

Endowment Frequently Asked Questions

1. What is an endowment?
An endowment is a fund that holds its principal in perpetuity and only pays out a small portion each year. Endowment investments have dual goals: to grow the principal and to generate income. Institutions, such as the IL/WI District need funds for two reasons: to maintain day-to-day operations and to ensure the viability of the District for years to come. An endowment provides for the latter.
2. How is the IL/WI District able to establish an endowment?
The District received a gift of nearly \$200,000 from the Frances E. Senger Trust following Mrs. Senger's death. The Trust encouraged the District to endow the funds at the discretion of the District's Leadership Team. Endowing the funds provides for Mrs. Senger's legacy to continue but more importantly that the District which she supported throughout the years would continue to provide important ministry long into the future.
3. How was the endowment established?
The District's Property and Asset Management (PAM) Team which acts as an advisory committee to the District's Leadership Team is tasked with offering beneficial fiduciary counsel. The PAM Team discerned that it is in the best interest of the District to endow the Frances E. Senger Trust funds to adhere to the desire of the Trust and to ensure the long-term viability of the district. The PAM Team advised the Leadership Team to establish the endowment. The Leadership Team created the endowment based on the PAM Team's counsel.
4. What are the provisions of the endowment?
The endowment will be established with the dollar amount in the Frances E. Senger Trust fund as of Jan. 1, 2019 or \$200,000.00, whichever amount is greater at the time. The endowment cannot at any time fall below the \$200,000.00 threshold. Each year, the district may withdraw up to 4% of the total value of the fund minus any expenses incurred. If at any time related expenses or market fluctuation would cause the endowment to fall below \$200,000.00, the district, rather than the endowment, would be responsible for maintaining the endowment to the minimal level. Amendments to the endowment will require a Supermajority vote of both the PAM Team and the District's Leadership Team.
5. Are contributions to the endowment allowed?
Yes. However, contributions to the endowment cannot be restricted.
6. Why does the IL/WI District of the Church of the Brethren need an endowment?
The District needs money to continue operating. Although congregations and individuals give to support District operations, these sources of funding are trending downward. The funding needs of the District continue trending upward. Therefore, having a fund with capacity to grow and provide usable income for perpetuity offers the District potential funding to cover operations when other sources decrease.