Creating a Parish Endowment Fund

Abide in Me Workshop
June 6, 2018

How People Give
• They give in 3 ways

<table>
<thead>
<tr>
<th>Annual</th>
<th>Special</th>
<th>Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ x</td>
<td>$ 10x</td>
<td>$ 100x-1000x</td>
</tr>
<tr>
<td>from income</td>
<td>from income or assets</td>
<td>from assets</td>
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Endowment First Steps
• Articulate Theological Basis
  – Include statement of purpose
Endowment First Steps

- Articulate Theological Basis
- Vestry Adopt Enabling Resolution
  - Including Plan of Operation

Plan of Operation

- Name of Fund
- Purpose
- Governance
  - Board Members Qualifications
  - How Elected/Appointed
  - Number of Members
  - Terms of Office

Endowment First Steps

- Articulate Theological Basis
- Vestry Adopt Enabling Resolution
- Appoint Endowment Board
Endowment Board

- People With Credibility
- People With Relevant Experience
- Folks Who Want To Serve

Endowment First Steps

- Articulate Theological Basis
- Vestry Adopt Enabling Resolution
- Appoint Endowment Board
- Decide Investment Method

Investment Method Alternatives

- In-Church Management Not Recommended
- Engage Bank or Trust Company
- Select Outside Investment Consultant/Manager
- Utilize Diocesan Foundation
Endowment First Steps

- Articulate Theological Basis
- Vestry Adopt Enabling Resolution
- Appoint Endowment Board
- Decide Investment Method
- Consider Planned Giving Task Force

Task Force

- Be Champions
- Develop Marketing Program
- Identify Church Resources
- Obtain Outside Resources
  - Diocesan Development Office

Growing Congregational Endowments

The Episcopal Church Foundation in West Texas
History and Background

- Organized by Episcopal Church Corporation
- Tax Exempt 501(c)3
- Board of Directors Appointed by Bishop—Ratified by Council

Board of Directors

- Ted Burkhart – St. Luke’s, San Antonio
- Bill Galbreath – Christ Church, San Antonio
- Bishop Reed
- John McClung – St. Mark’s, San Antonio
- Richard Mosty – St. Peter’s, Kerrville
- Liz Nisbet – Good Shepherd, Corpus
- Allan Paterson – Christ Church, San Antonio
- Charles Thompson – St. John’s, McAllen

Foundation Purposes

- Invest and Manage Diocesan Funds
- Be An Investment Resource To Churches And Diocesan Institutions
- Encourage Legacy Stewardship
Asset Classes

- Common Stocks
- Debt Instruments
  - Money Market Securities
  - Bonds

Model Portfolios

- Capital Maintenance
- Income
- Growth & Income
- Growth

Capital Maintenance

- Preservation of Principal
- Minimal Downside Risk
- 100% Fixed Income—No Equities
Getting & Growing Congregational Endowments

### Income
- Some Volatility Is Acceptable
- Minimal Growth of Capital
- 60% to 90% Fixed Income
- 10% to 40% Equities

### Growth and Income
- More Exposure to Volatility
- Modest Growth of Capital
- 40% to 60% Fixed Income
- 40% to 60% Equities

### Growth
- Volatility Is Expected
- Goal is Capital Appreciation
- 20% to 50% Fixed Income
- 50% to 80% Equities
Churches With Money To Invest

- Consider Using The Foundation
  - Independent Selection Of Professional Investment Managers
  - Investment Decisions Removed From Local Influences
  - Church Retains Control Over Expenditures

The Price is Right

Foundation Performance

Help For Individuals

- Assist in refining objectives for gift
- Discuss various gift instruments
- Discuss tax implications of alternatives
- Arrange for drafting instruments
- Serve as Trustee, if needed
- Invest and administer funds
More Information

www.foundation-dwtx.org