0%.

**See footnote on last page.

Communication and Review

Quarterly: Quarterly statements of activity are to be forwarded to all members of the Endowment Fund committee and one copy to the church office.

Annually: Annually the Investment managers should expect to provide a portfolio review to Endowment Fund committee which will include portfolio status, time-weighted returns in accordance with association for investment management and research benchmarks, economic outlook, investment strategy and other related matters which would be of interest to the board.

Ongoing: Ongoing communication by phone, letter or personal consultation will be required as deemed necessary by the investment advisor and/or the committee.

Definition of Risk

The Endowment Fund committee realizes that there are many ways to define risk. It believes that any person or organization involved in the process of managing the Endowment Fund's assets should understand how it defines risk. This way, the assets are managed in a manner consistent with the Fund's objectives and investment strategy as indicated in this statement of investment policy. The Endowment Fund committee defines risk as:

- The probability of losing money over the Fund's investment time horizon.
- The probability of not maintaining purchasing power over the Fund's investment time horizon.
- The probability of not meeting the Fund's absolute return objective.
- High volatility (fluctuation) of investment returns.

Securities Guideline

The following asset classes have been deemed appropriate investment vehicles but should be used only if they meet the following criteria:

Domestic Equities

- Equity holdings in any one company should not exceed 5% of the market value of the fund's equity portfolio.
- Allocation to any one economic sector should not be more than 2 times the broad market index weighting and should be consistent relative to a broadly diversified equity portfolio.
- The manager shall emphasize quality in security selection and shall avoid risk of large loss through diversification.
- The manager shall have the discretion to invest a portion of the asset in cash reserves when deemed appropriate.
- Holdings of individual securities shall be large enough for easy liquidation.

International Equities

- Equity holdings in any one company shall not exceed 5% of the market value of the Fund's international equity portfolio.
- Allocation to any specific non U.S. country shall not exceed 10%.
- There shall be no direct foreign currency speculation or any related investment activity.

Defining Asset Class Strategies

Within each asset class, there is a specific strategy as delineated below:

Equities

There are two major segments to the equity portion – core and specialty.

- I. The core segment encompasses the large-cap components and if further segmented between core, value and growth styles.

2. The specialty segment may include the following sub asset classes:
 - Convertible securities
 - Developed international equities
 - Large-cap core
 - Large-cap growth
 - Large-cap value
 - Mid-cap core
 - Mid-cap growth
 - Mid-cap value
 - Small-cap core
 - Small-cap growth
 - Small-cap value
 - REIT equities

Domestic Fixed Income

1. All individual bonds will be investment grade or better. U.S. Treasury and U.S. government agencies which are unrated qualify for inclusion in the portfolio.
2. A High Yield bond mutual fund is an acceptable investment.
3. The exposure of the portfolio to any one issuer, other than securities of the U.S. government or agencies, shall not exceed 10% of market value of the fixed income portfolio.
4. To the extent possible, the corporate bond section of the fund shall be diversified by sector.
5. Holdings of individual issues shall be large enough for easy liquidation.

Fixed Income

1. The purpose of fixed income is to provide current income and preserve principal value. In addition, it is intended to mitigate volatility or risk of the portfolios.
2. The fixed-income segment can include but is not limited to the following sub asset classes:
 - a. Convertible securities
 - b. High yield bonds
 - c. Inflation-indexed bonds
 - d. Intermediate-term bonds
 - e. Investment-grade aggregate bonds
 - f. Long-term bonds
 - g. Mortgage-backed bonds

Portfolio Restrictions

Every investment manager must adhere to the portfolio restrictions established in this statement of investment policy. The following securities and transactions are not authorized unless receiving prior approval:

Prohibited Assets

Prohibited investments include, but are not limited to the following: (e.g., letter stock, unregistered securities, commodities (except managed futures), future contracts, private placements, derivatives, oil & gas, hedge funds, real estate LP's, timberland or companies in operation for less than three years.)

Prohibited Transactions

Prohibited transactions include, but are not limited to the following: (e.g., margin transactions, short selling, selling uncovered put or call options, investment for the purpose of exercising control of management.)

Social Constraints

The social responsibility and moral beliefs of the First United Methodist Church of Clermont Permanent Endowment Fund prohibit the fund or anyone acting on behalf of the fund from investing in company's who primarily derive their income from the sale of alcohol, illegal drugs or gambling.

Monitoring Investment Portfolios

Quarterly performance will be evaluated to assess progress toward attainment of longer term objectives. The Committee understands that there are likely to be short term periods during which investment performance results deviate from market and relevant style-oriented benchmarks. The committee's review of each portfolio will focus on:

- Adherence to IPS guidelines
- Material changes in the manager's organization, investment philosophy and/or personnel
- Committee's continuing confidence in the investment manager.
- Performance comparisons with appropriate indices with component issues similar to those of the equity portfolio
- Other managers of similar investment style

Investment Policy Statement Modifications

The Committee shall review specific investment objectives and guidelines stated herein at least once annually. The committee may modify this Investment Policy Statement in whole or in part at any time. The committee shall communicate changes to this policy to the investment managers and shall obtain written acknowledgement of the changes from the managers. All changes to the policy statement shall be in writing and signed by the Chairperson of the Committee.

**In other words, the church's portfolio has a 66% likelihood of returning between -2.0% and 15.0%. This suggests a 17% probability that the portfolio's returns could exceed this range and the same probability the portfolio will fall below the stated range.

The composition of these target returns are on a total return basis and may include income, capital gains/losses and currency appreciation, among other components of total return.

These targets are based on historical monthly returns for representative indices, and assume monthly rebalancing to the stated portfolio allocation weights. These returns should be used to gauge the volatility of the portfolio; however, they do not represent the actual portfolio's performance. Because indices are a hypothetical investment, the individual performance may differ significantly. Finally, these objectives do not take taxes, contributions, or withdrawals into consideration nor any investment advisory fees, transaction costs or other expenses that may incur.

By: _____ Date _____
Chairperson- Endowment Fund Committee
Kelly Cartier

By: _____ Date _____
Chairperson- Trustees
Greg Ratter

By: _____ Date _____
Chairperson- Leadership Council
Don Kermmoade

First United Methodist Annual Distributions/Gifts Received/Performance

Year	Distributions	Gifts Received
1986		\$ 500,000
1992	\$ 44,354	0
1993	46,516	228,750
1994	59,107	152,608
1995	68,354	0
1996	58,538	0
1997	40,987	11,588
1998*	102,394	0
1999	128,750	0
2000	136,916	0
2001	117,652	0
2002	52,400	0
2003	118,213	1,000
2004	39,918	0
2005	52,584	0
2006	58,123	0
2007	62,547	0
2008	70,766	0
2009	51,393	0
2010	42,246	0
2011	30,443	0
2012	35,295	0
2013	41,353	0
Total	\$1,458,849	\$893,946

Notes listed on next page

* March 1998, First United Methodist Board of Directors voted to receive 1.75% of the market value as the quarterly distribution paid one quarter in arrears

Year	Annual Combined Performance	Annual Distribution	Year-end Value
1998	20.65%	7%	
1999	11.82%	7%	
2000	-6.28%	7%	
2001	-5.34%	7%	
2002	-7.05%	7%	\$1,355,760
2003	14.41%	7%	1,444,682
2004	6.46%	3%	1,508,604 ¹
2005	4.40%	3.5%	1,526,258 ²
2006	11.09%	3.5%	1,660,657 ³
2007	3.89%	4%	1,654,051 ⁴
New church start 2007		Nil	71,352
2008	-18.9%	4%	1,340,899
New church start 2008	-29.0%	Nil	50,595
2009	16.3%	4%	1,560,073
New church start 2009	20.9%	Nil	61,183
2010	7%	4%	1,669,590
New church start 2010	11.3%	Nil	68,141
2011	-4%	4%	1,601,580
New church start 2011	.9%	\$15,059	53,669 ⁵
2012	4%	4%	1,672,347
New church start 2012	7%		43,292 ⁶
2013	10%	4%	1,836,711
2013	27%	Nil	36,436 ⁷

Returns are gross of fees.

1. In April 2004, \$15,000 was placed into the Endowment Fund earmarked for a new church start in South Lake County. Value at year end was \$15,672.00
2. In 2005 another \$15,000 was added to the new church start fund. Value at year end was \$32,196.57.
3. In 2006 \$20,000 was added to the new church start fund. Value at year end was \$. Distributions were only approved for three(3) quarters @ .875% quarterly rate.
4. In February 2007, our New Church Start fund of \$67,938.35 was sent from Bank of America to Florida United Methodist Foundation for investment. Total invested in New Church Start fund is \$57,500. Value at end of 2007 was \$71,352.82.
5. \$15,059 used to fund the "New Church Start" part of our 2011 conference apportionments.
6. \$14,718 used to fund the "New Church Start" part of our 2012 conference apportionments.
7. \$36,436 used to fund...

Benevolences

Year	World	National	Local	Other	Scholarships	Expanded Ministries	UM Institutions	Capital Expenditures	Total
2013		16,949	7,800		10,855	5,750			
2012	1,000	4,000	5,000		12,969	12,325			35,295
2011			6,987		19,185	4,271			30,443
2010	5,900		11,513		17,941	6,892			42,246
2009	10,000		7,430		22,531	11,430			51,393
2008	9,000	2,419	2,500		18,430	38,416			70,766
2007	29,800		6,460		8,154	22,758	7,500		74,672
2006	4,000	1,681	6,000		13,741	17,261	20,000		62,683
2005	6,500	10,941	8,812		7,036	4,296	15,000		52,585
2004	1,000		12,000		8,855	3,063	15,000		39,918
2003		9,700	2,500		4,175	100,838	1,000		118,213
Totals	\$67,200	\$29,741	\$69,202		\$133,017	\$221,5504	\$58,500		\$578,042

Endowment Fund Disbursement Report

Funds spent as a percent of total annual distributions

YEAR	BENEVOLENCES	SCHOLARSHIPS	EXPANDED MINISTRIES	UM INSTITUTIONS
2013	60%	26%	14%	
2012	28%	36%	34%	
2011	23%	63%	14%	
2010	41%	42%	16%	
2009	34%	43%	22%	
2008	20%	26%	54%	
2007	49%	10%	30%	10%
2006	19%	21%	27%	32%
2005	50%	13%	8%	29%
2004	33%	22%	7%	38%
2003	\$100,838 was used to purchase Baxter Property			

Notes:

1. Benevolence are World, National and Local missions.
2. United Methodist Institutions is the New church Start Fund. This was funded by undersigned year end funds.
1. In 2002 we discontinued distributions midterm to help pay for the Baxter property.

Custodian's Fees for Florida United Methodist Foundation

Annual fees on market value of financial assets

<u>Rate</u>	<u>Current market value</u>
1% on the first	\$1,000,000
0.75% over	2,000,000

Sample Letter

President
Bank of America Private Bank
390 North Orange Avenue, 7th floor
Orlando, FL 32801

RE: Disbursements from the Clermont First United Methodist Church Permanent Endowment Fund

Dear <President>,

On February 22, 2005, the Endowment Fund Committee voted for a 3.5% annual disbursement beginning with the first quarter of 2005. Please consider this your authority to disburse .875% of the endowment fund balance as soon as reasonable following the March 31, June 30, September 30 & December 31, 2005, quarters and send same to our church bookkeeper.

Please call with any questions.

Sincerely,

Kelly Cartier, Chairman

Suggested Guidelines for the Use of the Administrative Endowment Fund

All income must be used every year. Any money not allocated by year-end should be transferred into the New Church Start Fund.

At least 50% of the income should be used for benevolences.

No more than 25% of the income should be used for expanded ministries.

No more than 25% of the income should be used for scholarships. Scholarships should be for Seminary only. Scholarship amounts should be no more than 50% of the expected charges for tuition and books for a maximum of eight semesters.