

Frequently asked questions about the Saints Constantine and Helen Greek Orthodox Cathedral Richmond, Virginia, Endowment Trust

What is the Saints Constantine and Helen Greek Orthodox Cathedral Richmond, Virginia, Endowment Trust?

- *The Endowment Trust is a savings account in which the principal is secure and the interest can be used for various church projects or initiatives. An endowment is an aggregation of money, investments or property donated by individuals. The donated funds grow in value over time to provide an ongoing source of support for the Cathedral ministry. Our endowment requires that the principal be held in perpetuity.*

How did the endowment get started?

- *In 1972, an Endowment Fund was set up initially by a \$1,000 gift from AHEPA, the American Hellenic Educational Progressive Association, a service organization closely aligned with the Orthodox Church. The endowment's purpose was to receive gifts and bequests for the congregation's long-term mission. The fund grew over the years and in 2011, the Endowment Fund was dissolved and its holdings were moved to an Endowment Trust under the control of Saints Constantine and Helen Greek Orthodox Cathedral. The trust is managed by Davenport & Co., a 150-year-old investment management firm with headquarters in Richmond.*

What is endowment money used for?

- *An endowment fund can be used in a number of ways: It can provide seed money for special projects; it can help a church to grow new or existing ministries that otherwise would strain the congregation's resources; it can provide grants for community outreach, youth-related projects or to other congregations with special needs. Funds could even be used for special building, remodeling or repair projects.*

Where does the endowment get its money?

- *Some parishioners make regular donations to the trust. Some have donated property, mutual funds or stocks. Some have left funds to the trust in their will. Some designate the endowment as a recipient of a life-insurance policy. Some donate real estate. All gifts are tax-deductible.*

Who oversees the endowment?

- *A committee comprised of twelve Cathedral members in good standing are empowered by the Parish Council to oversee the endowment. These members are responsible for growing the trust and disbursing its funds.*

How are endowment funds obtained for use by the cathedral?

- *A written request must be made by the Parish Council to the Endowment Board of Trustees. The request describes the amount requested and the purpose for which the disbursement is intended*

to be used. The board of trustees has sixty days to consider the request. Approval of any requests requires the affirmative vote of two-thirds of the board of trustees.

What happens if all the interest money is not spent in a given year?

- *If income generated by the trust is not disbursed by the end of the calendar year, the leftover income becomes part of the trust principal.*

Is there any circumstance in which the principal can be used?

- *Such a circumstance is called an encroachment, and the bylaws of the endowment are designed to deeply discourage use of the principal. Only in most extraordinary circumstances event — such as Cathedral bankruptcy — should such an event occur. Then, the Parish Council must make a formal request to the endowment committee for an encroachment. Four-fifths of the twelve-member committee must vote in the affirmative to release any principal funds. If the committee declines the request, the Parish Council can take the matter to the general assembly of the Cathedral. Four-fifths of the general assembly must vote in the affirmative to release funds.*

Are there tax benefits for contributing to the endowment?

- *Some tax and financial planning benefits of planned gifts include: income tax charitable deduction, capital gains tax savings, estate and gift tax savings*

Consult with your accountant for the most tax-advantaged way to give.

How can I give to the endowment?

- *You can make a cash donation by setting up automatic withdrawals from your checking or savings account, by donating property or stocks, by adding the endowment to your will or by designating all or a portion of a life-insurance policy. For more information, call Jo Ann Bonelli, the Cathedral Financial Secretary, at (804) 355-3687.*