

**Endowment Policy**  
Kent Island United Methodist Church  
Chester, Maryland  
(adopted by KIUMC administrative board September 9, 2009)

*It is the purpose of the Permanent Endowment Committee of KIUMC to be good stewards of what God has entrusted to the church and manage the endowment funds in a fiduciary manner so that the principal is protected and is generating maximum income.*  
*--Minutes of KIUMC Charge Conference 12/03/91*

**A. Organization**

The Endowment Committee was established December 3, 1991, by a unanimous vote of the Annual Charge Conference.

1. Members of the Endowment Committee shall be elected by the Annual Charge Conference. The committee shall consist of three at-large members, elected to serve three year terms on a staggered basis (so that one term expires each year). Additional members of the committee shall be the Senior Pastor, the Church Administrator, the Church Treasurer, the lay leader, the chairperson of Administrative Board, the professional investment consultant, a representative from the Committee on Finance (chosen by the Committee on Finance) and a representative from the Trustees (chosen by the Trustees). The committee shall elect a chairperson from among its membership (and other officers the committee determines are necessary and prudent). Church staff and members of the immediate family of church staff shall not be eligible to serve as chairperson. The Chair of the Endowment Committee shall be a member of the Administrative Board. The committee is accountable to the Administrative Board.
2. The Committee shall cooperate with the Committee on Finance in assuring that the annual audit process is followed. The Committee shall make a full report to the Annual Charge Conference.

**B. Endowment Fund**

1. A permanent fund to be known as the Endowment Fund of Kent Island United Methodist Church shall be established for the purpose of providing members and friends the opportunity to make charitable gifts to KIUMC that will become a permanent source of financial support and a living memorial.
2. Proceeds from the Endowment Fund shall be used as designated by the Administrative Board on annual recommendation from the Endowment Committee.
3. The objectives of the Endowment Fund are to conserve principal and make use only of the income from the fund. Any withdrawal of principal must be approved by a three-fourths vote of the Endowment Committee, and a three-fourths vote of the Administrative Board.

### **C. Donations**

1. The Committee may receive donations from any source, in cash or in other forms acceptable to the Committee.
2. All legacies and gifts which are designated for a specific purpose, or for other reasons require separate administration, will be separately administered according to the terms of the legacy or gift.
3. Members and friends of KIUMC are encouraged to direct gifts to the Endowment Fund without restrictions in order to avoid unnecessary legal and administrative costs.
4. The Committee may take any gift that is offered with restrictions to the Administrative Board for consideration.
5. The Committee shall have an absolute right to decline any gift.

### **D. Liability**

In the absence of fraud, no member of the Trustees, Committee on Finance, Endowment Committee or any church member or employee acting on behalf of the Endowment Committee shall be liable for any action committed or omission made with respect to the administration or investment of KIUMC's Endowment Fund.

### **E. Merger, Consolidation or Dissolution**

If at any time KIUMC is lawfully merged or consolidated with any other church, all the provisions hereof in respect to the Endowment Fund of KIUMC shall be deemed to have been made on behalf of the merged or consolidated church which shall be obligated to administer the same in all respects and in accordance with the terms therein. If KIUMC should ever be dissolved without any lawful successor, ownership and control of the endowment funds of KIUMC, including both interest and principal, shall be conferred to the Trustees of the Peninsula-Delaware Annual Conference of the United Methodist Church.

### **F. Amendments**

Technical corrections and amendments to this Endowment Policy which do not alter the stated purpose of the Endowment Fund may be made by a simple majority vote of those present at a duly announced meeting of the Administrative Board of KIUMC. Substantive changes to this document require a three-fourths vote of the Administrative Board.

### **G. Severability**

If any provision or any application of any provisions of this Endowment Policy shall be held or deemed to be illegal, inoperative, or unenforceable, the same shall not affect any other provisions herein contained or render the same invalid, inoperative or unenforceable.