



Guide to Endowments for Individuals

An endowment is a permanent fund that holds its principal in perpetuity and is invested for the benefit of a particular purpose. You can start a permanent endowment with a gift of cash, securities, assets, or you can establish a Donor Advised Fund that can convert to a permanent endowment upon your passing. Once in place, the Endowment Fund will grow and make annual distributions to support the charities and/or charitable causes you've identified for generations to come.

Any individual can establish an endowment fund with The Catholic Foundation of Michigan. If you have a special reason or purpose for starting an endowment, a fund can be tailored to fit your own personal charitable interests. Another option is to leave your gift to an existing endowment that matches your purpose and intention.

Benefits of Creating an Endowment

- **Integrity of values** – The professional management team at Merrill Lynch overseen by the Foundation's investment committee ensures all funds are invested in accordance with the United States Conference Catholic Bishops guidelines for socially responsible investments.
- **Donor focused** – Designate the charitable organization or parish of your choice, or leaves your contribution unrestricted to serve the greatest need.
- **Simplicity and ease** - The Catholic Foundation manages the administrative aspects of fund thus reducing your time commitment.
- **Financial sense** – You may be able avoid capital gains taxes on long-term, highly appreciated assets, as well as the ability to fund at your passing with an estate gift or designation in a will.
- **Visibility and marketing**– The Foundation promotes your endowment through the Catholic Foundation's annual report, newsletters, website and donor portal.

Types of Endowment funds

Designated Endowments

Designated endowments are created by donors wishing to support a particular organization, parish, school or ministry. The annual distribution is paid directly to the beneficiary organization named by the donor to be used in accordance with the donor's intent.

Scholarship Endowments

These funds are ideal for donors who wish to establish a lasting legacy for students at a beloved school with all of the benefits and security of a perpetual endowment. Scholarships dollars from these funds are distributed directly to the school to benefit deserving students in line with the donor's desires.

Honorary and Memorial Funds

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

Field of Interest Funds

These are funded by donors who wish to support a specific cause within the scope of the Foundation's mission. Income from these funds is 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 parish life.



Getting Started

1. **Work with the Catholic Foundation** to create a plan that best suits your philanthropic goals.
2. **Choose the name of the fund** – you can name the fund after yourself, family members, or the charitable organization(s) benefiting from the fund.
 - a. It is also important to identify a contingent charitable beneficiary in the event money cannot go to the primary beneficiary (i.e. if the primary beneficiary ceases to exist).
3. **Make the initial contribution** to the fund by way of personal assets (cash or securities)
 - a. 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.
 - b. Public endowments allow anyone to donate to the fund after it is established.
 - c. An individual may continue to donate to the endowment after the initial donation to establish the endowment. And, anyone can donate to the endowment after it is established.
4. **Celebrate!**
 - a. Share with others the opportunity to contribute to the fund that will benefit this philanthropic priority for years to come!
5. **Ongoing support**
 - a. Quarterly statements will be sent to you regarding the growth, balance and activity of the fund.
 - b. Once a year, a percentage (typically 5%) of the endowment is given to the donor's chosen beneficiary or beneficiaries.
 - 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!

“The kingdom of heaven is like a mustard seed that a person took, and sowed in a field.

It is the smallest of all the seeds, yet when full-grown it is the largest of plants.

It becomes a large bush, and the birds of the sky come and dwell in its branches.”

– Matthew 13:31-32