



Planned Giving at Holy Trinity Lutheran

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, endowment is designed to grow the fund principal over time and to generate income to enable the organization to provide sustained long-term funding for specified purposes without having to rely solely on the organization’s operating funds.

What is the Holy Trinity Lutheran Church Mission and Ministry Endowment Fund?

The HTLC Mission and Ministry Endowment Fund was established in 2007 as a depository for new undesignated gifts and bequests so allocated by the Congregation Council. The fund is designed so that a portion of the fund principal, including any realized and unrealized capital gains are transferred to available assets at the end of each calendar year. These assets, along with any earned annual interest and dividends are used for the fund’s stated purpose which requires that a minimum of 20% be used for outreach into the community, synod and missions and the remaining amount to be used for new ministries, major capital improvements and/or fulfillment of the congregation’s Christian ministry in the world. As of December 2021, the value of the fund was \$60,914.29.

Who manages the endowment funds?

Thrivent, a membership owned fraternal organization as well as a holistic financial services organization begun in 1902 to provide insurance contracts for Lutherans, manages and invests our endowment funds. We are served by a professional team who advises and reports on the funds.

Frequently Asked Questions (FAQs)

How is the Mission and Ministry Fund governed? The Gifts and Bequests (G&B) Committee comprised of five voting members of the congregation are the custodians of the fund and are responsible for the administration and management of the fund. The G&B Committee itself is governed by a set of by-laws approved by the congregation and the New England Synod. The G&B Committee reports to and is overseen by the Congregation Council.

What are the limits on distribution from the Mission and Ministry Endowment Fund?

The distribution of Mission and Ministry Fund assets is specified in HTLC’s constitution, Provision C5.05 Fund income, consisting of earned interest and dividends and four percent (4%) of the fund principal, including realized and unrealized capital gains is distributed annually to fulfill the specified purpose of the fund. A minimum of twenty percent (20%) of the fund annual income is required to be allocated for outreach into the community, synod and mission. Except in very rare circumstances as outlined in the Bylaws, distributions from the Mission and Ministry Endowment Fund would not be available for the purpose of reducing or eliminating any shortfall in the HTLC annual budget or spending plan.

When are new gifts added to the Mission and Ministry Endowment Fund?

Additions to the fund come from two sources. First unrestricted gifts recommended by the G&B committee and approved by the Congregation Council for allocation to the fund and second, restricted gifts designated for the Mission and Ministry Fund are added to the fund principal. Upon the receipt of new gifts to the fund, an amount equal to the percent of the congregation’s operating budget designated for Benevolence is transferred to fund income for immediate distribution.

How are restricted gifts handled?

Restricted gifts accepted by the G&B committee and Congregation Council are setup as separate individual accounts for investment. Earned interest and dividend income is then distributed only for the purpose(s) specified by the donator. All realized and unrealized capital gains are added to the account principal. The Gift Policy does allow for the rejection of gifts deemed too restrictive.

Why give to the HTLC Mission and Ministry Endowment Fund?

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

What are the financial goals for the HTLC Mission and Ministry Endowment Fund?

(TBD)

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 HTLC Mission and Ministry Endowment Fund or made directly to HTLC without such designation. A planned gift may be either unrestricted (i.e., available for any purposes approved by HTLC's Congregation Council) 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 HTLC ministry or to start a new ministry. Prior to acceptance, the G&B Committee reviews restricted endowment gifts and the Congregation Council reviews restricted non-Endowment gifts to assure consistency with HTLC's ministry goals and timely implementation.

How does Planned Giving differ from "everyday" gifts to Holy Trinity? The typical gifts to HTLC are in the form of contributions to support current, on-going operations and ministries on an annual basis. These contributions 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). 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 HTLC 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 HTLC Mission and Ministry Endowment Fund is intended to remain invested with limited distributions of income and, in some cases, principal to support HTLC's internal and external ministries. In this way, most of the principal of a planned gift to the HTLC Mission and Ministry 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 (QCD's) from IRA accounts, and distributions under wills and living trusts. All non-cash assets offered to HTLC as planned gifts are reviewed and subject to acceptance by either the G&B Committee (in the case of all Endowment gifts) or the Congregation Council (in the case of all non-Endowment gifts).

Upon request, the G&B Committee, the Congregation Council or the church 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 Qualified Charitable Distribution? A Qualified Charitable Distribution (QCD) is a great way to support the life-giving ministries of Holy Trinity. If you have an Individual Retirement Account (IRA) and are 70 1/2 years of age or must withdraw a certain amount of

money each year, known as your required minimum distribution (RMD), you can donate a gift to Holy Trinity directly from your IRA. These withdrawals are normally taxable income but when donated to a charity they are exempt from federal and Massachusetts State income taxes. QCD's are limited to \$100,000.00/year for a single person or \$200,000.00/year for a couple. QCD's are simple to report on your 1040 tax return and immediately provide support to HTLC's ministries.

What is a Lifetime Gift?

These may be one-time or installment gifts made to the HTLC Mission and Ministry Endowment Fund or to other HTLC funds, including restricted gifts to the operating budget. 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 HTLC.

What is a Legacy Gift?

Also known as estate gifts or charitable estate gifts, legacy gifts are made to the HTLC Mission and Ministry Endowment Fund or to other HTLC funds, which may include the operating budget. 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 HTLC Mission and Ministry Endowment Fund or HTLC 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 HTLC Planned Giving Ambassador with basic information about the planned legacy gift. This allows HTLC 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 HTLC Mission and Ministry Endowment Fund or HTLC is designated as a beneficiary and/ or survivor, to include retirement accounts, pensions, and life insurance policies.

What is a Planned Giving Ambassador?

A member of Holy Trinity appointed by the Congregation Council who holds a position of trust and confidence. The Planned Giving Ambassador (PGA) is responsible for:

- Providing general information to members and friends of HTLC about the Mission and Ministry Endowment Fund and other giving options, restricted and unrestricted gifts, QCD 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 financial experts to assist with estate and gift planning
- Ensuring that expectations are recorded
- Ensuring that planned giving donors are recognized for their generosity
- Informing the pastor and Congregation Council about planned gifts and donors

How can I learn more about Planned Giving and/or the Mission and Ministry Endowment Fund at Holy Trinity?

Please consult the "Planned Giving/Endowment Fund" page on the HTLC website at htlceaston.org. *(To be launched at a later date)*. If you have questions or need more information, please contact any of the following individuals:

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