

## **PERMANENT ENDOOWMENT FUND**

### ***Permanent Endowment Fund mission statement***

*For long term investments to benefit and better the property and programs  
of the Solon United Methodist Church.*

In 1994, Fred Bark's interest was sparked by a mailing he had received about a seminar on Permanent Endowment Funds, and he approached Doug Peters about attending it. When Doug indicated that making the trip to Des Moines did not excite him too much, Fred rather firmly told him that, yes, he would go. Doug did make the trip, and it turned out that Fred was right – it was worth it - and the Permanent Endowment Fund at SUMC came into being.

The Permanent Endowment Fund, or PE as it is known, is a group of diversified holdings, supervised by an appointed investment group. The fund was established with the Iowa Methodist Foundation in 1994. A few years later it was transferred to the Wehrheim Group, headed by Gene Wehrheim of Solon, where it remains, as of this writing.

The Permanent Endowment Fund provides a means of charitable giving, perpetually supporting the church, and giving it future security as well. It also provides the potential resources to deal with present and future issues not budgeted by the church. Contributions to the PE can be made through gifts of cash, investment stocks, or a bequest. If the gift is investment stock, the stock is sold, then reinvested. Only the Permanent Endowment Fund's interest earnings can be used by the church, preserving the initial gift(s) as a reserve, to be used only in cases of extreme need.

The Permanent Endowment Committee is composed of six or seven individuals, and meets at least two or more times per year, depending on investment activity, and/or reception of a gift. It is governed by a set of by-laws determining how its funds and interest can be distributed. These by-laws have, of necessity, been occasionally tweaked to continue to reflect the intent of the fund.

At the end of each year, when investment figures are tallied, the Committee determines the amount of interest to be turned over to the church. Taking it from there, the Church Board assembles a priority list of anticipated needs for the coming year. These items have been gathered from various committees and organizations of the church, and at the appropriate time, each request is voted on, and either approved, modified, rejected, or tabled. In recent years, the Church Board has established a Permanent Endowment Fund Wish List, which is an ongoing and fluid list of funding requests, and available on request from the Office Administrator. Requests for use of PE Interest or Memorial Funds can come from Church Board members, Committee Chairs, church groups, or individual members.

The PE By-laws specify that PE interest money is not to be used to supplement the General Fund, but rather for projects and demands outside that realm. There are times when it is not certain whether a contemplated project should qualify for PE interest funding or not, and there have been passionate discussions between the two groups regarding this. As church programs and the church budget have grown, congregational giving does not always match the church's financial needs, and types of requests resulting from this can often fall into such gray areas.

Originally, PE committee members had quite modest expectations for the fund and the interest earnings it would generate. But with the passing of Velma Beck, and subsequent bequests, the fund has grown substantially. The down side of course, is that on in a poor-performing year, expectations for the amount of interest money available must be lowered, and priorities closely inspected and modified by the Church Board as necessary.

The fund's interest has supported an array of church needs and distributed more than \$350,000.00 through 2015. Examples of funded projects are: scholarships for 53 students, replacement of church parsonage siding, windows and roof, siding and roof for Fellowship Hall, ceiling fans in Family Life Center, new church sign, flooring for the lower level of the church, replaced air conditioner, furnace and heat exchangers, upgrades and maintenance for church computer, server, and copier, new kitchen appliances, phone systems for church offices, additional AV equipment for the sanctuary, LED lighting for church and FLC., and remaining Family Life Center mortgage of \$155,000.00 paid off.

A tip of the hat should be given to the prudence of Fred Bark and his kind, but firm insistence that Doug Peters attend that informational meeting on creating a permanent endowment fund. Such security does not exist for all churches.