

I. First Steps: Avoid the “Rush to Spend”

When a large gift arrives *without donor restrictions*, the immediate temptation is to fix the roof or fill a budget gap. While those may be valid needs, an unrestricted gift is a rare opportunity to “dream” for the future.

- **Acknowledge and Honor:** Celebrate the donor’s life and their trust in the church. Be transparent with the congregation about the gift and this process.
 - **Pause and Reflect:** Before any funds are allocated, establish a period of discernment. *This is the most critical element for long-term success.*
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II. The Core Team: Managing the “Too Many Cooks” Dilemma

To move effectively from a windfall to a mission-aligned legacy, you need a small, focused **Discernment Team** (give the team a creative and missional name). This group acts as the “executive chefs,” ensuring that while the whole congregation provides input, the process remains organized and focused on long-term outcomes.

Team Composition and Roles to Consider (Recommended 5–7 People):

- **The Visionary:** A member known for big-picture thinking and community impact.
- **The Shepherd:** A clergy leader or lay leader focused on spiritual mission.
- **The Steward:** A member of the Finance or Endowment Committee to ensure fiscal integrity.
- **The Connector:** Someone who understands the specific needs of the local community.

The Team’s Mandate:

- **Filter Ideas:** Gather “dreams” from the congregation and vet them against the church’s core mission.
- **Prevent Fragmentation:** Ensure the money isn’t simply “nibbled away” by small, unrelated requests.
- **Expert Liaison:** Serve as the primary point of contact for **Midwest Methodist Foundation** to receive process guidance and manage investments.

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III. Dreaming About and Discerning Mission and Ministry

The Core Team should lead the congregation through a “Dreaming Phase.” Instead of asking “What do we need?” Ask: “How is God calling us to serve? What is possible?”

- **The “Rule of Thirds” Model:** Many churches find success by splitting a large bequest into three categories, not necessarily allocated in thirds for funding:
 1. **Immediate Impact:** Addressing a significant capital or ministry need.
 2. **Community Seed Money:** Starting a new outreach program or mission.
 3. **Permanent Endowment:** Investing a portion so the principal remains intact, providing annual income for generations.

Key Reminder from *The Book of Discipline* (§ 2533.5 and § 2534) and the *Planned Giving Handbook*: While the donor did not restrict the gift, the **Church Board** can “designate” / “restrict” these assets. However, only a donor can create a “permanently restricted” endowment according to state law (760 ILCS 51). Board-designated funds can be repurposed later if the church’s needs change.

IV. Investment and Long-Term Stewardship

Once the “dreaming” phase concludes, the technical management begins:

- **Protect the Principal:** If you choose to create a “Quasi-Endowment” (Board-designated fund), the funds should be invested to outpace inflation.
 - **Transparency:** Provide regular updates to the congregation on how the fund is performing and what it is accomplishing.
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V. Next Steps with Midwest Methodist Foundation

You do not have to do this alone. The Foundation provides the expertise to help your Core Team receive confidential and non-intrusive guidance at the church’s pace, build consensus, manage investments, and draft policies.

- **Visit:** MidwestMethodist.org | [Resources](#) and [Investment Overview](#)
- **Contact:** Rev. Chris Walters • cwalters@midwestmethodist.org • 847-525-7260

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