



# Welcome to the Nonprofit Endowment Cohort!

October 22, 2020

# Introductions

ART STUDENTS LEAGUE  
OF DENVER



Montessori School  
*of Washington Park*

# Rose Community Foundation



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# Agenda

- Introductions
- Nuts and Bolts of the Program
  - Structure
  - Resources
  - Goals
- Endowment Overview: Review from board presentations
- Intro to Integrated Development Plan
  - Today's Focus: Case Statement

# Program Structure

- Board Presentation
- Six sessions
- Two individual coaching sessions

Sept. - Oct. 2020	Individual Board Presentations: Introduction to Endowments and Planned Giving
Oct. 22, 2020	Nonprofit Endowment Cohort Orientation Introduction to Integrated Development Plan
Nov. 19, 2020	Gifts that Build Endowments
Dec. 2020	Individual Coaching
Jan. 21, 2021	Making the Ask for Endowment and Legacy
Feb. 18, 2021	Marketing, Communications and Donor Stewardship
Mar. 11, 2021	Gift Acceptance and Endowment Building Policies
Apr. 2021	Individual Coaching
May 20, 2021	Presentations: How to Sustain your Momentum and Stay on Track
Jun. 2021	Nonprofit Endowment Cohort Year End Celebration

# Program Structure

## Endowment Fund

- Initial \$10,000 Contribution + RCF Match (12/31/2020)
- \$5,000 Contribution + Second RCF Match (5/31/2021)

## Integrated Development Plan

- Drafted over the course of the program

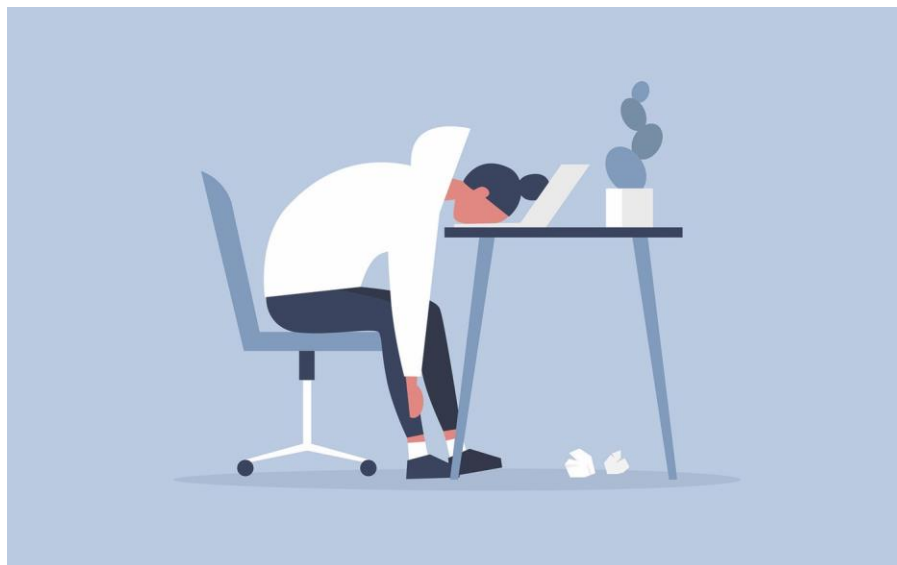
# NEC Resource Library





# Zoom – Group Norms

- Be present
- Be comfortable
- Be vocal
- Be curious
- Be flexible
- Be understanding
- Be honest
- What else?





# Program Goals

- Launch an endowment fund, including a \$10,000 match from Rose Community Foundation
- Draft a plan to help grow the fund over time
- Start engaging your most committed supporters in conversations about legacy giving
- Connect with peers in an environment of shared learning



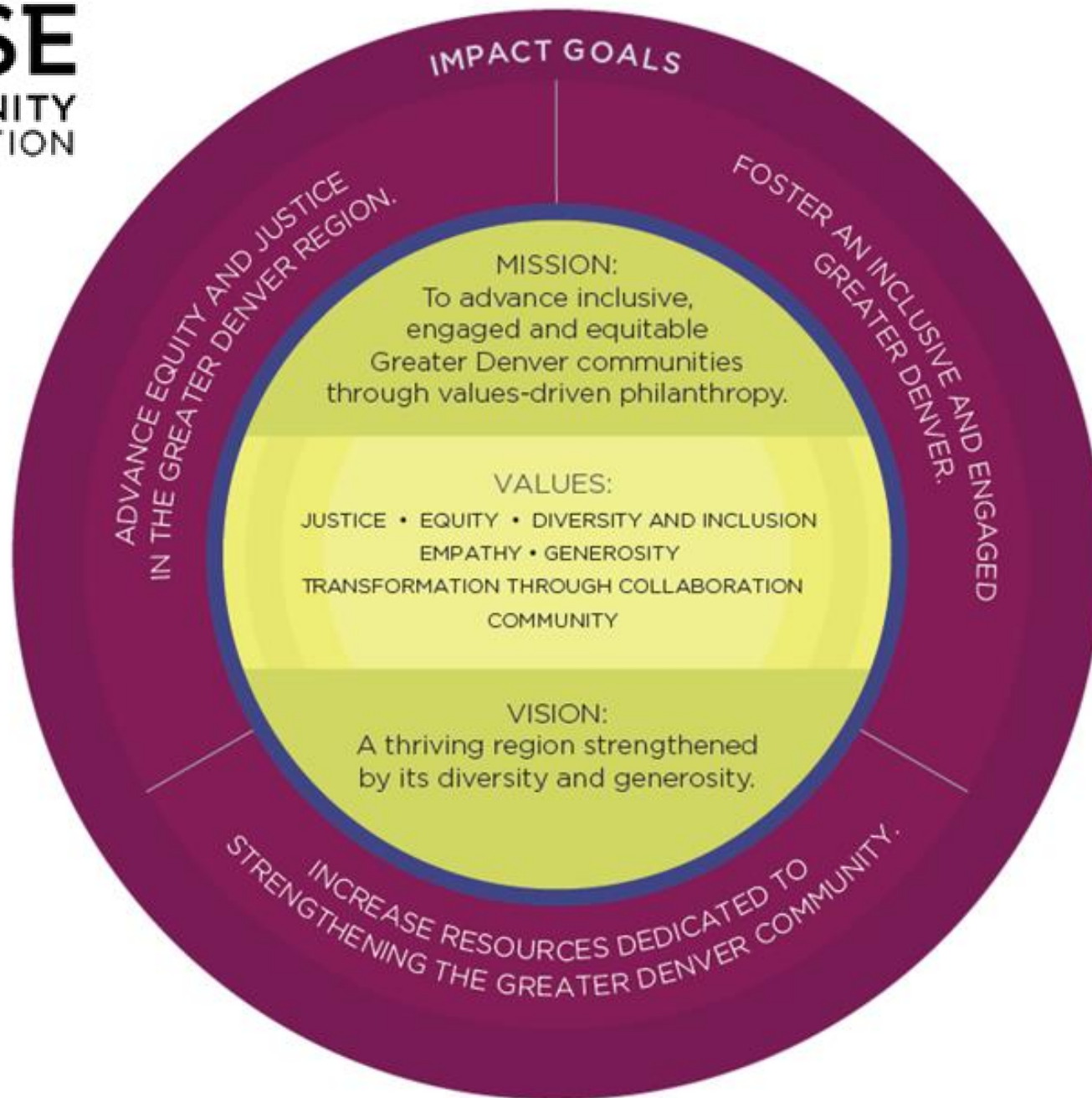
# Overarching Goals

- **Strengthen your organization to ensure sustainability for generations to come**
- **Foster an organizational culture that focuses on building for the future**

# Other Goals

- What broad goals do you have? Please type them into the chat
- What personal/organizational goals do you have? Please write them down now, and we'll review them at the first individual coaching session





# Helping you focus on impact

- Expertly managed investment portfolio
- Nonprofit Endowment Cohort: capacity building support to help grow the fund over time
- Oversight and stewardship over the lifetime of the fund





# What is an endowment?



# Endowment Fund

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Designed to **preserve principal** and provide a **reliable source of annual income** from earnings to help create **long-term sustainability** for the nonprofit agency.

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**Balances** current needs of an organization (**annual distribution**) with **long-term purchasing power**



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The case for endowment is not the value of the initial contribution, but rather than **value of the charitable work** that the endowment will provide **year-in and year-out forever.**

*Craig Wruck, Senior Advisor, PG Calc*

## Example: Disciplined Growth and a Reliable Distribution

Contributions	
2002	\$156,276
2003	0
2004	0
2005	0
2006	0
2007	0
2008	10,000
2009	621
2010	115,498
2011	72,806
2012	244
2013	28
2014	1,702
2015	90
2016	18,466
2017	18
2018	50,378
2019	4,518
<b>Total</b>	<b>\$430,645</b>

Distributions	
2003	8,448
2004	9,305
2005	7,514
2006	9,949
2007	10,763
2008	8,732
2009	7,340
2010	8,719
2011	15,035
2012	18,114
2013	19,324
2014	20,108
2015	19,216
2016	18,082
2017	20,090
2018	21,485
2019 *	21,849
<b>Total</b>	<b>\$244,073</b>

- Annual Operating Budget: **\$500,000**
- Fund opened in 2002: **\$156,276**
- 2019 value: **\$430,645**
- Total distributions since 2003: **\$244,073**

# Example: A Transformative Gift



Fund opened in 2011: **\$498,433**

- Initial Distribution: **\$25,000**

At the same time, the organization launched a **planned giving program/legacy society**

2017: **\$1.7M** life insurance policy realized

- Distribution in 2018: **\$91,000**

# Why is an endowment important?

## Annual Distribution:

- Reliable source of funding
- Offsets some of your annual fundraising
- Stability and flexibility in uncertain times

## Creating a culture of sustainability:

- Builds confidence with your donors
- Stability to ensure impact on future generations
- Opportunity for donors to connect their legacy to a cause they care about



# How is an endowment typically funded?

- Extra Reserves
- Sale of an Asset
- Retirement of Founder
- Receipt of Unexpected Bequest
- Committed Supporter
- Capital Campaign



# Growing your endowment

## Promoting a Culture that Builds for the Future

- Prudent Investment Management
- Board Approved Investment and Spending Policies
- Champion Leader
- Sense of Urgency
- **Marketing for Bequests and Planned Gifts**
- **Donor Stewardship**





# Why legacy giving?

Legacy gifts are an important strategy in building an endowment fund

Natural connection between legacy giving and endowment funds

- A legacy gift to an endowment fund gives back year after year





Legacy giving works with other fundraising efforts

- No cash now, so it can be an AND rather than an OR
- Opportunity to make a greater impact than a donor thought possible





# Integrated Development Plan

- Case Statement 
- Management Plan
- Prospect List 
- Marketing Plan 
- Recognition and Stewardship 
- Goals and Implementation

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# Breakout Rooms: What connects you to your organization (10 minutes)

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- Introduce yourself
- Share the object/ image you chose with your group
  - Why did you choose this object?
  - In what ways does it speak to your connection to your organization?
  - How does it represent your organization's impact?
- Be prepared to share a few themes with the larger group

**Share Out**

# Case Statement: Your Role as an Essential Community Resource

The case statement is a **tool** you can use to articulate **why the mission of your organization is worth ensuring for future generations**. Rather than a static document, it should be a **set of key messages** that can be used in marketing materials and can inform conversations with donors. It should **articulate your impact and core values** and convey the **emotional connections** individuals have to your organization.



# Case Statement



DON'T

Rattle off a bunch of numbers

Create a laundry list of specific programs



Instead

What do those numbers mean?

How do those programs further your mission and your impact on the community?

# Case Statement Example

The Logan School's approach – called Creative Learning – produces teenagers and **adults** who are **exceptionally creative, self-directed and engaged in their communities**. In fact, we find that many alumni **think of themselves as “Logan Kids”** when they look back at their education. Their years at Logan helped them acquire a **love of learning that has stuck with them throughout their lives**.



# Breakout Rooms: Case Statement (15 minutes)

- Open the Integrated Development Plan from the Resource Library (do that now, before you move into your breakout room!)
- Start thinking through these questions as a team – draft common language
- Your object and the discussion you had around it should inform this language
- When we return to the larger group, share something that rose to the surface





# Thank you!

Next session:

**Gifts that Build Endowments**

Thursday, Nov. 22, 2020

11:30 – 1:00 p.m.

Where else but Zoom?