

What is an Endowment? An endowment is a specified fund established by a non-profit organization 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 gift of \$25,000 from the ELC general operating account. The ELC Endowment Fund is comprised of three sub-accounts, all owned by ELC and its members. The accounts are maintained with the Evangelical Lutheran Church in America (ELCA) Foundation and are invested in the Foundation’s Ministry Growth Fund.

What is the Ministry Growth Fund? The Ministry Growth Fund (MGF) was established by the ELCA Foundation to allow for the collective long-term investment of funds belonging to the ELCA, its congregations, synods, seminaries, and other eligible affiliated entities. The MGF is professionally advised, managed, and operated to fund current and future ministry by providing long-term growth and stable quarterly dividends 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(s), the Finance Team captain, and at-large members appointed by Council. Pursuant to the current Endowment Fund Gift Policy 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.

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 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 or unrealized capital gains on that balance) for the previous year. Distributions outside

of these thresholds require the approval of the Congregation Council. Additionally, the ELC bylaws require that, if the Endowment Team makes distributions from the unrestricted funds, 10% of the annual amount distributed must be “tithed” as follows:

- 50% for community ministries supported by ELC
- 50% for ELCA-related ministries

Except in rare circumstances, distributions from the Endowment Fund would not be available for the purpose of reducing or eliminating shortfalls 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 goals for the ELC Endowment Fund? The Endowment Team has established the following fund-raising goals for the ELC Endowment Fund:

- \$500,000 in lifetime planned gifts by June 30, 2024
- 24 commitments of legacy planned gift expectancies by December 31, 2024

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 the ELC Endowment Fund or made directly to ELC. 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).

What is a Lifetime Gift? These may be unrestricted or restricted gifts, ad hoc or installment, made to the ELC Endowment Fund. They may also be restricted ad hoc gifts to ELC funds. They may consist of traditional or non-traditional gifts or both. They are made by living donors, members, or friends of Emmanuel.

Installment lifetime gifts to the Endowment Fund generally span multiple years and involve a statement of intent (pledge) by the donor at the outset.

What is a Legacy Gift? Also known as estate gifts or charitable estate gifts, legacy gifts may be made to the ELC Endowment Fund or other ELC funds. Legacy gifts are made by a donor through their will, trust, estate plan, or as a designated beneficiary or secondary 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 Expectancy? When a donor includes the ELC Endowment Fund or ELC in their estate plans as a legacy gift recipient, or as a beneficiary or secondary beneficiary 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 as an expectancy and to recognize the donor for their generosity, with their permission.

What is a restricted gift? 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). 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.

Currently, there is one Endowment Fund sub-account that was created as a result of a restricted gift. The Preschool Endowment Fund is used to provide needs-based scholarships to Preschool students and support Preschool programming.

How do Lifetime Planned Gifts differ from "everyday" gifts made to Emmanuel? The typical gifts to ELC are in the form of unrestricted contributions to support current, on-going operations and ministries on an annual basis. These contributions go to the General Fund and include traditional gifts (cash, checks, electronic funds withdrawals, credit/debit card payments) as well as some non-traditional gifts (stock and IRA transfers, Thrivent Points).

In some cases, restricted gifts are made to operating accounts for current ministry initiatives. With certain exceptions (reserve accounts 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, lifetime planned gifts are those made to the Endowment Fund and are unrestricted or restricted. The bulk of any lifetime gift is intended to remain invested with limited annual 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 lifetime planned gift to the ELC Endowment Fund continues to grow over time, helping the Church to achieve long-term financial stability and security.

Lifetime planned gifts may be made ad hoc or as an installment payment against a statement of intent or pledge.

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 or secondary beneficiary designations; retirement account and pension survivor beneficiary or secondary 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 gifts to the Endowment Fund) 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 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.

What is a Non-traditional Gift? These include a wide variety of financial assets and instruments other than cash, including real estate

and personal property. While not a comprehensive list, non-traditional gifts include stocks, IRAs, IRA Qualified Charitable Distributions, bonds, other equity securities, crypto currency, art, jewelry, vehicles, boats, planes, and other personal property. It also includes financial assets where the ELC Endowment or ELC is designated as a beneficiary or secondary beneficiary 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 or lifetime gift
- Referring prospective donors to subject matter experts to assist with estate planning and gift planning
- Ensuring that legacy gift expectancies 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 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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