

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.***

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.

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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