



Perpetual Funding for Catholic Schools

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

Benefits of Partnering with the Catholic Foundation:

- **Simplicity and ease** - The Catholic Foundation manages the administrative aspects of the fund and the school simply receives the proceeds.
- **Visibility and marketing**– The Foundation promotes your school endowments through the Catholic Foundation’s annual report, newsletters, website and donor portal.
- **Integrity of 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 ensure the specified growth and lasting legacy of our Catholic communities.

Types of Funds that support our Catholic Schools:

Endowments Funds

Schools and donors can establish endowments with the Catholic Foundation to ensure the continuation and growth of the school for future generations. An annual distribution is paid directly to the school to be used at the schools discretion in accordance with the fund agreement.

Donor Advised Funds

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

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 or Memorial Funds

A gift of a fund to benefit your school in the name of someone special is a gift that declares, “Together we are giving hope to future generations.” Imagine the distinct, memorable gift a donor could give to a loved one.



Getting Started

1. **Identify the Need to Create a Perpetual Fund**– Many people see the benefit of endowing their cherished school, but do not know how to go about doing so. Also, school leaders see the necessity for having a diversified revenue source that will benefit the school into the future while making a conscious choice to use memorial monies, bequests or other revenues to establish Endowment Funds. A helpful resource for your decision making process 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, it should not be overly restrictive. Some examples are for: The mission and operations of the school, 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** – Schools that wish to establish an endowment fund using school funds must consult with their board of directors, finance committee and/or appropriate leadership 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 board to create the Endowment Agreement with the Foundation. Identify 1-2 fund liaisons from your team.
6. **Choose the name of the fund.** The endowment can be named after an individual, family, or the school benefiting from the fund.
7. **Make the initial contribution** to the fund by way of assets (cash or stocks)
 - a. A school and/or individuals may continue to donate to the endowment after the initial contribution.
 - b. Public endowments allow anyone to donate, at any amount, to the fund after it is established.
8. **Celebrate!**
 - a. Share on social media that your school has successfully opened a fund that will benefit your mission for years to come!
 - b. Follow the Catholic Foundation on LinkedIn, Facebook and Twitter and allow us to do the same in order to maximize the visibility of 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 school if desired.
 - 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