

Withdrawal Policy

The establishment of an endowment is intended to be permanent by those who set it up. There are three circumstances under which a church/school/agency may request return of invested funds:

(subject to LLF Board approval)

1. Capital construction project requiring additional funding.
2. An unexpected financial need (emergency) where the organization would not survive without the funds.
3. LLF is investing outside of prudent investor laws.

If an organization takes out more than half of its invested funds, LLF will retain the principal of the match amount

Fees

For an (LLF) agency account (churches, schools, service organizations), LLF charges a single fee based on the balance in the account.

• For account balances under \$1,000,000, LLF charges 1.25% management fee
ASSESSED AS 1/12 OF 1.25% PER MONTH

• For account balances over \$1,000,000, LLF charges 1.00% management fee
ASSESSED AS 1/12 OF 1.00% PER / MONTH

The fees are all inclusive. There are no additional administrative or distribution fees.



Partnering Finance with Purpose.®

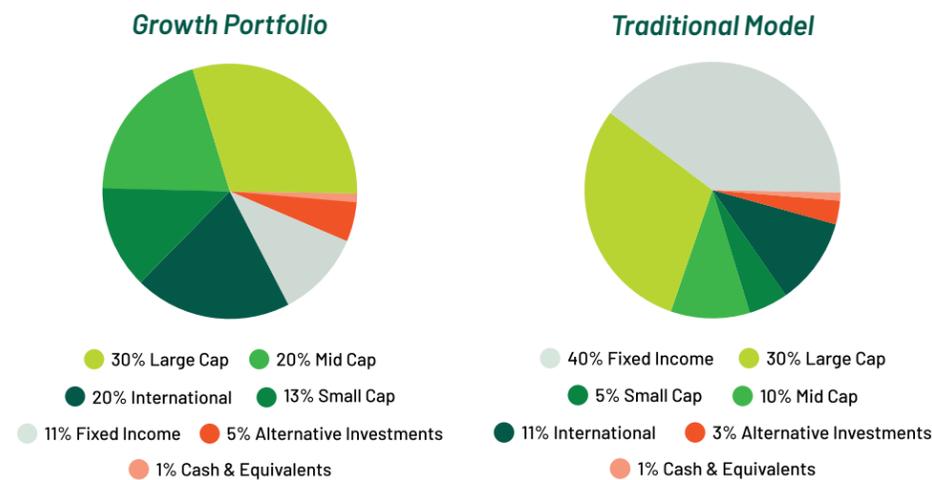
Nurturing the Faith for Future Generations

Performance

Lutheran Legacy is a community foundation which allows LLF to pool our funds. LLF offers two investment models:

1. Growth Portfolio
2. Traditional Model

Our most recent performance data for you to utilize is available upon request.



Endowment Guide for Lutheran Agencies



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For more information contact:

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Create a Lasting Legacy

Endowment funds, also known as ‘permanent funds’, are designed to keep the principal amount permanently invested while utilizing the earnings to generate revenue for supporting the ministry. LLF encourages churches and organizations to establish these funds by providing matching grants, thereby aiding in the expansion of both the funds and the resulting revenue stream.

- ✓ **A permanent fund that keeps it’s principal invested.**
- ✓ **Earnings are used to support; Ministry, Education, & Service Work.**
- ✓ **Helps ensure long-term sustainability of Lutheran organizations.**



CHURCHES



SCHOOLS



CAMPS



SOCIAL SERVICES



✓ Easy Application

We have a simple, straightforward process, with minimal paperwork and unnecessary hassle.

✓ Matching Grants

We provide matching starter and accelerator grants to help you maximize your investment impact.

✓ Professional Management

We partner with strategic experts and resources to drive optimal, enduring performance for your endowment.

Application

APPLICATIONS ARE STRAIGHT FORWARD, & LLF IS HERE TO ASSIST YOU OR YOUR COMMITTEE THROUGH THE PROCESS, PROVIDING RECOMMENDATIONS IF NEEDED.

The fund’s purpose statement is crucial. According to the application, part of the fiduciary duty of the LLF is to ensure that disbursements align with the fund’s purpose. Once an endowment is set up, its purpose is the only aspect that cannot be altered. Therefore, the statement should be general enough to cover your intended use of the funds but specific enough to focus on the area of ministry you wish to support. LLF can offer assistance with the wording of the purpose desired.

We have separate applications for each type of fund:

- ✓ **Growth Fund**
- ✓ **Traditional Fund**

Applications are available at:
LutheranLegacyFoundation.org

Matching Grants

This is the one area where Lutheran Legacy Foundation is different. LLF matching grants are designed to help kickstart and accelerate the growth of an endowment and provide an instant return on your organization's investment.

Startup + Accelerator Match

LLF offers the Agency accounts (churches, schools/organizations) a \$5,000 Endowment Starter Grant from the Clara and Spencer Werner Fund on the initial \$10,000 invested (minimum investment). LLF then offers a 20% match on future contributions of up to \$500,000 in contributions (\$100,000 in match funds). Individual or personal accounts have a different match structure.

Founding Legacy Match

In the case of a large contribution, LLF offers a match for a \$1 million contribution according to schedule the following schedule: \$100,000 added in the first year, \$50,000 added in the second year, \$25,000 added in the third year.

EXAMPLE #1

Initial Investment	(Standard Startup Match)
\$10,000.....	\$5,000
Future Gifts	(Accelerator Grant)
\$500,000.....	\$100,000
Total Grants Given	\$105,000

EXAMPLE #2

Initial Investment	(Founding Legacy Match)
\$1,000,000.....	year 1 - \$100,000 year 2 - \$50,000 year 3 - \$25,000
Total Grants Given.....	\$175,000

The matching grants are subject to a withdrawal policy, which means if an organization takes out more than half of its invested funds, LLF will retain the principal of the match amount.

Distributions

After one year, your organization can start receiving distributions from the fund. The Growth Fund typically follows a 5% distribution model, while the Traditional Fund uses a 4% distribution model. Disbursements are calculated based on the account values as of December 31st of the previous year.

On the application, you can choose semi-annual or annual distributions for automatic checks to the organization. Alternatively, your governing committee can request distributions as needed. LLF recommends spending about 4-5% annually, on average, from your fund, which allows for long-term growth within the fund as well. Some organizations prefer to build their endowment and may not take a distribution.