

FAMILY FUNDS

A Family Fund is a versatile tool for individuals and families who want to support the organizations they love. These funds are typically created by one individual or family who decides where the grants will go. Depending on if the fund is endowed or not, the donor may also have some say on other aspects of how the fund works – for example, how long to wait before granting, the percentages that each organization should receive, or when to close the fund.

These types of funds are customizable – so if you are envisioning a complex, creative or extensive philanthropic plan, we can help!

Donor Advised Fund

A Donor Advised Fund (DAF) is a tax-advantaged vehicle for donating to the organizations you love. Grants can be requested at any time; however you can take your time deciding when and to whom you would like to advise grants. A DAF may grant for up to two lifetimes, creating a legacy of philanthropy within a family. The investments will grow tax-free for future grants to charitable causes.

Select this if you are interested in:

- simplifying current giving
- becoming more strategic about your philanthropy
- growing donations tax free for future use

Endowed Fund

Endowments are permanent funds created to grant to the same institution(s) or area of work **FOREVER**. We invest the principal and grant between 3% – 5% annually. Earnings will go up and down with the market but exceed the grants over the long term, providing consistent and reliable support.

Select this if you are interested in:

- permanent support
- consistent, continuous granting (although grants may initially be smaller)
- endowing an annual gift

Non-Endowed Fund

Non-endowed funds offer more flexibility in the quantity and amount of the grants. The granting percentage is not constrained to the 3-5% range (like endowments). The purpose or beneficiaries are set at the time the fund is created.

Select this if you are interested in:

- a customizable solution
- potential to offer a larger amount of support in a shorter time-frame



See our DAF info sheet or visit
catholiccf.org/donor-advised-funds

catholiccf.org/family-funds



Endowing an Annual Gift

Do you give to your alma mater every year? Your parish? A local homeless shelter? Would you like your financial support of those organizations to continue after your lifetime?

A Family Endowment allows you to do just that. The beneficiaries you name in a Family Endowment will receive annual support *FOREVER* thanks to you!



An Example:

Joe and Mary give \$1,000 to their parish every year. They want to endow their gift so that the parish will receive \$1,000 every year **FOREVER**. They create a \$25,000 Family Endowment and name the parish as the beneficiary. Endowments grant roughly 4% a year, so their parish receives a \$1,000 grant the first year. **And the best part:** Endowments grow even as they generate grants, so the distributions from their endowment will grow as time goes on!

Utilizing Retirement Accounts

Donors may direct their **Required Minimum Distribution (RMD)** from IRAs and other retirement accounts to an Endowment or Non-Endowed Family Fund. Donating your RMD may offer some tax benefits – talk to your financial advisor about your specific situation.

IMPORTANT!

Donors may **NOT** direct their RMD to a Donor Advised Fund

2 Ideas for Utilizing Retirement Assets

1

Direct your RMD to your Family Endowment every year, slowly building up the balance of the fund. Once the fund reaches \$25,000, it begins granting to the organizations you named. Continue directing your RMD to the fund so that the fund balance increases every year. The fund will continue growing and granting and the recipients named will receive grants **FOREVER**.



2

Direct your RMD to your Family Endowment during your lifetime, building up the balance. Name the Family Endowment as the beneficiary of your retirement assets. After your lifetime, the remainder of that assets will be deposited into the fund and granting will begin – continuing to support the institutions named **FOREVER**.



Why the Foundation?

We are the perfect partner for individuals and families who are interested in making a charitable impact—both now and in the future. The Foundation’s experienced staff can offer ideas and custom solutions to fulfill your philanthropic goals, and we will be with you through every step of the process to answer questions. All our funds are responsibly invested following the guidelines of the US Conference of Catholic Bishops.

The Catholic Community Foundation does not provide legal advice or services and requests that all potential donors seek the services of a professional advisor prior to making a gift.

catholiccf.org/family-funds

