

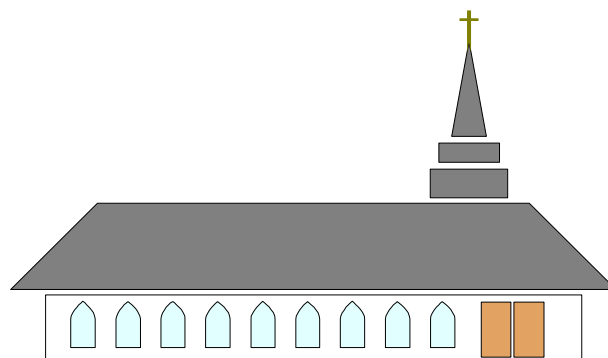
SHOULD OUR CONGREGATION ESTABLISH AN ENDOWMENT FUND?



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**An introductory process provided to LCMS congregations
by the LCMS Foundation.**



Should our congregation establish an endowment fund?

This question is usually asked by the leaders of a congregation in one of the following situations:

1. The leaders of the congregation are notified that the congregation is the recipient of a large gift from the estate of someone who has recently died.
2. The leaders of the congregation are notified that one or more members of the congregation have completed estate plans that include large gifts to the congregation.
3. The leaders of the congregation determine that members of the congregation wish to include gifts to the congregation in their estate plans, but are hesitant to do so because the congregation has no structured method to receive and administer such gifts.
4. The leaders of the congregation determine that additional funding sources are needed to expand and maintain the mission and ministry programs of the congregation.
5. The congregation has a history of using gifts from estates to pay for budget deficits and the leaders of the congregation want to change this pattern.

Any of the above situations can cause a number of questions to arise concerning the establishment of an endowment fund to receive and administer gifts to the congregation. Some of these questions may be the following:

- a. If an endowment fund committee is formed to receive and administer gifts to the congregation, who should be asked to serve on such a committee?
- b. What types of gifts can be made to an endowment fund?
- c. Will the congregation be willing to manage gifts with restrictions? If so, what restrictions?
- d. May the principal of an endowment fund be used?
- e. Where will the money be invested?

- f. May any of the investment income be used if the congregation runs behind on its budget?
- g. Is the investment income only to be used to benefit the congregation?
- h. If not, how much of the income is to be used to benefit other LCMS ministries?
- i. Should the treasurer be bonded in case any of the money turned up missing?

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To begin the research into the answers to these questions, your church council is encouraged to pass the following resolution:

Be it resolved, that the church council appoint five members of the congregation to serve as a study committee to look into the possibility of (Name of Church) Lutheran Church establishing an endowment fund. In addition to these five appointed members, the study committee shall consist of the congregation's chairman, treasurer, and Pastor. This committee is encouraged to contact Mr. Jim Schroeder of Iowa District West LCMS, for guidance in this matter. The study committee shall report back to the church council with its recommendation when its work is completed.

Sample Invitation Letter

(Date)

(Name)

(Address)

(City, ST Zip)

Dear (Name)

This letter is to ask you to consider serving your Lord and (Name of Church) Lutheran Church in a special way. Our congregation is looking into the formation of a special fund to receive gifts from Wills and estates, and manage these gifts in an orderly and efficient way for the advancement of God's Kingdom. The church council has passed a resolution authorizing the formation of a study committee. This committee will meet three or four times and their findings will be presented back to the church council.

Mr. Jim Schroeder of Iowa District West LCMS, will meet with the committee to give them guidance.

Please prayerfully consider serving on this study committee. I personally believe that the Lord has given you the particular interest and abilities that we need for this task.

I'll talk to you soon to invite you to the first committee meeting.

In Christ,

(Name of Individual sending letter)

(Position held)