

FIRST FOUNDATION: *Separate But Connected*

First Church and First Foundation are separate entities, but the connections between them are inextricable. In fact, when the Foundation confirmed its tax-exempt status in 2006, the IRS said in its letter that it considers the Foundation “an integrated auxiliary of a church.” This is because the Foundation’s entire mission is to support First Church, as evidenced by its mission statement:

To serve the First United Methodist Church, Madison and its ministries by inviting, accepting, investing and administering enduring gifts from members and friends of the Church.

The Foundation’s six general funds (which any Church member or friend can donate to, in any amount) all further exemplify how the Foundation exists solely to support the church:

Christian Education Fund - Enhances the church’s education ministries for all ages.

Mission & Outreach Fund - Enhances the church’s mission and outreach ministries.

Property Care & Improvement Fund - Provides for the care, improvement or acquisition of church property.

Worship & Music Fund - Enhances the church’s worship life and music ministry.

Youth & Young Adult Ministry Fund - Enhances the church’s ministry with youth and young adults.



General/Undesignated Fund - Allows the church the flexibility to meet emerging ministry needs and opportunities.

The Foundation’s board deepens the connection between the two entities: in order to be a board member, one must also be a member of First Church (or clergy who, though the definition of church membership is a little different, are essentially First Church members as well). As church members, the board members understand what is happening in the life of the church, and as members of both entities they can make decisions that support both entities.

Perhaps it’s also useful to point out where the two are not connected, too: unlike First Church, of course, the Foundation has no relationship to the greater United Methodist Church. In other words, the United Methodist Church does not and cannot control, benefit from, or even have a say in the Foundation’s assets or management. This allows the

Foundation to operate independently for the benefit of this church and congregation only.

Because of its financial structure of endowing gifts, the Foundation is able to provide significant support to the Church’s annual operating budget, while also serving as a financial foundation for the future. It can also, to some degree, serve as an emergency cushion, as the Board has the power to minimally adjust distributions as needed. And this is the whole point of the connection between the two! It would be impractical, and perhaps risky, for the Church to manage an endowment portfolio in-house. But by separating the endowment from the Church’s own day-to-day budget, the Church can be better supported long-term.

First Foundation and First Church are bound up with one another. Learn more and please consider supporting the Church through its Foundation at first-foundation.org.

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