



**MortarStone**  
CHARITABLE TRUST

# Establishing an Impact Fund



# What Is an Impact Fund?

Through the years, church members have proven repeatedly that they are some of the most generous givers in the world. Year-in and year-out churches around the country realize significant funds thanks to the wonderful stewardship of their congregations.

Each year, God continues providing more and more opportunities for His church to serve Him. New ministry initiative opportunities surface continually. Seeking God's wisdom and guidance on new priority ministries is important and requires much prayer and resources.

In an effort to gather more resources specifically for God's wisdom and the capital needs for these new opportunities, the MortarStone Charitable Trust created the Impact Fund program.

The Impact Fund program provides those who come into additional funds throughout the year and desire to invest some of those funds in ministry, a way to earmark those dollars for ministry use. These individuals already support their respective church operations with their tithes but desire to invest something beyond with the additional funds God has blessed upon them. They also desire to receive a charitable contribution deduction for income tax purposes but do not want to make the funds available for a particular ministry until they are satisfied that the ministry program is ready for the funds. The Impact Fund program provides an opportunity for individuals to achieve both of these objectives.

## How Does an Impact Fund Work?

An individual (couple) donor establishes an Impact Fund (see steps below).

1. When establishing the Impact Fund, the donor is named as the adviser(s) to the Impact Fund.
2. The Impact Fund can be created to support any church ministry and/or charitable organization during the lifetime of the adviser(s) and/or can be restricted to support a specific ministry and/or charitable organization desired by the donor.
3. The donor contributes to the Impact Fund.
4. Grants from the Impact Fund will only be made to U. S. Domiciled 501 (c) (3) public charities upon recommendation from the adviser(s) and according to the charitable purposes of the Impact Fund agreement as determined by the donor.
5. The donor/adviser(s) receives a quarterly statement describing the balance in the Impact Fund and any grants that were made.

# How to Establish an Impact Fund

The Impact Fund Program seeks partners who will pray for the church leadership asking God for His wisdom and discernment for current and future vision ministry priorities. The program also seeks partners who will invest additional resources to assist in providing the working capital needed to fund vision ministry initiatives.

Establishing an Impact Fund is a simple process.

1. Fill out the Impact Fund application online at [MortarStoneCharitable.org](https://MortarStoneCharitable.org)
2. After submitting your application, you will be able to download a copy of the Welcome Packet.
3. Carefully review the terms and conditions included in the Welcome Packet.
4. You will be emailed an Impact Fund Agreement. Please e-sign the document and it will be automatically processed by MortarStone Charitable.
5. A MortarStone Charitable administrator will contact you to discuss funding and how to process grants.
6. You may then make a contribution of \$10,000 or more to establish your Impact Fund.

**Note:** Gifts of appreciated securities, real estate, and other non-cas assets may be contributed as well. Email [administration@mortarstonecharitable.org](mailto:administration@mortarstonecharitable.org) for specific gifting instructions.



# Other Features of the Program

The value of each Impact Fund is tracked separately and donors/advisers receive quarterly statements reflecting the current value of their Impact Funds.

- Donors/Advisers may identify their successor advisers throughout the generations thus allowing donors the ability to involve their children and grandchildren in ministry of the church and passing on values that are important to them to the next generations.
- Impact Funds may be named as beneficiary of estate gifts enabling donors to use the Impact Fund to fulfill their support of the church beyond their time here on earth.

## Grants from Impact Funds

Any church and/or U.S. Domiciled 501 (c) (3) public charity may be supported through grants from Impact Funds. Many Impact Fund donors seek to use their Impact Fund in assisting the church for its current and future vision initiatives. New local church campuses and community outreach initiatives are examples of God's expanded ministry vision for the church and how He is using the church to impact the world for His glory.

Grant recommendations from Impact Funds may be made at any time and emailed to MCT with the name and address of the ministry organization and the recommended amount of the grant.

The minimum grant recommendation to any ministry of the church is \$500. Advisors are asked to annually recommend grants totaling at least five percent (5%) of the Fund's average asset value over the previous year.

In the event the Impact Fund is inactive for more than one year, MCT will have the authority to make distributions from the Impact Fund to qualified charities in amounts not to exceed five percent (5%) of the Impact Fund's average asset value over the previous year. Impact Funds are deemed inactive when no distributions have been recommended for more than one year.

No personal benefit may be derived by recommending a grant (for example grants cannot be used to purchase tickets to functions or receive other personal benefits from the charitable grantee for making such a grant recommendation).

In order to cover the program management costs, an annual administrative fee of 1% (100 basis points) on the beginning year asset value will be assessed quarterly. Investment management fees will be charged directly by the investment manager and will be commensurate with the type of investments used.