

ISSUE X • AUTUMN 2014

# ENDOW

THE QUARTERLY NEWSLETTER OF THE *Covenant College Foundation*

**en•dow** verb 1. to provide with a permanent fund or source of income.

“Indulge your every whim.” That was the message on the inside of the foil of my piece of Dove dark chocolate. I know the folks at Dove are just trying to encourage me, but reading it actually made me a little *DIS*couraged. It seemed so blatant there on the wrapper, but isn’t this the thinly veiled message we get every day from our environment? Yet this is the very same environment in which we have been called to be stewards and not owners.



I have been reading a book given to me by a friend that contains the last writings by Adolphe Monod, a French pastor who died in 1856. In a meditation called “Two Great Goods,” in reference to the passage in Philippians that contains the well-known phrase “to live is Christ and to die is gain,” he says the following: “[M]y life, my natural life, which I live today and to which I may die tomorrow, is used for nothing

but to follow and serve Jesus Christ.” This is a far cry from, “Indulge your every whim!”

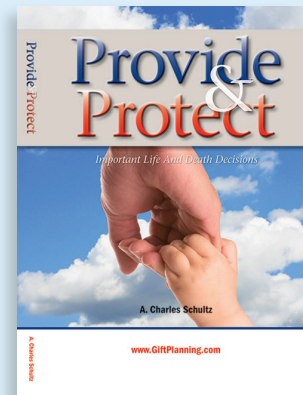
We are introducing a new contributor in this issue. Scott Clark graduated from Covenant in 1992 and works as a financial advisor in Greenville, South Carolina. As I read through his article on a spending plan—with the thoughts above still rolling around in my mind—it made me wonder if I am stewarding the resources that God has entrusted to me in ways that are indulgent for

me or if I am managing them in ways that cause others to see Christ more clearly. I hope you find his thoughts helpful as you consider this yourself and I hope you enjoy this issue of *Endow*.

Marc Erickson, CFP®  
Executive Director  
Covenant College Foundation

## PROVIDE & PROTECT

We were pleased with the response to our offer of a free copy of *Provide & Protect*. There are only a limited number of copies left, so this will be the last time we offer this handy financial guide. It covers many topics including family issues, healthcare, retirement, wills, trusts, and lifetime giving. The chapters are four-to-six pages long and include a short quiz with the answers for review. You can read it straight through or use it as a reference to pick and choose topics as you need them. Please let us know today if you would like a free copy. Call the Covenant College Foundation office at 706.419.1601 or email [linda.moore@covenant.edu](mailto:linda.moore@covenant.edu) to have a copy sent to you today.



# Planned Giving Begins with Planned Spending

by Scott Clark, CFP®

DID YOU KNOW THERE ARE ONLY FIVE POSSIBLE WAYS TO SPEND YOUR MONEY? Everything you spend can be itemized into five categories—taxes, debt, lifestyle, saving for the future, and giving. If your goal is to “spend” more of your limited resources on giving, then first take a step back and evaluate how you are allocating your money among these five areas. In other words, having a spending plan is the first step toward having a giving plan.

I know, I hear the groans already. Even though I’m saying “spending plan,” you know I mean “budget.” I realize that almost no one likes to develop a budget, keep track of the details, or actually make adjustments. Be that as it may, it is part of being a faithful steward.

When I was a teacher in Haiti years ago, my administrator explained that we should not teach by accident but, rather, by design. The same principle applies to how we spend money. When you spend “by design,” you will begin an ongoing process of prayerfully

weighing the tradeoffs between spending money on taxes, debt, lifestyle, saving for the future, and giving to Gospel-advancing causes.

I’m confident that such a process, though admittedly tedious at times, will lead to a joyful commitment to planned giving for the glory of God.

If you are ready to get started on your “spending plan,” you will find several useful worksheets in the “Answers” section of [MasterYourMoney.com](http://MasterYourMoney.com).



*Scott Clark, CFP®, graduated from Covenant College in 1992 and is an advisor at PlanFIRST, Inc., an independent, fee-only asset management and financial planning firm.*

## FAST FACTS ABOUT THE CENTER FOR STUDENT SUCCESS AT COVENANT COLLEGE

This fall, Covenant College opened the Center for Student Success. The Center was established to provide tailored resources aimed at helping students succeed during their time at Covenant.

The Center provides:

- > Academic support for struggling students
- > Personalized attention for students whose major is undeclared or who are thinking of switching majors
- > Time management assistance

- > Aptitude testing
- > Goal setting support
- > Services for students with learning difficulties, including students on the autism spectrum
- > Space for collaborative studying
- > Proctored testing for students who may need extra testing time or a quiet space to test

Listen to Janet Hulsey, director of academic support, and Sarah Ocando, director of student success, discuss the Center for Student Success at [covenant.edu/CSS](http://covenant.edu/CSS).

## Donor Impact

### Ivy Ritchie Sjolholm '14

In this issue of *Endow*, we'd like to highlight the impact donors have on Covenant students. It is our pleasure to introduce you to Ivy Ritchie Sjolholm '14, a Wilberforce Scholar and community development major. As part of her community development major requirements, Ivy spent the first semester of her senior year in Lima, Peru. The Paz y Esperanza (Peace and Hope) organization in Lima, Peru, assigned Ivy the responsibility of designing a program to help victims of domestic violence become financially independent from their perpetrators. We invite you to listen to her senior testimony given in chapel just before she graduated in May 2014. Ivy discusses her experience in Peru and how her Covenant education prepared her for the opportunity. Listen to Ivy at [covenant.edu/ivy](http://covenant.edu/ivy).

We are grateful for donors who give through the Covenant College Foundation to further the kingdom through the work of students like Ivy.



## Donor-Advised Funds

by Beth Anderson Nedelisky, CFP®

LAST YEAR, AMERICANS GAVE MORE THAN \$300 BILLION TO CHARITY. One of the fastest growing tools for charitable giving is donor-advised funds which are commonly used as an alternative to setting up a private family foundation.

Donor-advised funds are not just for billionaires. You can set up your own donor-advised fund account at one of the big investment companies or at your local community foundation for as little as \$5,000.

A donor-advised fund is operated by a public charity. When you set it up, you are actually making a qualified charitable contribution. However, the purpose of this charity is to assist you in transferring the value of your account on to other worthy charitable organizations. As the donor, you serve in an advisory role, making *recommendations* about the timing, the amount, and the recipients of your donor-advised fund account.

Donor-advised funds offer attractive benefits to donors. By contributing to a donor-advised fund account, you receive a tax deduction today and access to professional investment management services.

In addition to being low-cost and easy to set up, the investment firm sponsoring your donor-advised account will ensure that organizations receiving gifts are qualified charities. It will handle the payouts and can manage recurring gifts on a monthly, quarterly, semiannual, or annual basis.

By naming family members as co-advisors to the fund, your family can join with you in directing gifts to charity, thereby establishing a family legacy of generous giving.

Finally, donor-advised funds offer some unique benefits which a private family foundation cannot. Donor-advised accounts have low overhead and are not subject to mandatory 5% payout rules. They provide favorable tax deductions by allowing donors to deduct the fair market value of their gift rather than just the basis.

Most donor-advised funds can accept appreciated property such as stock, real estate, and complex assets. By transferring appreciated property, you receive the double tax benefits of avoiding capital gains taxes and receiving a charitable deduction for the value of the assets transferred to your account.

Ultimately, there are no shortcuts when it comes to giving your time, attention, and resources to charity, but there are tools like donor-advised funds to assist you along the way.



*Beth Anderson Nedelisky, CFP®, graduated from Covenant College in 2003 and is a wealth manager at Marotta Wealth Management, Inc. in Charlottesville, Virginia. Prior to joining the firm in 2005, Beth served as interim director of admissions for Covenant College. She has co-authored more than 30 articles on various financial planning topics, including estate planning and real estate.*