



Endowment Building Q&A



Gary Pforzheimer
President, Planned Giving, Foundation Source
President, PG Calc

Thursday, January 29, 2026
1:00 PM ET

1



Agenda

- (05) Quick Introduction
- (05) Some definitions
- (10) The Five Keystones of Endowment Building
- (40) Questions and Answers

1/29/2026 (c) 2026 PG Calc 2

2



What Exactly Is an Endowment?

- Collection of individual funds, some restricted, some not
- Pooled for investment purposes
- Invested for future use
- Generally, nonprofit spends from some of the investment return and preserves the principal
- Excess return is reinvested to grow the endowment

1/29/2026 (c) 2026 PG Calc 3

3

PG Calc
YOUR PARTNER IN PLANNED GIVING SUCCESS

What Does an Endowment Make Possible?

- Endowment growth allows distributions to keep up with inflation
- Provides continuous support as needs change
- Facilitates long-range planning and capital projects (especially maintenance)
- Provides stable funding source through market fluctuations and annual giving ups and downs

1/29/2026 (c) 2026 PG Calc 4

4

PG Calc
YOUR PARTNER IN PLANNED GIVING SUCCESS

Five Keystones of Endowment Building

1. Fundraising / Gift Acceptance Policy
2. Investment Policy
3. Spending Policy
4. Commingled Investments with Sub-Accounting
5. Stewardship

1/29/2026 (c) 2026 PG Calc 5

5

PG Calc
YOUR PARTNER IN PLANNED GIVING SUCCESS

1. Fundraising / Gift Acceptance Policy

- Rules of the road for gifts
- Can't put the organization at risk
- Gifts must be compatible with mission
- Defines who reviews non-standard gifts and all donor restrictions
- Has formal written donor agreements

1/29/2026 (c) 2026 PG Calc 6

6

PG Calc
YOUR PARTNER IN PLANNED GIVING SUCCESS

2. Investment Policy

- Balances risk and reward
- Anticipates generating positive total return over time without jeopardizing principal
- Clarifies investment strategies and oversight

1/29/2026 (c) 2026 PG Calc 7

7

PG Calc
YOUR PARTNER IN PLANNED GIVING SUCCESS

3. Spending Policy

- Ensures consistent distribution available to the organization
- Must be considered “prudent.”
- Usually applied over trailing average, not a point in time
- $(\text{Expected investment return}) - (\text{Expected inflation}) = (\text{Amount to spend})$
- Range of 2.5% - 5% is typical

1/29/2026 (c) 2026 PG Calc 8

8

PG Calc
YOUR PARTNER IN PLANNED GIVING SUCCESS

4. Commingled Investments / Sub-Accounting

- Funds pooled for optimal investing and efficient administration
- Need to account for new gifts and distribution amounts of individual funds
- Everything else is allocated *pro rata*
- Track individual donor restrictions

1/29/2026 (c) 2026 PG Calc 9

9

PG Calc
YOUR PARTNER IN PLANNED GIVING SUCCESS

5. Stewardship

- Critical to maintain relationships with donors (and families)
- Demonstrate how organization is fulfilling its mission
- Includes clear financial reporting to show how donors' contributions are invested and used
- Happy donors become repeat donors!

1/29/2026 (c) 2026 PG Calc 10

10

PG Calc
YOUR PARTNER IN PLANNED GIVING SUCCESS

Q&A



To ask a question, click the Q&A button at the bottom of your screen.

1/29/2026 (c) 2026 PG Calc 11

11

PG Calc
YOUR PARTNER IN PLANNED GIVING SUCCESS

Thank You!

Contact Gary: gary@pgcalc.com 888-497-4970

Read the White Paper:
The Five Keystones of Endowment Building
giving.pgcac.com/endowment-keystones

Learn about PG Calc's Endowment Sub-Accounting Services:
giving.pgcac.com/sub-accounting-conversation

1/29/2026 (c) 2026 PG Calc 12

12
