



# *SAMPLE*

UNITED METHODIST CHURCH OF {Church Name}

{Address}

{Your Church's Name, State Zip}

## DEFINITION OF TERMS

<b>Bequest</b>	The act of giving or leaving an asset by means of a will at the donor's death. Also known as a <b>Legacy</b> .
<b>Charitable Gift Annuity</b>	A charitable gift annuity is a gift by a donor to the CA-NV United Methodist Foundation in exchange for stipulated lifetime annual payments. The funds remaining in the CGA at the time of the donor's death go to the local church or United Methodist Agency.
<b>Charitable Remainder Trust</b>	An irrevocable trust established to provide payments for the life of one or more people or for a term not to exceed 20 years, with the irrevocable remainder being distributed to local churches, United Methodist Agencies and related charities.
<b>Designated Funds</b>	A fund from which distributions are made to programs designated in advance by the donor who established the funds. Also known as a <b>Restricted Fund</b> .
<b>Endowment</b>	An endowment is a permanent fund providing income in perpetuity from the earnings generated. Generally, there are two types of endowment classes, those whose funds provide for unspecified needs and those whose funds are for designated purposes only.
<b>Principal</b>	A sum of money on which interest is paid.
<b>Total Return</b>	A concept that income will include not only interest and dividends, but also include increases and/or decreases in the value of the endowment assets. Market value fluctuations are measured for what they are, an integral part of investment returns.
<b>Undesignated Funds</b>	A fund created from contributions that are made without any condition or designation by the donor. Funds may be used where the need is greatest, as determined by the governing body, such as the Endowment Committee. Also known as an <b>Unrestricted Fund</b> .