

Understanding the Basics of “Permanent Funds”

Covenant Theology leads us to understand that we are Blessed to be a Blessing and as such the church's theology must include not only good stewardship of its membership and facilities, but a healthy stewardship of both operating and permanent funds. Membership or facilities of a congregation are no different from permanent or endowment funds. They are all an accumulation over a period of time and each is a resource for current ministry.

- I. Creating an infrastructure of a planned giving program
 1. Clearly communicate and present the “Program” to the Session for approval
 2. Prudent investment and spending policies concerning present accounts that have long term or open time horizons
 3. Expenditures for ministry and mission that fit congregational ethos and policies and are well communicated
 4. Year round interpretation and communication of A, B, and C to the congregation
 5. A group of persons who have the responsibility and understanding of the basics of planned giving and the merits of permanent funds in the life of the church and who will carry out “D” above.

- II. Determining factors in the growth of funds:
 1. How the money is invested
 2. How much of the funds and their income is expended annually
 3. How much effort is put into gaining new gifts for the funds

- III. The three primary sources of new funds for endowments:
 1. Outright gifts such as memorials, etc.
 2. Gifts through bequests, life insurance or other testamentary means
 3. Life income contracts such as Gift Annuities and Charitable Remainder Trusts