



# Why Structure Matters

*in building an effective and growing  
endowment*

*Presented by*

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*Endowment Management Solutions*

# 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](http://ecfvp.org))
- Vestry Resource Guide
- Fellowship Partners Program
- Educational Events
- Vital Teams

## Financial Resources

- Capital Campaigns
- Planned Giving
- Endowment Management
- Annual Giving/Stewardship



# Principles of Endowment Management

**Why have an endowment to begin with?**

**Why Endowments Matter:**

- **Respect for the past, vision for the future**
- **The sin of not having one**
- **The joy of doing it right**



# What an Endowment is NOT for

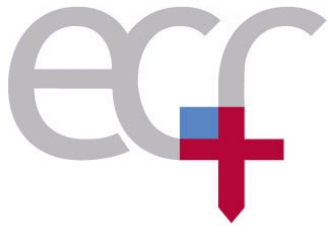
- To plug holes in the annual operating budget
- A savings account for future emergencies
- Self-preservation



# What an endowment IS for

- To support ministries beyond the annual operating budget
- To be an “opportunity” fund
- To provide donors with a trustworthy place to leave legacy gifts





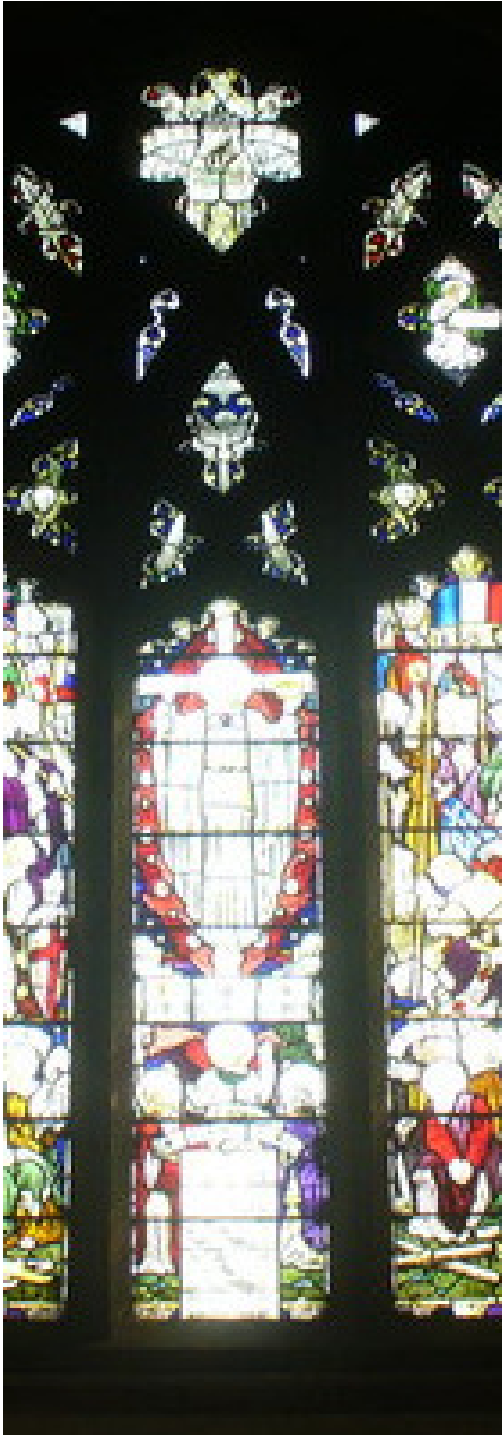
## Why Endowments don't grow

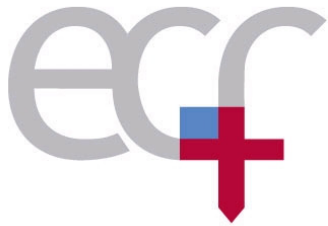
- Lack of Structure
- Outdated Structure
- Lack of Trust
- Unclear Purposes
- No one asked (Planned Giving)



# Why is Structure so Important?

- Fiduciary Responsibility
- Clarity of Purpose
- Clarity of Process





# Policies Needed

## Enabling Resolution

## Operating Policies

Investment Policy Statement

Disposition of Bequest Policy

Designated Gift Policy

Spending Rule

Gift Acceptance Policies

Other start-up considerations

Reserve Funds

Record Keeping

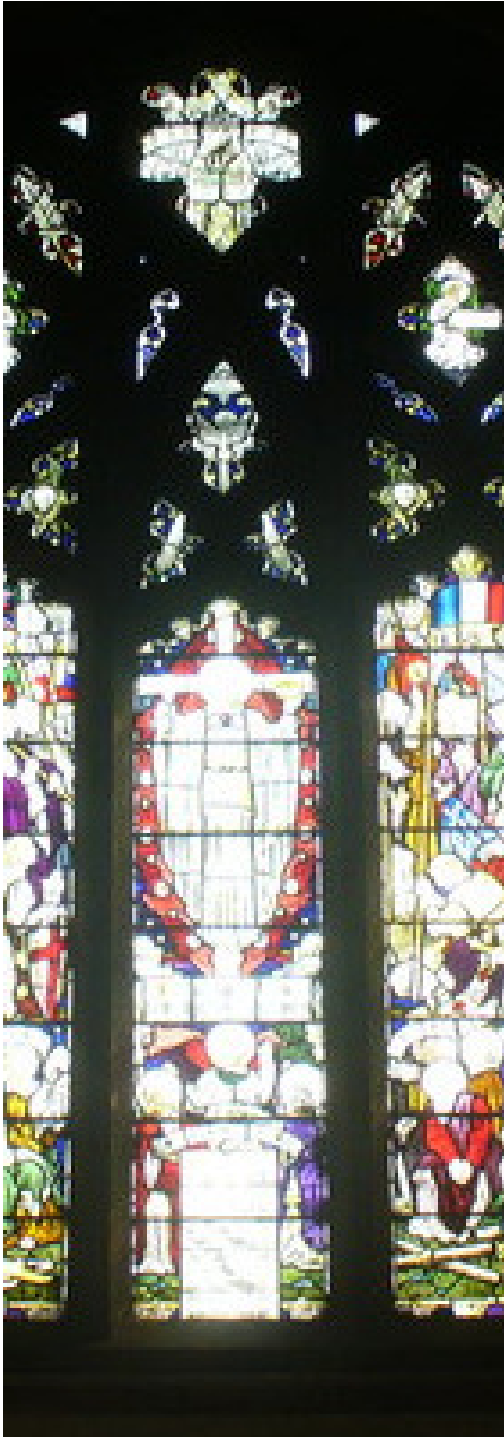


# Key Operating Principles

- Understanding True vs. Quasi Endowments
- Investing as one; spending as two
- Protecting the corpus (spending power)
- Understanding UPMIFA (Uniform Prudent Management of Institutional Funds Act)

# How UPMIFA Applies to Churches

- Applies to donor-restricted funds
- Rescinds “historic dollar value”
- Removes “income only” restraints
- Defines what “prudent” means
- Can be used to guide management of both restricted and unrestricted funds



## Practical Matters

- *Reserve vs. Endowment Funds*
- *Record Keeping*
- *Sub-Accounting*
- *Investment Options*

# 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](http://www.ecfvp.org)**

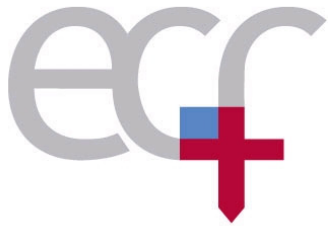


# Upcoming Free Live Webinars

- **Year Round Stewardship-**
  - February 11, 2015 – 7:30 PM – 8:30 PM Eastern Time
- **Basics of Planned Giving**
  - March 23, 2015 – 6:30 - 8:30 PM Eastern Time
- **Basics of a Capital Campaign**
  - April 15, 2015– 7:00 PM – 8:00 PM Eastern Time

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





**At your service**

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

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