

## 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
- Educational Events



## 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- Outdated Structure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

- **Vision & Planning**
  - May 8, 2014 – 7:00 PM – 8:00 PM Eastern Time
- **Major Donors for Dioceses**
  - May 13, 2014 – 1:00 PM – 2:00 PM Eastern Time
- **What is Vital Teams?**
  - May 13, 2014 – 2:00 PM – 3:00 PM Eastern Time
- **Basics of a Capital Campaign**
  - May 14, 2014 – 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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