

**First United Methodist Church of Santa Monica  
Planned Giving Program**



2014

**Detailed Information**

**Planned Giving Committee Members:**

---

Reverend Patricia Farris  
Russ Whittenburg  
John Stutsman  
Todd Erlandson  
David Guyette  
Leigh Shipp Muñiz

Contact any of the members by emailing [info@santamonicaumc.org](mailto:info@santamonicaumc.org) or calling the church office (310) 393-8258

**Objective**

---

Raise awareness of members to the possibilities to include the Church and Foundation in their estate plans. Instill a culture of leaving a lasting legacy to ensure that the message of Christ continues in our community in perpetuity through the ministries of the First United Methodist Church of Santa Monica.

**Organizational Structure**

---

Throughout this document, “Church” means the First United Methodist Church of Santa Monica while “Foundation” means the Methodist Foundation of Santa Monica. While no federal tax ID number is required for an individual religious congregation, the Church elected at some point in the past to separately incorporate and was issued a federal tax ID number - 95-1683888.

Foundation is a separate 501c-3 tax-exempt organization that was formed on September 1, 1967 as a “Type 1” 509 (a) (3) public charity supporting organization to the Church. Foundation is a supporting organization because it meets the IRS test of being “operated, supervised, or controlled by the supported organization [Church].” The bylaws of the Foundation in Article III, section 3.04, state that selection of the trustees of the Foundation shall be subject to the advice and consent of the Senior Minister of the Church and that at least 2/3 of the trustees must be members of Church. The minimum number of trustees required under the bylaws is 7 and the maximum is 13. Each trustee serves a 3-year term and may be re-elected to subsequent terms. The federal tax ID number for the Foundation is 95-6201324.

The Foundation was formed to provide:

- General charitable, religious, and eleemosynary support;
- Charitable support for the old and indigent; scholarships for youth; and
- General aid for the programs and activities of the First United Methodist Church of Santa Monica as well as the United Methodist Church worldwide.

Article VII of the Articles of Incorporation state that should the Foundation ever be liquidated or dissolved, then “all of its assets shall go and be distributed to a religious or charitable fund, foundation or corporation organized and operated for religious or charitable purposes selected by the Board of Trustees of the First [United] Methodist Church of Santa Monica, California and which has established its tax-exempt status under Section 501 (c) (3) of the Internal Revenue Code.

**Ways to help the Church**

---

This is a personal decision that will vary with each individual. Some factors to consider in making that decision include:

- The Church has substantial operating and maintenance needs now and likely will continue to have for many, many years given the age of the physical plant and the rising cost of operations. Gifts to the Church may be used by the Trustees in their best judgement to meet these immediate needs as they present themselves. Gifts to the church may bolster the Church’s fund balance if things are going well or may be spent immediately as the need arises. Your unrestricted gift to the Church provides the maximum amount of flexibility for the Church trustees to carry on the mission and programs of the Church.

- The Foundation is set up to preserve principal in perpetuity and create a permanent endowment benefiting the following charitable activities:

*Category One – Named Funds. Only interest and dividend income that is generated by these funds may be spent – principal and capital gains are kept in perpetuity. There are currently 33 such special funds. You must contribute at least \$10,000 to set up a named fund:*

- Scholarship funds to assist church youth in their pursuit of post-secondary education.
- Specific funds to benefit such things as organ repair, Gates Chapel maintenance and enhancement, music programs, a discretionary fund for use by the pastors, health ministry, missions, etc. Only interest and dividend income is expended for these purposes.

*Category Two – Discretionary Funds. The Foundation will spend annually a designated percentage of the total assets (defined as principal plus accumulated capital gains and interest/dividend income) of these funds. The designated percentage is currently 4%, but this will vary with market conditions as the Foundation trustees' determine from time-to-time. There is no minimum amount for contributions to these funds:*

- The Church Beautiful Fund first established in the mid 1970s, to support major church remodeling and repair projects.
- The Undesignated Fund which is principally used to support current Church operations through an annual gift to the Church but also used to support other particular needs of the Church during the year as they may arise as well as general charitable purposes as outlined above in the Organizational Structure description for the Foundation.

- If you are undecided, a solution is to simply divide your planned gift 50/50 between the Church and the Undesignated Fund of the Foundation – that enables your gift to help out with immediate and pressing needs of the Church while also leaving a perpetual legacy for future generations through the Foundation. Also, in general, if you give to the Foundation, giving to the Undesignated Fund provides the most flexibility for the Foundation Trustees to adapt to changing needs over time – who knows what the world will bring in 100 years?

#### **How to make sure the Church or Foundation receive a gift upon your passing:**

---

- Name the Church and/or Foundation in your will or living trust as a beneficiary upon you or your spouse's death.
- Leave instructions with your heirs to make a donation to the Church or Foundation upon your or your spouse's death.
- Easiest of all - name the Church and/or Foundation as a beneficiary of your 401k or IRA. The amount that is so designated will pass tax-free to the Church or Foundation, unlike other beneficiaries who must pay tax on distributions from an IRA or 401k.
- More complex customized annuity programs are also available – see a Committee Member for more details.

#### **How do I go about setting up a will or living trust or changing my 401k beneficiary?**

---

Please contact any member of the planned giving committee and they can give you some first steps.

- Generally, if your estate is modest, the alternatives are to use an online service like LegalZoom or RocketLawyer or NoLo to draft a living trust and a will.
- If your estate is larger or more complex, you should consider hiring an estate attorney to draft a more customized living will – generally this costs \$2,000 to \$4,000.
- If you wish to name the Church or Foundation as a beneficiary of your 401k plan or IRA, simply contact the fund company or investment manager who manages the plan and let them know you wish to add or change a beneficiary. Most funds permit you to do this online.
- If you wish to instruct your heirs to leave a portion of their inheritance from you to the Church or Foundation, please discuss this desire with them and leave a written letter of instruction to them among your important papers.

#### **Recognition in the Legacy Circle**

---

Don't forget to let a member of the planned giving committee know your intentions so that we may add you as a Legacy Circle member. Your name will be published in The Order of Worship on All Saints Sunday and you will be recognized annually as a member (exact method under discussion). If you wish to remain anonymous, please let a Committee Member know, and we will omit your name from any public documents. You do not need to let the Committee know the percentage or dollar amount you plan to leave to the Church or Foundation nor will this information be public should you disclose it to a Committee Member.