

**Questions and Answers on the Proposed Changes
to CCC's Endowment Fund and Planned Giving Program
May, 2007**

Q: Doesn't the church already have an Endowment Fund and a planned giving program?

A: Yes and no. CCC does have an Endowment Fund; and the Fund currently has assets with a market value (as of December 31, 2006) of \$438,416, all of which are invested in the United Church of Christ Balanced Fund and much of which is restricted in use as specified by the donors. CCC's Constitution and Bylaws also currently provide for a six-member Special Gifts Committee and charge it to conduct a planned giving program. But the Committee has not functioned for several years, having had neither a chair nor any members.

Q: Why change the present structure?

A: The primary reason is that the present structure for planned giving is not working. The Special Gifts Committee has not attracted any volunteers for the past several years, and as a consequence CCC has had no means of encouraging and helping members create a legacy through planned gifts. There are other reasons as well. Management of the Endowment Fund is currently vested in the Board of Trustees, but the board has so many responsibilities it has not been able to give the Endowment Fund consistent attention. Moreover, the current structure does not make the Endowment Fund very transparent to the congregation. Some data are included in the Treasurer's monthly reports to the Board of Trustees and the Annual Financial Report to the congregation; but most members are not well-informed about the existence and size of the Endowment Fund, how the Endowment Fund is invested, what uses are made of the interest and dividends that accrue, and what uses, if any, might be made of the principal and capital appreciation. The proposed structure attempts to address all of these problems.

Q. What is a planned gift?

A. A planned gift to the CCC Endowment Fund is a gift planned for during the donor's lifetime and usually (but not always) received by the church after the donor's death. Usually such gifts come from the donor's assets rather than current income. Bequests are the most common type of planned gift; but there are numerous vehicles that can be used, including some that provide the donor with a lifetime income.

Q: Will a re-energized planned giving program drain support from the operating budget?

A: Planned giving should not affect the congregation's support for the operating budget. Annual giving is typically pledged and paid from a person's current income, while planned gifts are usually made from a donor's accumulated assets and are not received by the church until a later date.

Q: When would the planned giving program start and will this result in another fund-raising campaign?

A: A re-energized planned giving program will not lead to another fund-raising campaign. If the congregation approves the proposals of the Endowment Study Group and Board of Trustees, the next step will be to organize the Planned Giving Committee (PGC). This

committee will initially be tasked with taking the approved Conceptual Plan and developing detailed operating policies and procedures which will address such issues as how the Endowment Fund will be managed and invested as well as how to contact the committee to get information on the advisability and mechanics for making a planned gift to the church. Because a planned gift is something that an individual might consider at any time, the intent is to have resources available, whenever requested, to assist anyone in the congregation who is considering a planned gift. There may be occasional education sessions offered, but there will not be a “formal” Planned Giving Campaign.

Q: Shouldn't CCC be promoting gifts to pay off our debt rather than gifts to an Endowment Fund?

A: Gifts to the Endowment Fund may be designated for use to pay down the debt. However, many planned gifts to the Endowment Fund will not become available to CCC until some indeterminate point in the future when the debt may already be paid off or other priorities have emerged. For that reason the proposal recommends encouraging donors to make future gifts to the church unrestricted, while current gifts might be designated for debt reduction.

Q. How will my planned gift be used?

A: The proposed Conceptual Plan for Endowment Fund defines the purpose of the Fund as “to strengthen the long-term ministry of Christ Congregational Church by creating and building financial assets which will help CCC develop significant new ministries beyond what would otherwise be possible through its annual operating budget and to enhance the facilities of the church.”

Your planned gift will be pooled with the gifts of other members and friends of the church and will be carefully invested and managed to grow so that your legacy will strengthen the future ministries of Christ Congregational Church. Such gifts, for example, may support a significant new program within the church or in the larger community. They may also support a major enhancement of the church's facilities (including the Retreat House) that would require a substantial infusion of funds. We trust that the future leadership of CCC will discern where God calls the congregation to make the best use of our gifts.

In order to enable such a legacy, your planned gifts are encouraged to be open-ended and unrestricted. However, your gifts can be restricted to a particular purpose, and these may also be accepted. The members of the Planned Giving Committee will work with you to develop a plan that best suits your interest and wish.

Q. The Special Gifts Committee also had several responsibilities regarding memorial funds. Since the Committee will be eliminated, what becomes of those responsibilities?

A. The Board of Deacons has agreed to assume all of the Special Gifts Committee's responsibilities regarding memorial funds. These tasks include providing education and information to the congregation regarding memorial funds, maintaining a memorial book of donors and persons memorialized, and preparing each year a list of the purposes for which memorial funds not otherwise designated may be used for approval by the Executive Council. No change will be made in the Board of Trustees' authority over the expenditure of memorial funds.

Prepared by the Endowment Study Group