



ENDOWMENT FAQs

What is an endowment?

An endowment is a fund comprised of gifts that are made for the benefit of an institution or area of interest to provide it with a **permanent annual support**.

An endowment fund is invested to generate income. The principal remains untouched forever; only a portion of the earnings that the investments generate become grants.

Why an endowment?

An endowment provides what we call **FOREVER VALUE**. Unlike any other form of savings or investment fund, an endowment is a permanent fund from which only a portion of the earnings is granted over time.

What is a designated vs. field of interest endowment?

DESIGNATED ENDOWMENT: A designated endowment has one named beneficiary. All grants from that endowment will only ever go to that one organization for the purpose stated in the endowment agreement.

FIELD OF INTEREST ENDOWMENT: A field of interest endowment is created for a purpose instead of for a single organization. Grants from this type of endowment are distributed to multiple organizations based on applications submitted. Who can apply and the purpose of the endowment is determined when the fund is set up.

Who will manage the fund & decide how the capital is invested?

The Catholic Community Foundation manages the endowment. This is one of the Foundation's main responsibilities and how it adds value to the community, freeing organizations within the Diocese of San Jose from the administrative burdens of these types of funds. The Foundation's professional investment committee reviews a well-diversified asset allocation and sets the investment strategy.

How does the endowment work step-by-step?

1. You make a gift to The Catholic Community Foundation for the exclusive benefit of the endowment of your choice.
2. The Foundation adds your donation to the appropriate fund.
3. Your gifts are prudently invested, within acceptable levels of risk, to maximize long-term results.
4. Over time, a portion of the earnings is distributed to the designated organization (or organizations in an open application endowment) once a year.
5. The remainder of the earnings is reinvested to generate growth and as a hedge against inflation.
6. The fund continues to grow and grant **FOREVER**.

How much does it take to start an endowment?

The minimum donation to start a parish or school designated endowment is \$1,000.

The minimum donation to start any other designated endowment is \$10,000

The minimum donation to start a field of interest endowment is \$100,000



When will a designated endowment begin to grant?

When it reaches a balance of \$25,000.

Who determines the amount of the grant?

The board of the Foundation. Grants are made annually and they are calculated on a 16-quarter rolling average balance. The grants percentage is in a range of 3-5%.

Is there a tax benefit for donations to an endowment?

Yes. Tax benefits will vary depending on the way you give, how much you give and whether your gift is executed now or as a legacy gift after your death. We encourage you to consult your tax advisor to understand the tax consequences of the charitable contribution that you are planning to make. The tax ID for the Foundation is 83-0400149.

How can donors contribute to the endowment?

Endowments grow to considerable sizes over time thanks to the generosity of donors who want to provide for their and future generations. There are many ways to contribute to an endowment both through **current gifts** and **deferred gifts** coming from their estate.

All gifts to an endowment are made to The Catholic Community Foundation for the benefit of a specific parish, school or catholic ministry.

WHAT CAN I GIVE?	HOW CAN I MAKE AN IMPACT?	
	Current Gifts	Deferred Gifts
Cash	<ul style="list-style-type: none"> ○ Checks ○ Credit Cards ○ Direct Debit Transaction 	Bequest of a dollar amount
Cryptocurrency	Bitcoin, etc.	N/A
Stocks	Broker transfer	<ul style="list-style-type: none"> ○ Bequest of stocks ○ Designate us as beneficiary of stock account
Real Estate	<ul style="list-style-type: none"> ○ Transfer title to us ○ Transfer ownership percentage 	Bequest of a specific real estate
Insurance	Transfer ownership to us	Designate us as beneficiary
401K /IRAs	Rollover Required Minimum Distribution (RMD) to us.	<ul style="list-style-type: none"> ○ Designate us as beneficiary ○ Bequest of retirement account
Total Estate	Any combination of current gifts	<ul style="list-style-type: none"> ○ Bequest of total estate ○ Bequest a percentage of total estate

Note: If you would like to make a complex gift, please contact the Foundation for assistance.