



11 (relatively) Simple Steps to Starting Your Endowment Fund

1. *Start the conversation with a wide net*
 - a. Involve pastor, lay leaders, folks beyond finance
 - b. Cast a vision of what the fund will do

2. *Develop a committee*

Choose a model:

 - a. Trustees
 - b. Blue ribbon panel model (chairs of trustees, stewardship, finance, ad board, missions, a few at-large members)
 - c. Expert advice model, members who have expertise in planned giving, investments, etc.
 - d. Target market model, your best planned giving prospects
 - e. Some combination of the above

3. *Make some early decisions*
 - a. Is there funding potential in your church?
 - b. What sub funds (if any) should you have?
 - i. General operating
 - ii. Capital improvements
 - iii. Missions
 - iv. Specific programs
 - c. How concerned are you about socially-responsible investing?
 - d. Are there current fund that should become part of the endowment?

4. *Develop your policy*
 - a. Purpose/limitations of the fund
 - b. Committee membership and leaders, method of selection
 - c. Define the quorum, majority and how decisions are made
 - d. Requirements for reporting to the congregation
 - e. Limitations on investments
 - f. Spending policy
 - i. Interest/growth earned
 - ii. A fixed percentage
 - iii. Frozen
 - g. Request and distribution procedures
 - h. Principal invasion procedure
 - i. Procedure to amend the policy

5. *Run the policy past some of your congregation in draft form*
 - a. Informal conversation
 - b. Review by related committees
6. *Revise your policy as needed based on number 5*
 - a. One negative comment does not require a change
7. *Develop a marketing plan*
 - a. How to give
 - b. Target members over 70
 - c. Need not be wealthiest members or largest annual donors
 - d. Committed members are the best prospects
 - e. Keep things simple
 - f. Communicate the purpose of the fund and how it is or will be used
8. *Decide where the money will be invested*
 - a. East Ohio United Methodist Foundation
 - b. Investment company that a member uses and recommends
 - c. Member who does this work
 - d. Committee to make specific investment decisions
9. *Have a church conference (preferably a specially-called)*

You will need to present, discuss and hopefully approve:

 - a. Background on the endowment:
 - i. What it is
 - ii. How it will work
 - iii. What it will and won't do to pay for expenses
 - b. The formation of an endowment committee, if any
 - c. The endowment policy
 - d. Transfer of any current or reserve funds into the endowment
10. *Market your fund*
 - a. Use your plan from #7
 - b. Take advantage of momentum and interest from the church conference.
11. *Spend it, and keep marketing*
 - a. The best marketing for your fund is showing how it makes a difference
 - b. Raise the possibility of gifts to the endowment at least annually
 - c. Use testimonies from previous donors
 - d. Use the Conference Stewardship E-News to keep up to date on giving issues.