

# About your endowment fund

## Endowment fund policies and guidelines



At Thrivent Charitable Impact & Investing we're committed to empowering churches and nonprofits—like you—to create change in communities. By providing you with flexibility, proven stewardship and tailored service, we're here to help you make the most of your endowment fund and ultimately fulfill your mission. We are proud to serve your organization and assist you in achieving your endowment goals. Whenever you have questions regarding your endowment fund or any of the policies and guidelines described in this booklet, please contact us at 800-365-4172 or email [thriventcharitable@thrivent.com](mailto:thriventcharitable@thrivent.com).

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# Your endowment fund at Thrivent

## How your endowment fund works

By establishing your endowment fund at Thrivent Charitable, you're taking an important step to ensure the long-term vitality and mission of your organization. Thrivent Charitable invests and holds endowment fund assets for the benefit of your organization. Your endowment fund, in turn, provides a source of distributions supporting the charitable purposes of your organization.

## Your fund agreement

Your fund agreement describes how your endowment fund will be administered and is based on information provided in the fund workbook. This fund agreement must be signed and received by Thrivent Charitable before making contributions or transferring assets to your endowment fund.

You have the option to name a contingent charitable beneficiary in your fund agreement. This charity would receive support should your organization cease to exist. As an example, some churches designate their national church body or related ministries. You can also name Thrivent Charitable as your contingent charitable beneficiary.

To make changes to your fund agreement, please contact Thrivent Charitable. To learn more about the language in your fund agreement, see [More About Thrivent Charitable and Your Endowment Fund](#) on page 7.

## Role of fund advisor

The person designated to serve as fund advisor to your endowment fund is typically the chair of the endowment committee, treasurer or president of the organization or church council. For purposes of the fund agreement, organizations are encouraged to designate a specific position with their organization versus an individual's name in the document.

The role of fund advisor includes responsibility for requesting distributions and recommending the investment allocation of endowment fund assets. These requests are to be in compliance with any restrictions placed on the endowment fund by your organization and with approval of the appropriate decision-making body within your organization. The fund advisor also receives quarterly endowment statements and has full online access to your endowment fund at [thriventcharitable.com](http://thriventcharitable.com).

## Authorizing online access to your endowment fund

The fund advisor of your endowment fund may authorize additional interested parties, such as committee members, board, staff or professional advisors (e.g., financial professional, CPA, attorney) with read-only online access to information regarding your endowment fund. This authorization can be made when the fund workbook is completed or updated by the fund advisor once the endowment fund is established. Please contact us for instructions.

The financial professional identified in the fund workbook is provided with read-only online access to your endowment fund activity (i.e., contact information, contributions and distributions). If you wish to authorize or restrict online access to your financial professional or others, please contact us.

## Endowment fund disclosure

You can provide Thrivent Charitable with permission to publish your endowment fund's name in Thrivent Charitable publications (e.g., annual report, newsletters, social media and website) by checking the designated box in the fund workbook. If no box is checked, we'll assume you do not wish for your endowment fund to be listed publicly.

You may change your disclosure preferences at any time. To do so, contact us.

## Endowment fund updates

Your organization's fund advisor receives quarterly statements for your endowment fund. These updates are generally available during the third week of the month following quarter end. In addition, daily access to your endowment fund's status, including contributions and distributions, is available through [thriventcharitable.com](https://thriventcharitable.com). Investment gains or losses are updated on a monthly basis. Whenever you have a question about the status of your endowment fund, please contact us.

## Contributions to your endowment fund

### Contribution options

Once an initial \$25,000 contribution is made to your endowment fund, supporters may give directly to your endowment fund with the following: check, wire transfer, ACH bank transfer, credit card, stock/bonds and mutual funds, qualified charitable distributions from an IRA, real estate, other real assets or closely held stock. The minimum for contributions of real estate or closely held stock is \$200,000.

Supporters may also add to the endowment fund with contributions that occur upon death, such as contributions made through a will or living trust, life insurance or beneficiary proceeds. Thrivent Charitable also offers gift vehicles that provide a stream of income to the supporter. Contact a Thrivent Charitable gift planner for more information about any of these options.

### Additional contributions

Cash contributions of \$1,000 or more may be made directly to Thrivent Charitable for the benefit of your organization. Cash contributions of less than \$1,000 are best directed to your organization and forwarded to Thrivent Charitable once the total reaches \$1,000 or more.

Because of state and federal tax laws, including the Uniform Prudent Management of Institutional Funds Act (UPMIFA), it is important that potential supporters be advised, prior to making a contribution, that distributions from the endowment fund may include principal as well as earnings from time to time.

### Addressing restrictions from supporters

Organizations occasionally receive a contribution from a supporter who places specific restrictions on the gift. They may request a specific purpose for the contribution, request a specific investment strategy or request distributions be made from income only, not principal. As all contributions to your endowment fund are subject to Thrivent Charitable policies, these legally restricted contributions may not be appropriate to include in your endowment fund.

We encourage you to consult with your legal advisor about potential restricted contributions to better understand the risks and responsibilities. A helpful resource to explore this issue is the Uniform Prudent Management of Institutional Funds Act ([upmifa.org](https://upmifa.org)).

If you receive a contribution of \$25,000 or more from a supporter who identifies a special purpose for their gift, you may consider establishing a separate sub-fund to meet the supporter's intention. We can separately account for additions to and distributions from this sub-fund. Please contact us to discuss.

## Contribution acceptance

### Tax considerations for supporter contributions

Because Thrivent Charitable is a public charity, contributions made by supporters to your endowment fund may be eligible to receive charitable tax deductions available under IRS regulations. Each charitable tax deduction is based on the type of asset and when the asset is given (e.g., direct contributions made while living versus contributions made upon death).

## **Contribution acceptance and tax receipts**

In accordance with procedures adopted by Thrivent Charitable, a duly authorized Thrivent Charitable officer or other designated staff person accepts contributions to your endowment fund on behalf of Thrivent Charitable. Once a supporter's contribution is received, a tax receipt is sent to the supporter.

## **Policy for selling capital assets**

Contributions of noncash assets, such as securities, real estate and other real assets, are sold by Thrivent Charitable as soon as feasible. Net proceeds from the sale of these assets are directed to your endowment fund and invested according to our investment policy and your recommended allocation.

## **Fundraising policy**

Thrivent Charitable cannot accept checks from individual supporters in response to fundraising events (i.e., golf tournaments, banquets) due to liability issues. Contributions received at a fundraising event should be made payable to your church or nonprofit and in turn, you may send a check reflecting proceeds of \$1,000 or more to Thrivent Charitable for investment in your endowment fund. Contributions from individuals at such fundraising events are not eligible for a charitable tax deduction through Thrivent Charitable.

## **Irrevocability of contributions**

Charitable contributions to Thrivent Charitable cannot be revoked once the transfer of assets is complete and we have accepted the gift. Supporters who contribute gifts such as bequests and beneficiary proceeds maintain control of their assets while living.

# Distributions from your endowment fund

## **Making distributions**

Your endowment committee determines when the endowment fund distributions are made as well as the criteria for distributions. The fund advisor may recommend distributions at any time, provided they are in compliance with any restrictions placed on the endowment fund by your organization and with approval of the appropriate decision-making body within your organization. Distributions may be recommended in writing or online through our website, [thriventcharitable.com](http://thriventcharitable.com).

Organizations typically request a percentage of their endowment fund's value be distributed annually. We suggest an annual distribution of 5% to allow the endowment fund to sustain itself when invested for growth.

## **Distribution procedures**

The following guidelines apply to distributions from endowment funds at Thrivent Charitable:

- At the recommendation of the fund advisor, distributions from endowment funds can be made in amounts of \$100 or more provided the fund retains a value of at least \$25,000.
- Distributions can only be made to IRS-qualified 501(c)3 charitable organizations.
- Scholarship distributions are permitted from endowment funds only when the grantee or recipient of the distribution is an accredited educational institution. This is due to an IRS requirement that scholarships must be awarded on an objective and nondiscriminatory basis.
- Any recommendation for distribution of the entire value of the endowment fund must be accompanied by a statement of the reason for the recommendation, certified by the fund advisor and by one other person in a position of responsibility with the organization, such as pastor, church president, executive director or board chair.

## Variance power

As a public charity, Thrivent Charitable is governed by federal laws and regulations that require it retain variance power. This means by accepting contributions to your endowment fund, Thrivent Charitable must have the ability to redirect charitable support under certain circumstances. This includes if a church or nonprofit loses its nonprofit status, support to a charity becomes unnecessary, or if the charity becomes incapable of fulfilling its mission or is otherwise inconsistent with the charitable purposes of Thrivent Charitable.

While it's unlikely Thrivent Charitable would exercise its variance power with an organizational endowment, we must retain our right to be consistent with IRS regulations.

## Fees and expenses

### Administrative expenses

An endowment fund at Thrivent Charitable is assessed a 1% annual fee on a quarterly basis (0.25% per quarter) to cover program and administrative expenses. This fee is based on the endowment fund's average daily balance for the quarter. Fees for additional contributions to existing endowment funds are prorated by the number of days the assets are in the endowment fund. A reduced fee of 0.5% is assessed to endowment fund assets in excess of \$1 million; this fee is further reduced to 0.35% for endowment fund assets in excess of \$5 million.

### Investment expenses

Thrivent Charitable invests endowment fund assets in a diversified portfolio of no-load, institutional class investments. Investment advisory fees are netted out of overall investment returns.

## Investment of fund assets

### Investments overview

All investments of Thrivent Charitable are reviewed for approval by the Thrivent Charitable Board of Directors. Assets of your endowment fund may be commingled with the assets of other organizational endowment funds that we hold and administer.

### Investing your fund's assets

The fund advisor may recommend the allocation for your endowment fund's investment as needed. Once assets are invested, changes in market value may cause the value of the underlying investments of your endowment fund to be worth more or less than the value of the original contribution. All dividends and capital gains are reinvested.

The fund advisor may select one or more Thrivent Charitable investment options for your endowment fund's assets. A custom investment allocation may be created by selecting a combination of options, based on the distribution needs and goals of your endowment fund. If no investment allocation is checked in the fund workbook, assets will be invested in the Thrivent Charitable Impact Fund™.

After your endowment fund is established, you may recommend changes to your investment selection or allocation by submitting your request online or in writing to Thrivent Charitable. Your fund advisor may change your investment allocation quarterly.

### Investment recommendations

Whenever possible, Thrivent Charitable follows your fund advisor's investment preferences. But as per IRS regulations, investment recommendations are advisory, and we may follow or decline recommendations. Investments are administered in accordance with the financial policies of Thrivent Charitable and are subject to normal market and interest rate fluctuation risks. Any gain or loss generated by investments will be reflected accordingly in the endowment fund's value.

## More about Thrivent Charitable and your endowment fund

Thrivent Charitable is legally organized as a public charity and grantmaking organization versus a bank, trust or investment company. Unlike a bank, trust or investment company, Thrivent Charitable's business is not to invest and manage money on behalf of others. However, under federal tax law, we have the ability to accept charitable contributions as a public charity, to invest and administer these assets and to make charitable distributions.

In the case of your endowment fund, Thrivent Charitable accepts contributions from your organization and its supporters to the endowment fund and holds them for the benefit of your organization. Many organizations view these legal requirements as a benefit because the assets are legally owned by Thrivent Charitable and are protected from legal claims asserted against the organization.

As you read related language in the endowment fund agreement, be assured Thrivent Charitable is guided by its mission to serve donors—both individuals and organizations—and that we are committed to the growth and stability of churches and nonprofits.



# About us

Thrivent Charitable Impact & Investing® brings hope to the world by empowering people to create the change that matters most to them. We open the joy of generosity to all by making it easy for anyone to give to the causes they cherish. We take a holistic, personalized approach to help our donors create strategic charitable plans, illuminating new paths to personalized impact through visionary models, tailored service and deep expertise. Ignited by our faith, we are passionate about creating positive impact and inspiring lasting change in our communities.



Thrivent Charitable Impact & Investing® is a public charity that serves individuals, organizations and the community through charitable planning, donor-advised funds and endowments. Thrivent Charitable Impact & Investing works collaboratively with Thrivent and its financial advisors. It is a separate legal entity from Thrivent, the marketing name for Thrivent Financial for Lutherans.

Insurance products, securities and investment advisory services are provided by appropriately appointed and licensed financial advisors and professionals. Only individuals who are financial advisors are credentialed to provide investment advisory services. Visit [Thrivent.com](http://Thrivent.com) or FINRA's BrokerCheck for more information about Thrivent's financial advisors.

While diversification can help reduce market risk, it does not eliminate it. Diversification does not ensure a profit or protect against loss in a declining market. Investing involves risks, including the possible loss of principal.

Performance results will include Thrivent Charitable administrative fees and may differ from the results of the underlying fund.

Donors/fund advisors are subject to the policies and guidelines outlined in this booklet. Thrivent Charitable Impact & Investing® reserves the right to modify these policies and guidelines at any time.

