



Rooted in Jesus

Endowments and your church's mission

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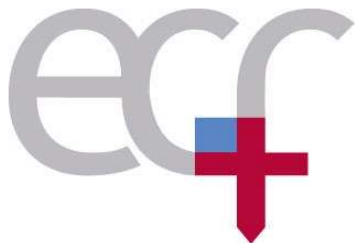
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1

The Episcopal Church Foundation (ECF)

Independent, lay led organization, founded in 1949



Empowers congregations through visioning and planning, leadership development, and raising financial resources for ministry

Through our programs, ECF is helping to build a Church characterized by:

- Lay and clergy leaders work together to transform the Church
- Healthy, vital, vibrant Episcopal communities of faith
- Meaningful opportunities for Christian stewardship and effective fundraising
- Innovative, mission-based ways to be the Church of the future

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2

What is the Episcopal Church Foundation (ECF)?

Overview:

- Independent and lay-led foundation
- ECF's mission is to strengthen the **leadership** and **financial** capabilities of Episcopal congregations, dioceses, and other institutions
- ECF carries out this mission through a wide array of programs including...



Leadership Resources

- ECF Vital Practices (ecfvp.org)
- Vestry Resource Guide
- Fellowship Partners Program
- Educational Events

Financial Resources

- Strategic Resources
- Capital Campaigns
- Planned Giving
- Endowment Management
- Donor-advised Fund



3

Endowments...for *your* church



4

We're talking about planned giving... *why does an endowment matter?*

You'll need one to hold all the gifts you'll receive!

Your church will be a good steward

Potential donors will **trust** you

A well-managed place for gifts

Planning for a robust future

Endowment Basics...

What is an endowment?

Long-term invested funds with restrictions on spending

Two types

True endowment – **donor** designated

Quasi-endowment – **vestry** designated

Endowment Basics...

What is *NOT* an endowment?

Reserve funds
Invested funds
A collection of trusts

7

Endowment Basics...

What is an endowment for?

Further ministry using funds *beyond* annual operating budget

Outreach
Seed money
One-time projects
Program enhancements
Capital improvements
Special purposes set by donors

Trustworthy place to leave legacy gifts

8

Endowment Basics...

What is an endowment *NOT* for?

Plugging holes in the annual operating budget

A savings account for future emergencies

Self-preservation

Endowment Basics...

Three steps to a robust endowment

Structuring your endowment

Managing your endowment

Key operating principles

Investing your endowment

Spending your endowment

Growing your endowment

Structuring Your Endowment...

What are the necessary documents?

Enabling Resolution – *adopted by Vestry*

Creates endowment, defines purpose, details oversight

Operating Policies – *developed by Endowment Committee, ratified by Vestry*

Investment Policy Statement

Spending Policy

Bequest Policy

Donor-Restricted Funds Policy

Gift Acceptance Policy

11

Managing Your Endowment...

How UPMIFA applies to churches

Applies to donor-restricted endowment funds

Guides vestry-restricted funds

Invest and spend “prudently”

Must *preserve spending power*

Allows *“total return” spending*

Removes “income only” restraints

12

Managing Your Endowment...

Investing Your Endowment

Follow Your *Investment Policy Statement*

Options

- Bank or brokerage
- Diocesan Investment Trust
- Episcopal Church Foundation

Look for...

- Diversification
- Performance measured against benchmarks
- Transparency
- Access to funds
- Reporting
- Service
- Fees



13

Managing Your Endowment...

Spending Your Endowment

- Total return spending policy
- Setting a prudent draw
- Long-term asset class forecasts
- Preserving spending power



14

Managing Your Endowment...

Calculating Your Draw

Use this simple calculation to consider the implications of various spending rates:

Spending rate	5%	4%	3%
Inflation	2%	2%	2%
Fees	<u>1%</u>	<u>1%</u>	<u>1%</u>
Return needed	8%	7%	6%

15

Growing Your Endowment...

Your endowment will grow *incrementally* through investment returns

Your endowment will grow *exponentially* through planned giving

16

Growing Your Endowment...

Connect Endowments and Planned Giving

Well-structured endowment creates *trust* in your church

Responsible stewardship

Long-term planning

Many donors *desire* gifts to go the endowment

To support the future of the church

To be used for a specific purpose

Guide gifts to benefit your church

Managing the gifts of donors without a specific purpose

Educate donors on the best ways to make a gift to the parish

Fulfill your *fiduciary responsibility*

17

Questions?

How will your parish move forward?

What is your parish's next step?

18

Recorded Webinars to Empower your Leaders

- Basics of Planned Giving for Parish Leaders
- Basics of Endowment Management for Parish Leaders
- Prospective Donors of Planned Gifts
- Basics of a Capital Campaign
- Annual Stewardship
- Vestry Leadership 101

For links to recordings visit: www.ecfvp.org



19

Upcoming Free Live Webinars

***Check our website, under
Events, for more info.***



20

At your service

ECF always available to assist at (800) 697-2858
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