

About Your Foundation

The Christian Church Foundation is a general ministry of the Christian Church (Disciples of Christ) focused on helping Disciples make legacy gifts to their favorite church-related ministries, either through direct planned gifts or permanent funds held in trust at the Foundation. The Foundation also manages endowment funds on behalf of the whole church, and invites ministries affiliated with the Christian Church (Disciples of Christ) to invest long-term permanent and endowment funds through the Foundation's Joint Investment Trust program. Planned giving services and consultations for establishing sound and prudent permanent fund policies are provided at no cost.

Other services are available to help your congregation preserve the intent of legacy gifts entrusted to you. While the Foundation does not provide legal or tax advice, we strive to help congregations think through the questions they may encounter and choose the appropriate professionals to answer those questions. Many congregations have entrusted their final legacies, when terminating their visible ministries, to the Christian Church Foundation. Other congregations, facing external threats, have chosen to "gift" their unrestricted endowment funds to the Foundation to protect them for future generations of Disciples. A core value of the Foundation's ministry is to hear YOUR concern and to put your congregation's needs first as we strive to help you find solutions to your stewardship responsibilities.

Foundation representatives are located throughout the country to provide services to donors, congregations and other Disciples ministries. To learn more, call us at (800) 668-8016 or visit our website at www.christianchurchfoundation.org.

*The Christian
Church Foundation
helps Disciples
make a
difference forever
and discover the joy
of serving Christ
through the sharing
of their resources.*



1099 N. Meridian Street
P.O. Box 1007
Indianapolis, IN 46206-1007
(800) 668-8016
www.christianchurchfoundation.org
08172000

Guide to a

Managing Estate Gifts

A Resource for Congregations



A Special Blessing

Gifts from donors' estates are a special blessing. These gifts are often the final testimony of faith from the saints of our congregations. What a great gift this testimony can be to all of us!

It is important to celebrate these gifts, but in all the work that we do, one paramount consideration deserves special focus: We must make it a priority to understand and to honor any donor restrictions on gifts made to the church. This is both a legal and a moral obligation. Many gifts restrict the use of funds for a specified purpose or restrict the congregation to only use the "income" generated from the gift while maintaining the original gift's value. Congregations with robust endowment fund policies may fail to understand that a donor's instruction, if given, always supercedes congregational policy. The legal responsibility to follow a donor's instructions typically doesn't end without permission from the courts — even when following those instructions becomes impractical or impossible. The following may help your congregation better understand its responsibilities for receiving and administering testamentary gifts.

Understanding the Process

Here's the standard process involved for the receiving and proper stewardship of testamentary gifts:

- Congregation receives a letter from an attorney, executor or trustee indicating a donor has left a gift to the church.
- Church should request a copy of the will or the portion of the trust document indicating the gift. It is vital that the congregation have the

"If you are faithful in little things, you will be faithful in large ones. But if you are dishonest in little things, you won't be honest with greater responsibilities. And if you are untrustworthy about worldly wealth, who will trust you with the true riches of heaven? And if you are not faithful with other people's things, why should you be trusted with things of your own?"

— Luke 16: 10-12
(New Living Translation)

exact wording provided and keep it securely filed.

- If the trust or will includes gift language that uses terms like "held, endowment, or income from the gift," the gift typically is intended for endowment. That means that only income from the gift may be spent.
- If the trust or will only mentions a specific gift amount with no endowment language or specified use of the funds, the gift is UNRESTRICTED and can be added to the endowment fund that is governed by congregational policy.

The congregation may have a practice of combining gifts restricted for endowment to the endowment fund governed by congregational policies. Accounting records should, however, separately record those assets which were restricted by the donor and cannot be used without court permission.

Key Definitions

Unrestricted Gift: A gift in which the donor puts no terms on the intended use or holding period of the gift.

Board-Restricted Gift: An unrestricted gift from the donor that becomes restricted by policy.

Donor-Restricted Gift: A gift in which the donor uses such terms as "held," "endowment," or "income from the gift" or names a specific use for the gift.

How Your Foundation Can Help

The Christian Church Foundation helps congregations develop policies that encourage and steward endowment gifts. Your Foundation can help identify the legal restrictions on gifts and provide information to help church leaders understand their legal responsibilities under state laws governing endowment gifts.

INVESTING: The Foundation provides investment services designed for the stewardship of legacy gifts. Our Board of Directors and investment consultants provide expert and on-going oversight of our investment managers and of the prudent asset allocation of our investment options. We give an independent assessment of a disciplined spending rate that may be used to meet the requirements of your state laws governing endowments. Our investment options seek to maximize the dollars available for current ministries and to provide a growing stream of income for future ministries.

RECORDKEEPING: As committees and leaders change within a congregation, it may be difficult to keep track of legal documents regarding donor-restricted endowment gifts. The Foundation can establish distinct accounts for these endowment gifts, document their restrictions, and pay quarterly or annual income at a rate determined by either the congregation or the Foundation. With a minimum endowment investment of \$10,000, the Foundation will permanently retain a copy of the donor's bequest language and any history available on the original gift. The Foundation will note purpose restrictions on the checks and require congregational authority to withdraw funds to ensure a future board does not inadvertently violate restrictions on endowment gifts.