



COVENANT

**DONOR ADVISED
FUNDS**



COVENANT TRUST COMPANY®



COVENANT DONOR ADVISED FUNDS

Covenant Donor Advised Funds offer donors the opportunity to establish an individually named Donor Advised Fund and remain actively engaged in the gift making process through recommendations regarding the use of fund income and principal.

General Provisions

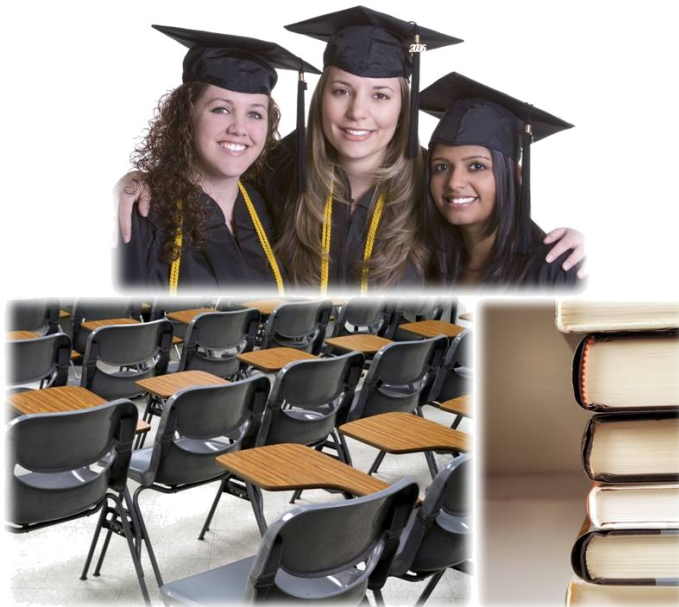
- An initial donation of \$25,000 or more is required to establish a Donor Advised Fund.
- Donations may be made with
 - Cash
 - Marketable securities
 - Real estate (requires prior approval from Covenant Estate Planning Services®)
 - Personal property assets, such as coin or stamp collections, etc. (requires prior approval from Covenant Estate Planning Services)
- Since donations of real estate and/or personal property assets require special effort, the Donor may incur expenses which are unique to the transfer of such assets.
- Additional gifts to a Donor Advised Fund must be \$10,000 or more.
- All Donor Advised Fund gifts are to be made to the Evangelical Covenant Church, and will be coordinated and processed by Covenant Estate Planning Services.
- Each Donor Advised Fund will be individually named, e.g. The George Johnson Family Donor Advised Fund.
- The written agreement used to establish an individual Donor Advised Fund shall be between the Evangelical Covenant Church and the Donor.



COVENANT TRUST COMPANY AND DONOR ADVISED FUNDS

- Covenant Trust Company will manage individual Donor Advised Funds for the Evangelical Covenant Church under an Investment Management Agreement, with the Evangelical Covenant Church as the client.
- Covenant Trust Company will manage Evangelical Covenant Church Master Investment Funds for the Evangelical Covenant Church under an Investment Management Agreement, with the Evangelical Covenant Church as the client. A Master Investment Fund is a fund established by the Evangelical Covenant Church solely for investment by the Evangelical Covenant Church and all its ministries.
- Covenant Trust Company shall charge each Evangelical Covenant Church Master Investment Fund an annual fee, paid quarterly. No additional fee will be charged to individual Donor Advised Funds invested in an Evangelical Covenant Church Master Investment Fund.

Education





EVANGELICAL COVENANT CHURCH

MASTER INVESTMENT FUNDS

- Five Evangelical Covenant Church Master Investment Funds will be established:
 - Evangelical Covenant Church Money Market Fund - All assets will be invested in money market funds
 - Evangelical Covenant Church Fixed Income Fund - All assets will be invested in fixed income investments such as money market funds, and short- to intermediate-term bond funds
 - Evangelical Covenant Church Growth with Income Fund (35% Equity-65% Fixed Income)
 - Evangelical Covenant Church Aggressive Growth Fund (65% Equity-35% Fixed Income)
 - Evangelical Covenant Church Maximum Growth Fund (100% Equity-minimum Fixed Income)
- The choice of which Evangelical Covenant Church Master Investment Fund shall be used to invest the assets of an individual Donor Advised Fund shall be made by the Donor.



Missions

DONOR ADVISED FUND ADVISERS AND GIFT DISTRIBUTIONS

- The Donor can be the Adviser for a Donor Advised Fund, and may name one or more additional Advisers.
- The Covenant Estate Planning Services shall act on recommendations for gift distributions under the authorization of the Evangelical Covenant Church and based on Evangelical Covenant Church guidelines.
- When two or more persons are named as Donor Advised Fund Advisers, the Covenant Estate Planning Services may accept and act on recommendations for gift distributions from any one Adviser without any requirement to contact or receive concurrence from the other named Donor Advised Fund Advisers.
- Recommendations for gift distributions from a Donor Advised Fund must be written and signed by a Donor or named Donor Advised Fund Adviser. While a faxed copy of such a recommendation will be sufficient for the distribution to be made, the original must be forwarded to Covenant Estate Planning Services by mail.
- The minimum gift distribution from a Donor Advised Fund is \$1,000.
- Donor Advised Fund Gift Distributions will be made weekly, likely on Thursday or Friday.
- During each calendar year, every Donor Advised Fund is required to distribute 5% or more of its January 1 value, unless there are special circumstances such as the Donor Advised Fund holding non-liquid assets.
- If the required 5% distribution has not been made from a Donor Advised Fund by December 25th of each calendar year, it shall be made automatically. If there are no written requests on file from the Donor regarding distribution, the 5% distribution shall be made to the Evangelical Covenant Church to be used where needed most.
- Donor Advised Funds may request up to 50% of the annual distribution be made to 501(c)(3) charities other than Covenant ministries. Any such charity must have goals and objectives compatible with those of the Evangelical Covenant Church.



DONOR ADVISED FUND DISTRIBUTION PROVISIONS

- When a Donor Advised Fund has maximum assets of less than \$5,000 for a full calendar year, the Donor Advised Fund will be closed and its assets distributed to Covenant ministries. If there are no written requests on file from the Donor regarding ultimate distribution, the Donor Advised Fund assets will be distributed to the Evangelical Covenant Church to be used where most needed.
- Upon the death of the last surviving Donor, the assets of a Donor Advised Fund will be distributed to Covenant ministries. If there are no written requests on file from the Donor regarding ultimate distribution, the Donor Advised Fund assets will be distributed to the Evangelical Covenant Church to be used where most needed.
- A Donor may provide for the Donor Advised Fund to continue after death with gift distribution recommendations being received from one or more Advisers selected by the Donor for a time period up to 20 years or for the lives of the named Advisers, whichever is less.

COVENANT CAMPS



REPORTING, INFORMATION, AND CONFIDENTIALITY

- Each Donor and Donor Advised Fund Adviser will receive annual information from the Evangelical Covenant Church about the strategic needs of the Evangelical Covenant Church as determined by the Evangelical Covenant Church Executive Board (The Strategic Fund) unless otherwise directed by the Donor or Adviser.
- Covenant Trust Company will provide periodic reports to each Donor Advised Fund Donor and Adviser on the status of the Donor Advised Fund unless otherwise directed by the Donor or Adviser. The Evangelical Covenant Church shall receive a copy of each Donor Advised Fund report.
- Each Donor will be asked to complete a questionnaire asking about the degree of confidentiality they want for the Donor Advised Fund, including whether (for publicity purposes) the Evangelical Covenant Church may announce the establishment and/or funding amount of the Donor Advised Fund. A copy of the completed questionnaire must be on file with Covenant Trust Company.
- The Evangelical Covenant Church will establish written internal and publicity confidentiality policies regarding the establishment and account balance of Donor Advised Funds. Implementation of these policies for each individual Donor Advised Fund shall take into consideration the desires of the Donor as expressed in the confidentiality questionnaire.
- A key contact person from one Covenant ministry will be designated for each Donor Advised Fund, to coordinate contact among the Donor Advised Fund Donor, Advisers, and Covenant ministries.

Information contained in this brochure is presented for purposes of information and education only. It is not intended as either tax or legal advice, nor are items listed in order of importance or priority. Consult your own legal, financial and tax advisors for professional help.



Donor Advised Funds are an excellent alternative to a private family foundation and offer donors a very flexible way to address their charitable interests over both the short- and long-term.

While there are many ways to structure charitable giving, there are few alternatives that offer the versatility and tax efficiency of a Donor Advised Fund. A Donor Advised Fund allows you to take action today to fund a future of charitable giving. Here's how it works. You make a tax-deductible contribution of cash, securities, real estate or other assets valued at \$25,000 or more to the Evangelical Covenant Church. There is no maximum gift amount. These contributions are placed in your named Donor Advised Fund and are invested in professionally managed Evangelical Covenant Church Master Investment Funds that have the potential to grow tax-free and fund more charitable giving. You can recommend at any time that distributions be made from the account to Covenant and/or other ministries of your choice.

