



The Legacy Circle was started in 2013 to provide First United Methodist Church members meaningful and effective ways of funding future growth of the mission and ministries of First UMC through the Church and the Methodist Foundation. Now, as we continue past our 10<sup>th</sup> anniversary, we rejoice to expand awareness of and participation in the Legacy Circle.

### **Purpose**

The purpose of the Legacy Circle is to raise awareness 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. To date, generous and faithful legacy gifts have supported Church Beautification and the maintenance of our beautiful facilities, scholarships, the Health Ministry and Youth Ministry, Music, Worship, Missions, and general ministries of the church.

### **Ways to support the Church**

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

- The Church is set up to receive your gifts either designated or undesignated to help with programs, operations, facilities, and all ministries of the church. Formal spending policies for the various funds and a commitment to preserving and growing each fund is managed closely. The church manages both temporarily restricted and permanently restricted assets. The church has substantial educational, programing, operating and maintenance needs and your gift can ensure the church needs are met well into the future. If you choose to make an unrestricted/undesignated gift to the Church, this will provide the maximum amount of flexibility for the Board to carry on the mission and programs of the Church. **One hundred percent** of your gift will be used for church related support.
- 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 purposed as outlined above in the Organizational Structure description for the Foundation.
- One hundred percent of your gift can be given to the Foundation to support the Church **if** it is designated to support the church, in your will or trust. The Foundation bylaws are set up to also support other various charitable organizations from time to time if the gift is *\*not\** designated to the church.

- A **third** way to help the church is to donate to the California Pacific United Methodist Foundation designating First United Methodist Church and/or the Methodist Foundation of Santa Monica as the beneficiary. The California Pacific United Methodist Foundation is set up to accept more complex customized endowment and annuity programs.

If you are undecided, a solution is to simply divide your planned gift 50/50 between the Church and the Foundation.

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### **Some ways 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. Make sure to include any restrictions or designations so the Church and Foundation can fulfill the intent.
- 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.

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### **Organizational Structure**

Throughout this document, "Church" means the First United Methodist Church of Santa Monica while "Foundation" means the Methodist Foundation of Santa Monica.

The Church is a Charitable Religious Tax-Exempt Organization, Federal ID - 95-1683888 organized in 1875. The Church is part of the United Methodist California-Pacific Conference and carries out its mission and ministries in Santa Monica, CA and around the world, following the United Methodist Book of Discipline.

The Methodist 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. 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 federal tax ID number for the Foundation is 95-6201324.

The Foundation was formed to provide general charitable and eleemosynary purposes with objectives to aid, promote, and develop religious, charitable, and educational activities; aid of the old and indigent; aid in giving of assistance in the education to youth; and aiding of programs and activities of the Methodist Church.

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### **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.

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### **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 at Charge Conference. Your name will also be honored and placed on the Legacy Circle Plaque in the Sanctuary. 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.

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### **Planned Giving Committee Members:**

**Rev. Greg Batson, John Stutsman, Todd Erlandson, and David Guyette**

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