

What is an Endowment? An endowment is a specified fund established by a non-profit organization, often a church, which invests donations to the fund and uses the income generated from the fund for specified purposes. The assets donated to the endowment become the “principal” or “corpus” of the fund, and generally are not used to support the fund’s purposes. Rather, the principal of an endowment is designed to grow over time and to generate income to enable the organization to provide sustained long-term funding for specified purposes without having to rely on the organization’s operating funds.

What is the Emmanuel Lutheran Church Vienna Endowment Fund? In 2020, Emmanuel Lutheran Church established the Emmanuel Lutheran Church Vienna Endowment Fund (ELC Endowment Fund), for the purpose of encouraging planned gifts to provide sustained, long-term support for Emmanuel and its various ministries. The ELC Endowment Fund was funded by an initial deposit of \$25,000 from the ELC general operating account. The ELC Endowment Fund is a separate account, owned by ELC and its members, within the Evangelical Lutheran Church in America (ELCA) Endowment Fund Pooled Trust (Pooled Trust).

What is the ELCA Endowment Fund Pooled Trust? The Pooled Trust was established by the ELCA to allow for the collective long-term investment of funds belonging to the ELCA, its congregations, synods, seminaries, and other eligible affiliated entities. The Pooled Trust is professionally advised, managed, and operated to fund current and future ministry by providing long-term growth and stable quarterly distributions for its participants’ investments.

How is the ELC Endowment Fund governed? ELC has established an Endowment Team composed of the Congregation Council’s Executive Team, the Stewardship Team captain, the Finance Team captain, and two at-large members appointed by Council. Pursuant to the Endowment Fund Gift Policy, approved by the Congregation Council in 2020, and the ELC Bylaws, the Endowment Team coordinates the day-to-day operation of the Endowment Fund, including decisions on acceptance of gifts (particularly those which are restricted in nature) and distributions of ELC Endowment Fund assets and income. The Endowment Team reports to and is overseen by the Congregation Council.

What are the limits on distributions from the ELC Endowment Fund? Any gift designated for the ELC Endowment Fund can be restricted by the donor, meaning that the principal and income generated from that principal could be used only for certain specified ministries or other activities.

On the other hand, unrestricted gifts may be used for any purpose recommended by the Endowment Team and approved by the Congregation Council. In the case of unrestricted gifts, the ELC Bylaws provide for the minimum distribution of 3% and a maximum distribution of 6% of the unrestricted Fund balance (including all interest, dividends, and realized/unrealized capital gains on that balance) for the previous year. Distributions outside of these thresholds require the approval of the Congregation Council. The Endowment Team’s current plan is that distributions from the Endowment Fund will commence once the unrestricted Fund balance reaches \$100,000.

In addition, the ELC bylaws require that, if the Endowment Team makes distributions from the unrestricted Fund balance, 10% of the annual amount distributed from the unrestricted Fund balance must be “tithed” as follows: 50% for community ministries supported by Emmanuel Lutheran Church and 50% for ELCA-related ministries.

It is anticipated that, except in very rare circumstances, distributions from the Endowment Fund would not be available for the purpose of reducing or eliminating any shortfall in the ELC annual budget or spending plan.

Why give to the ELC Endowment Fund? Giving to the ELC Endowment Fund, particularly through planned giving, will facilitate the *sustainability* of funding for ELC and its ministries so that ELC can continue its work for many generations to come.

What are the financial goals for the ELC Endowment Fund? The Endowment Team has established the following fund-raising goals for the ELC Endowment Fund:

- \$100,000 in lifetime (i.e., non-legacy) planned gifts by December 31, 2021
- \$500,000 in lifetime/non-legacy planned gifts by June 30, 2024
- \$5,000,000 in legacy planned gifts (whether realized or not) by December 31, 2024

The Congregation Council may, from time to time, make additional deposits to the ELC Endowment Fund using funds from ELC operating accounts, including funds from planned gifts made to ELC but not expressly designated by their donor for deposit into the ELC Endowment Fund.

What is Planned Giving? Planned giving refers to structured gifts made either during a donor's lifetime or as a "legacy" or charitable estate gift, effective upon the donor's death. Planned gifts may be either designated for deposit into the ELC Endowment Fund or made directly to ELC without such designation. A planned gift may be either unrestricted (i.e., available for any purposes approved by ELC or its leaders) or restricted (i.e., able to be used only to support those ministries or other activities specified by the donor).

A restricted planned gift may be designated for an existing ELC ministry (e.g., the Lamb Center, Hypothermia Week, the Columbarium) or to start a new ministry (e.g., planting a new church, providing worship services in a language other than English, setting up a scholarship fund for the Emmanuel Preschool). Prior to acceptance, the Endowment Team reviews restricted endowment gifts and the Congregation Council reviews restricted non-Endowment gifts to assure consistency with ELC's ministry goals and timely implementation.

How does Planned Giving differ from "everyday" gifts to Emmanuel? The typical gifts to ELC are in the form of contributions to support current, on-going operations and ministries on an annual basis. These contributions include traditional gifts (cash, check, electronic funds withdrawals, credit/debit card payments) as well as some non-traditional gifts (stock and IRA transfers, Thrivent Points). These types of gifts are usually unrestricted in nature and are deposited into the Church's General Fund or one of its operating accounts upon receipt. With certain exceptions (e.g., the setting up of reserves for capital improvements or other future needs), funds deposited into the ELC operating accounts are typically expended in the fiscal year in which they are received.

By contrast, planned gifts are often made on a pledge basis over several years and are commonly restricted as to their ultimate use and purpose. The bulk of any planned gift designated for the ELC Endowment Fund is intended to remain invested with limited distributions of income and, in some cases, principal to support ELC's internal and external ministries. In this way, most of the principal of a planned gift to the ELC Endowment Fund continues to grow over time, helping the Church to achieve long-term financial stability and security.

What form can Planned Gifts take? Although cash or cash equivalents are the most common types of planned gifts, there are many other forms these gifts can take: stocks, bonds and other securities; real estate; life insurance beneficiary designations; retirement account and pension survivor beneficiary designations; qualified charitable distributions from IRA accounts, and distributions under wills and living trusts. All non-cash assets offered to ELC as planned gifts are reviewed and subject to acceptance by either the Endowment Team (in the case of all Endowment gifts) or the Congregation Council (in the case of all non-Endowment gifts).

Upon request, the Pastors, the Endowment Team or ELC staff can refer potential donors to experienced legal and/or financial advisers who can assist in the creation of appropriate planned giving documents.

What is a Lifetime Gift? These may be one-time or installment gifts made to the ELC Endowment or to other ELC funds, including restricted gifts to the General Fund. They may consist of traditional or non-traditional gifts or both. Installment lifetime gifts generally span multiple years and involve a pledge by the donor at the outset. They are made by living donors, members or friends of Emmanuel.

What is a Legacy Gift? Also known as estate gifts or charitable estate gifts, legacy gifts are made to the ELC Endowment or to other ELC funds, which may include the General Fund. Legacy gifts are made by a donor through their will, trust, estate plan, or as a designated beneficiary on a financial asset. They are realized after the death of the donor, and may consist of traditional or non-traditional gifts or both.

What is an Expectation? When a donor includes the ELC Endowment or ELC in their estate plans as a legacy gift recipient, or as a beneficiary or survivor of a financial asset, it is called an expectation or expectancy while the donor is alive. The donor or their representative (estate attorney, gift planner) provides the ELC Planned Giving Communicator with basic information about the planned legacy gift. This allows ELC to record the planned gift and to recognize the donor appropriately for their generosity, with their permission.

What is a Traditional Gift? These are cash or cash equivalent gifts, to include checks, electronic withdrawals (one-time or recurring) from checking and savings accounts, and credit card or debit card payments (one-time or recurring).

What is a Non-traditional Gift? These include a wide variety of financial assets and instruments other than cash, including real and personal property. While not a comprehensive list, non-traditional gifts include stocks, IRAs and IRA distributions, bonds, other equity securities, crypto currency, real estate, art, vehicles, boats, planes, and other personal property. It also includes financial assets where the ELC Endowment or ELC is designated as a beneficiary and/or survivor, to include retirement accounts, pensions, and life insurance policies.

What is a Planned Giving Communicator? A member of Emmanuel appointed by the Council to the Endowment Team who holds a position of trust and confidence. The Planned Giving Communicator (PGC) is responsible for:

- Providing general information to members and friends of ELC about the Endowment Fund and other giving options, restricted and unrestricted gifts, planned giving, estate planning, legacy gifts, and lifetime gifts
- Assisting prospective donors by presenting options and opportunities for structuring a legacy and/or lifetime gift
- Referring prospective donors to subject matter experts to assist with estate planning and gift planning
- Ensuring that expectations are recorded
- Ensuring that planned giving donors are recognized for their generosity
- Informing Pastors and Council leaders about planned gifts and donors

How can I learn more about Planned Giving and/or the Endowment Fund at Emmanuel? Please consult the “Planned Giving/Endowment Fund” page on the ELC website at <https://elcvienna.org/give>. If you have questions or need more information, please contact any of the following individuals:

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