

## THE ENDOWMENT FUND 101 – PART I

At the service on March 5, we talked about the “building blocks” needed to manage and sustain First Church. One of the Church’s important building blocks is its 40-year-old Endowment Fund. The Endowment Fund is important for many reasons, but first and perhaps most importantly, it’s the 2<sup>nd</sup> largest source of income to the Church after pledges.

### Some background

The Endowment Fund was established in 1983 as a single account to be used exclusively for supporting and maintaining the church building. In 2007 the structure and functioning of the Fund was expanded in a Restated Agreement that was approved by the congregation. It is now divided into five accounts:

- **Historic Building Account** is the Fund’s largest account. Per the Restated Agreement, 4% of its market value at the end of each calendar year goes to the Church’s capital budget. (All other accounts provide 5% to the capital or operating budgets.)
- **Restated Building Account** funds are also distributed to the capital budget and are allocated for the preservation and maintenance of the building. Both building accounts pay the church mortgage and fund capital projects.
- **General Account** distributions go into the operating budget and have the most flexibility in how they can be used. The Church Board can approve use of these funds for any purpose determined by the Board to be in the best interest of the Church.
- **Outreach Account** supports social justice projects approved by the Church Board. Distributions from this account go into the operating budget.
- **RE Account** was created to provide flowers for the annual Flower Service. It is still used for this purpose but is also available to support the Lifespan Faith Development operating budget.

### Recent Values and Distributions

The Endowment Fund hit a milestone when it was first valued at over \$1M in 2013. More recently, due to market changes the Fund has decreased from \$1.47M at the end of 2021 to \$1.18M at the end of 2022. Similarly, distributions from the Fund to the Church declined from a record high of \$63,602 in the current Fiscal Year and will be \$52,258 in the 2023/24 Fiscal Year. Despite these decreases, the Endowment Fund makes a significant contribution to the Church and as the market improves so will future distributions.

### The Endowment Fund Board

The Endowment Fund is a separate 501c3 organization with its own Board. The five members of this Board are appointed by the Church Board and elected by the congregation. Current members, each serving a 5-year term, are Jenny Krueger, Lyn Martin, Dick Miltner, Ed Rider and Rebecca Schaefer. Please reach out to any of the Endowment Fund Board members if you have any questions or want more information about how to donate to the Endowment Fund.

**Look for future articles about the Endowment Fund’s Updated Investment Policy and its**

**Legacy Society!**