



The Foundation Ledger

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Future, courtesy of Unsplash

What Do You Use Your Church Building For?

By the Rev. Tommy Herndon
VP of Legacy Giving & Stewardship Development

As I travel this Conference, I see churches being used for many things. It is a joy to see God’s House being used in many ways. There are many ways to advertise your church.

Is your church in the middle of the city or is it out in the country? The location of your church requires different modes of advertisement. City churches have people walking by them. This is compared to suburban churches and rural churches where people generally only drive by. Here’s a great example from one of our Richmond churches: They put three theater seats on their front lawn where people walking by can sit and rest.

I’ve seen suburban and country churches put up big signs so people driving by could see them. In Colonial Heights I pastored a church where we changed the saying on the sign several times a week. People called to tell us they like the sign. In Manassas we installed an electronic sign which displayed the temperature and date. We advertised events and had sayings that changed. People there often responded to the signs. *(continued on page 2)*





Churches with sufficient open acreage can create athletic fields for sports like baseball or soccer.

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Trunk-or-Treat drew large crowds. Coming to the church on Halloween was safe and drew many families. In Manassas we always invited the fire department and the rescue squad, had bouncy houses and a hay wagon to take families on rides around the neighborhood. Churches often have living nativity scenes to invite the community to come by at Christmas.

Today I'm seeing more and more churches place a small, covered weatherproof structure to house books or food with a sign "Take what you need." These say in very real ways, "We care." The exciting thing is that once constructed, people also stop by and bring books or food to keep the display case stocked. So this is a way to involve the community as well as help those in need.

Some churches with sufficient acreage are putting in soccer or baseball fields and inviting the community to come and use them. Picnic shelters could have a sign

saying, "Call this number if you want to have a family gathering and reserve a date." Some churches have inside gyms (aka family life centers) with basketball, volleyball, pickleball and even indoor tennis. This allows the community to see the church and feel comfortable when attending on Sunday. Many areas have jazzercise and other exercise programs, and people are looking for this type of group. Some churches have walking groups who meet regularly to walk outside in good weather and inside in bad weather.

Many churches have invited different musical groups to use their facilities for rehearsals. Other churches have musical concerts every Friday or Saturday night which encourage amateur groups to practice and perform. One church I know has a bluegrass group perform in their church every Saturday night. I've had churches where we allow piano, violin and organ teachers to use our facilities for classes and lessons. This often creates a steady stream of visitors.

Food banks have been created in many of our churches. This involves volunteers from all over the community to come and help, and food bank clients realize that this is a friendly place. In one of my churches, we invited all our friends who come to the food bank to a Thanksgiving meal donated by our church. Many churches are preparing backpacks with food for children who don't have enough to eat during the weekend.

There are many ways our facilities can be used and shared. God's House and God's acreage are for everyone, and there is no limit to the creative ways to share them with others.



Fitness and walking groups can also use church facilities.

Sound Footings



Greetings fellow Methodists! I offer this message during Lent, as I prepare to visit the Holy Land with about 40 others from three Virginia Conference churches. There we will trace the sites of Jesus' ministry and walk the Via Dolorosa only days before we commemorate His sacrifice during Easter. I am grateful and delighted that such opportunities abound in our Conference.

The Foundation team has been on the road and on Zoom, engaging with churches on ways we can help them expand their ministries and create new ways to sustain them. Sometimes we encounter churches that have not clearly outlined what happens when a donor offers a substantial gift. Does your church have a Gift Acceptance policy? If not, we may be able to help you better connect how such gifts could impact your mission, thereby renewing interest from prospective benefactors.

Our investment committee recently met with our advisors at Merrill Lynch to review economic forecasts and current financial markets. Although we anticipate continued periodic volatility, we do not plan any significant changes in our investment policies. We believe a highly-diversified investment strategy with a balance of equity and fixed-income exposure still provides the best opportunity for positive returns in the long-run. Please plan to join our Annual Investors Briefing in person or via Zoom on **May 17**.

In the Fall, we offered a Train-the Trainer series on the Saving Grace curriculum, and after Easter we will again partner with Pensions and Benefits to share Saving

Grace training meant specifically for clergy. Soon you will also hear of new offerings to share perspectives among our clergy and laity, including the renewal of a consortium on the intersection of Faith and Science. This year the conference will feature Dr. Andrew Newberg, a pioneer in the emerging field of Neurotheology. It will be held at Randolph-Macon College on **September 23**. Stay tuned!

Here in Virginia, the redbuds are flowering and the cherry blossoms are full, signaling the onset of a vibrant renewal. Winter seems to have already passed. We pray for the continued rebirth and renewal of your ministries, and we stand ready to partner with you to help bring them to life. Easter blessings to you all!

Bo Bowden
President
Virginia United Methodist Foundation



Viktor Solomonik, courtesy of Unsplash

The CHURCH Inc.

DevCo Expertise: The Benefits of Incorporating

By **Randolph R. Shelton**
VP of Lending & Capital Development

Recently, several church leaders throughout the Conference have inquired about the benefits of church “incorporation.” One major advantage of being incorporated is the church is allowed to borrow, own, and transfer property in the name of the church and does not have to submit a petition and order to the court for judges’ approval of conveyance and encumbrance of property. Upon incorporation, the property should be conveyed by deed from the trustees to the new incorporated church entity. When the church is applying for a loan, the process is shortened by weeks; especially since the court action is no longer required. In addition, members of the church have a shield of liability; whereby, they cannot be held personally liable for unlawful acts of other members.

In conversation with representatives from two incorporated churches, Rev. Tony Arnold, Executive Pastor, Christ Church in Fairfax, Virginia, and Roger Petersen, former Chair of the Board of Trustees, Oak Grove UMC in Chesapeake, Virginia, have shared their views of how incorporation has benefitted their churches:

“Incorporation has benefitted Christ Church in several ways. As part of leadership’s push to embrace the ‘simple church’ paradigm, Christ Church embraced a one board model which has simplified the traditional structure of a United Methodist Church into a single board to oversee and manage the affairs and operations of the church.

“Incorporation aligns with this model very well and provides several benefits. One such benefit is the ability to steward our material blessings with large institutions such as PENFED and Freedom Bank that require the church be incorporated. This protects both parties and complies with their FDIC protections. The most compelling benefit of incorporation, however, is the simplicity it brings in today’s complex and litigious environment. This allows the church to focus on the mission of stewarding God’s resources well for God’s Kingdom.”

- *Pastor Tony Arnold, Executive Pastor, Christ Church in Fairfax, VA*



Becoming a not-for-profit corporation has a number of advantages, such as streamlining processes when acquiring or selling property.

“Oak Grove UMC incorporated not long after Virginia finally permitted this option in 2006. While there was some legal paperwork required up front, the annual filing of papers required of Virginia corporations, the benefits certainly outweigh the initial administrative changes. Our Board of Trustees simultaneously serves as the Board of Directors, and our bylaws state that the Discipline still governs issues regarding the operation of the church. The primary benefit for most of the years is the peace of mind and confidence that the incorporation provides much better protection to individual church members and leaders and their personal assets from liability for corporate debts and obligations, and limiting the liability of pastors, board members and other leaders from claims arising from alleged negligent or reckless acts of the church or its officers, directors or agents.

“We have also realized other benefits recently regarding the sale of real estate. The corporation owns and can transfer title to property in its own name, rather than through trustees or individuals. While we had no intention of selling any property, city officials came to us to purchase a sliver of property for a road improvement in front of the church. As an incorporated church, trustees are no longer needed for church corporations, and court appointment of such trustees

is not required to hold, manage, buy, sell, transfer or encumber real property of the church corporation. The city was relieved to find we were incorporated, as that made the agreement to sell a far smoother process to accomplish, and frankly, the church polity for handling such matters is foreign to most lawyers, but they understand how to deal with corporations. The Board can designate two officers to sign for the sale agreement and the closing papers without court approval.”

- Roger Petersen, former Chair of the Board of Trustees, Oak Grove UMC in Chesapeake, VA

Before making any decisions to incorporate, you are recommended to obtain an experienced attorney to assist with the process. In closing, you are reminded that the church will still have to abide by the Discipline and have a Charge or Church Conference before initiating the process to incorporate.

At DevCo, we offer our expertise and experience in financing ministry growth. Also, our competitive rates and flexible terms are customized to fit your needs. You are more than a customer – we consider ourselves your partners in ministry!



Michael Fenton, courtesy of Unsplash

Render Unto Caesar: Donor Advised Funds

By Brad Duty
Foundation Services Advisor

Matthew, Mark, and Luke all report that Jesus said, “Render unto Caesar what is Caesar’s, and unto God what is God’s.” Notice that the guidance does not say give generously to Caesar, nor does it say give any more than Caesar requires or mandates.

If we interpret Caesar to be the federal government, or more specifically the IRS, these verses seem to say pay what the law requires, but not a nickel more, because that belongs to God, not Caesar. If the tax law is written so there are options that allow us to lawfully pay less, shouldn't we, as God's stewards, do that? This is the third in a series of brief articles that will each discuss a way to take advantage of the tax laws to minimize what we render unto Caesar (US government) so that more can be given to God.

Are you in a higher income bracket and therefore higher tax bracket? Do you have stocks in a brokerage account? Has your broker ever warned you that you need to close out a position because the market doesn't look good for that stock anymore? Perhaps it is a bunch of stocks you bought early in the year, made great gains and now need to dump them due to market changes. Stocks held less than a year do not qualify for capital gains tax rates. Short-term (less

than one year) gains are taxed as ordinary income. Such a case might be big dollar value that could change your tax rate because the short-term gains raise your taxable income so much. Or maybe you bought a stock like Amazon or Apple when it was cheap and now realize you will have tremendous capital gains if you sell it. If those amounts are more than you plan to donate to your favorite charities in a single year, there is a potential solution.

The Donor Advised Fund (DAF) allows you to transfer those appreciated assets into a special DAF account. With this account, you receive full credit for the charitable contribution the year you donate, but you can spread out giving the money to your church or another charity over several years. You merely request a check be sent to your church. For example, you have \$50,000 in potential short-term stock gains. You transfer that stock to your DAF,

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Current Foundation Fund Performance

| | February 2023 | 2023 YTD | 2022 | 2021 | 2020 | 2019 |
|---------------------------|---------------|----------|----------|---------|--------|--------|
| Balanced Fund | (2.74)% | 2.57% | (13.00)% | 8.69% | 12.65% | 21.36% |
| Balanced Plus Fund | (2.20)% | 2.71% | (11.24)% | 8.98% | 9.45% | 18.82% |
| Stock Fund | (3.02)% | 3.59% | (12.60)% | 14.31% | 15.14% | 28.69% |
| Bond Fund | (2.25)% | 0.59% | (12.49)% | (1.96)% | 5.99% | 7.97% |

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and then send your \$12,000 pledge to your church each year for the next three years via checks sent to the church. You can also have checks sent to other charities you support, including your alma mater. Because you got credit for the \$50,000 contribution to the DAF when you created it, you will not be able to deduct the money sent from the DAF in subsequent years because you already received full credit for the large initial donation.

Another option with a DAF is some families donate \$15,000 of stock per year to their church. Since they do not have enough contributions to exceed the standard deduction in one year, they cannot itemize that large contribution. However, if they give \$30,000 in one year, say in December, to the DAF, they can still give \$15,000 to the church each year but can itemize the full deduction to the DAF in the year they gave. Please note, currently a DAF cannot be funded with RMDs (required minimum distributions) from retirement accounts.

If your church does not have a brokerage account and therefore cannot accept stock donations, the Foundation can assist with stock transfers. We

provide this service with no fee or commission and send the full value to the church. The Foundation also offers DAF accounts which benefit from the normal low Foundation fees associated with our securities accounts. DAF accounts with the Foundation are also required to have at least 50% of all donations you direct go to some type of United Methodist cause. This could be your church, your children's UMC if they worship elsewhere, UMCOR, a United Methodist seminary or college, etc.

If your church or Finance Committee would like to learn more about such tax-efficient giving, please contact us. We offer to meet with a team or even hold an open session with interested church members and present how these options to give more tax efficiently can be designed. As more and more people own stocks and mutual funds or have IRAs and 401(k) type accounts, as good stewards, we want to provide them a way to legally give more to God and less to Caesar.

(This article talks about certain aspects of the tax code, but it is not official tax advice. For specific tax questions or issues you should always consult a qualified tax professional.)

A Day of Community Service

By Melissa Knabe
Director of Marketing & Communications

Having been raised in a different denomination, I have quickly grown to appreciate since joining the staff of the United Methodist Foundation in September the Wesleyan commitment to serving, whether it be assembling cleaning buckets in the wake of a hurricane or joining an overseas mission team for a summer project.

And God is so good at priming us for the next good thing. At an event marking the one-year anniversary of the start of the War in Ukraine, a member of the Staunton, VA, Rotary Club shared that he and a group of volunteers needed a few more drivers to help an organization called Ukraine Friends drive nearly 20 used ambulances from Harrisonburg to the Port of Baltimore for shipping to the Ukraine. I immediately felt a tug at my heartstrings. Truth be told, one of the only things on my bucket list is to one day drive an 18-wheeler – just for a few miles in wide open space. But I spontaneously thought, “Well, it’s not a semi truck, but driving an

as we crossed each county line, ensuring our caravan of ambulances could travel relatively uninterrupted.

Back to my vehicle: the interior lighting did not work, so I could neither see the speedometer nor how much diesel was in the tank! Checking speed was not necessary, though, since we need only focus on keeping a close-but-healthy distance from our front man. As a photojournalist, I was tempted to shoot photos and video, however, the steering was quite loose so I dared not take my hands off the wheel long enough to capture images of this once-in-a-lifetime service adventure.



Melissa Knabe

As it turned out, I did indeed get the opportunity to take plenty of photos, as the ambulance’s engine died in the middle of I-81 about 30 miles into our journey. In vain, I tried restarting the engine before rolling to a halt upon the shoulder. Thankfully, a knight in shining armor appeared in the form of Brandon Peary, the owner of a Harrisonburg-based EMT services company and the previous owner of all of these ambulances. He briefly checked the ambulance and determined it would need to be towed.

ambulance AND supporting the war effort in the Ukraine sound like a real adventure.”

And what an adventure it was! The original start time of 6 a.m. was moved up to 3 a.m. to avoid morning rush hour in the greater Baltimore region. As a night owl, I realized it could be possible to rise at 2 a.m. to make the 2:30 a.m. meeting time if I stayed in a hotel nearby.

What a sight to see two rows of ambulances fired up and ready to go in the dark of night! The Staunton Rotary Club and Ukraine Friends had done an excellent job of advance logistics, liaising with the county police forces flanking Interstate 81 up to Harpers Ferry, WV. Each set of new police car escorts seamlessly took up the baton

So I hopped into his pickup truck, and we proceeded to bring up the rear of the caravan of ambulances. An interesting conversation ensued about the life of an EMT, small business ownership and the Christian faith we share. Upon arrival in Baltimore, more excellent conversations and fun fellowship followed with the other volunteers as we piled into two vans and shared a meal together on the return trip to Harrisonburg. A really fun encounter was learning that the man behind this initiative, Brock Bierman, is a fellow alum of my alma mater. We graduated only a year apart in the same program, photojournalism. Such serendipity! The kind only God can arrange.

As I reflected upon the day’s events, I could sense how energized and uplifted I felt. And I was reminded of God’s promise to Abraham in Genesis 12 – “I will bless you, and you shall be a blessing to others, and I will bless those who bless you.” Indeed, we receive so much when giving to others. God is so true to His promises!