



## Perpetual Funding for Catholic Parishes

An endowment is a permanent fund that holds its principal in perpetuity and is invested for the benefit of a particular purpose. The parish or a donor can establish a permanent endowment to benefit your parish with a gift of cash, securities or complex assets. The parish or donor can even establish an endowment directed to a specific parish need. Once in place, the Endowment Fund will grow and make annual distributions to support your parish for generations to come.

### Benefits of Creating an Endowment

- **Simplicity and ease** - The Catholic Foundation manages the administrative aspects of the fund and the parish simply receives the proceeds.
- **Visibility and marketing** - The Foundation promotes your parish endowment through its annual report, newsletters, website and donor portal to promote your established fund in the Parish and Catholic community.
- **Integrity of Catholic values** - The Foundation's investment committee, along with Merrill Lynch professional management team, ensures all funds are invested in accordance with the United States Conference of Catholic Bishops guidelines for socially responsible investments.
- **Peace of Mind** - Funds created by the Catholic Foundation of Michigan provide asset protection from potential liabilities. They also ensure the specified growth and lasting legacy in our Catholic communities.

### Types of Endowment Funds

#### Parish Endowment Funds

Parish endowments with the Catholic Foundation ensure the continuation and growth of their ministries, services and programs for future generations. An annual distribution is paid directly to the parish.

#### Donor Advised Funds

These funds are created by donors wishing to support a one or more schools, parishes or nonprofits. Contributions are invested and granted to the parish as advised by the donor(s). Additionally, a donor can establish a fund that can convert to a permanent endowment to benefit the parish upon their passing.

#### Honorary and Memorial Funds

A gift of an endowment to benefit the parish in the name of someone special is a gift that declares, "Together we are giving the gift of faith to future generations." Imagine the special, memorable gift a donor could give to a loved one.

#### Field of Interest Grants

These endowments are funded by donors wishing to support a specific cause within the scope of the Catholic Foundation's mission. Income from these funds are distributed through the Foundation's grant program to institutions serving an area of special interest to the donors.

Examples of these funds are Catholic education & formation, social services and vibrant parish life.



## Getting Started

1. **Identify the Need to Create an Endowment** – Many people see the benefit of endowing their beloved parish, but do not know how to go about doing so. Additionally, finance councils and pastors see the necessity for having a diversified revenue source that will benefit the parish into the future while making a conscious choice to use memorial monies, bequests or other revenues to establish an Endowment. A helpful resource for your discernment is: <https://www.councilofnonprofits.org/tools-resources/endowments>.
2. **Define a Purpose** - State a clear purpose for which the earnings will be used into the future. While the purpose should be clear, and not be overly restrictive. Some examples are for: The Mission and Ministries of the specifically named parish, or Capital Improvements etc.
3. **Determine the Initial Amount to Initiate the Fund.** The minimum amount to set up an endowment is \$10,000. Distributions take place in the following year after at least 1 year of investment.
4. **Official Approval of Funds** - Archdiocesan entities that wish to establish endowments using parish funds must receive approval from the parish finance committee and/or appropriate Archdiocesan representative as an initial first step. A letter approving the use of the funds is required by the Catholic Foundation.
5. **Work with the Catholic Foundation** and your finance council to create the Endowment Agreement with the Foundation. Identify 1-2 fund liaisons from your parish.
6. **Choose the name of the fund.** The endowment can be named after an individual, family, or the parish(s) benefiting from the fund.
7. **Make the initial contribution** to the fund by way of assets (cash or stocks)
  - a. The parish and/or an individual may continue to donate to the established endowment
  - b. Public endowments allow anyone to donate to the fund through multiple vehicles after it is established.
8. **Celebrate!**
  - a. Share on social media that your parish has successfully opened a fund that will benefit your ministry for years to come!
  - b. Follow the Catholic Foundation on LinkedIn, Facebook and Twitter in order to allow us to do the same to maximize and amplify your social media presence.
9. **Ongoing support**
  - a. Quarterly statements will be sent to you regarding the growth, balance and activity of the fund.
  - b. Yearly, a percentage (typically 5%) of the endowment is given to the parish according the agreement.
  - c. Contact the helpful Catholic Foundation staff at any time if you have questions.

We invite you to prayerfully consider an Endowment Fund with the Catholic Foundation of Michigan. Together as people of faith, we can spread the Light of Christ and make a difference in the lives of many, for generations to come!

*“God’s will: Peacefully do at each moment what, at that moment, ought to be done.”*

- St. Katharine Drexel