

# **Memorial and Mission Endowment Funds**

## **Memorial Funds**

These are “pass through” funds that are received and distributed in their entirety for the purpose designated. Contributions of this type are generally shared “in memory” of a loved one and are intended to prosper the life and work of the church, while reflecting an appropriate tribute to the deceased. Gifts of this sort make possible a range of opportunities that enhance congregational ministry, from the purchase of special items for use in the church’s worship, to the purchase of equipment for the church office, to refugee support and the Lutheran World Hunger appeal. Memorial gifts are generally held in the church account until the family (with the assistance of the pastor or memorial committee and the approval of the congregation council) directs the funds to one of the special need projects within the congregation. It is useful to maintain an approved and dedicated memorial gift list.

(Note: If no decision is made by the family within one year, memorial monies are frequently declared as “undesignated” and will be available for use as the committee sees fit including the folding of these gifts into the Mission Endowment Fund.)

## **Mission Endowment Funds**

These are perpetual funds. The principal is not spent. Only the earnings can be distributed. This type of fund (it need not be designated as a memorial) will usually continue to yield income for its earmarked purpose annually. Since these are usually invested in low risk securities, the donor who wants to sponsor a particular activity within the church needs to think in terms of approximate yield and fund the endowment appropriately. Of course contributions may be added to some of the endowment funds already in place.

## **Designated Gifts vs. Non-designated Gifts**

When a donor designates that his or her gift be used for a specific purpose, the gift is called a designated gift. Congregations should ensure that designated gifts are used for the intended purpose. However, because needs change, it is desirable that donors include with their gifts the option of alternative uses, preferably to “where most needed.” This helps avoid potential problems with fulfilling the donor’s wishes.

Problems arise when designated donations don’t have the economic potential to achieve their designated purpose. For example, you receive a donation for a new organ, but the full cost of the organ cannot reasonably be funded.

Problems also arise when the purpose of the donation does not reflect the needs of the congregation. For example, a substantial bequest is received to renovate the sanctuary after the congregation has voted and planned to move into a new or different building.

Encourage gifts designated for the mission endowment fund. For all undesignated gifts, the congregation council could pass a continuing resolution stating that such gifts will be automatically added to the mission endowment fund. The New Jersey Synod passed an assembly resolution asking that ten percent of each gift received will be taken “off the top” and distribute to Churchwide ministry, with the remainder added to the Fund.