



## Endowment Information Sheet

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#### WHAT IS AN ENDOWMENT?

An endowment is a pool of money, given by donors, which is never spent. Contributions received are professionally invested and managed by the Community Foundation, and earnings are used to support the charitable purpose(s) set forth by the endowment's founder(s). All contributions to endowments administered by the Community Foundation are tax-deductible. \$12,000.00 is needed to start an endowment, though it could be built to this level over 3 years.

#### WHAT SERVICES DOES THE PUTNAM COUNTY COMMUNITY FOUNDATION PROVIDE?

The Community Foundation provides many services that make philanthropy easy for donors, founders of funds, and recipients of grants. The Community Foundation provides all accounting and IRS reporting, marketing support for the fund, regular reports to fund contacts, planned gift support, grant administration, investment services, philanthropic consultation, and gift administration. Gift administration includes sending thank you letters to all donors of the fund and providing documentation to donors for their tax records.

#### CURRENT ADMINISTRATIVE FEE SCHEDULE FOR RESTRICTED ENDOWMENTS:

Asset Value	Annual Rate
First \$100,000	1.0%
	1.5% Scholarship Endowments
Next \$150,000 (up to \$250,000)	.8%
Next \$750,000 (up to \$1 million)	.7%
Next \$1,500,000 (up to \$2.5 million)	.6%
Over \$2.5 million	.5%

The Community Foundation has a minimum annual administrative fee of \$120. The annual administrative fee for unrestricted endowments is 2.25%.

#### DISBURSEMENTS / GRANTS / PAYOUTS

- The maximum amount available for granting from an endowment each year is 4.5% of the average fund balance for the previous twelve quarters.
- The Community Foundation has a payout upon request policy. The fund steward submits a request in writing for a grant disbursement from the endowment.
- Endowments benefiting a public charity may choose automatic grant disbursement each year.
- No grant disbursements may be made for one full calendar year (January to December) after an endowment has reached \$12,000. An endowment with a \$12,000 fund balance provides an annual disbursement of \$540.

#### REPORTING

- The Community Foundation sends financial statements and other endowment information quarterly to each fund steward.

#### INVESTMENTS

- The Community Foundation maintains a diversified, risk-managed investment portfolio that is targeted to earn an average annual total return net of fees of nearly 9%.
- Oversight of the investment program is performed by the Finance Committee and Board of Directors, who are advised by Oxford Financial Group, Indianapolis, Indiana.

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Investment Performance (net of fees)		
	Moderate Growth	Aggressive Growth
2005	7.8%	10.5%
2006	12.6%	16.8%
2007	9.54 %	8.3%
2008	-23.67%	-33.9%
2009	24.7%	30.59%
2010	9.92%	14.12%
2011	-1.3%	-2.6%

### WHAT IS THE PROJECTED GROWTH OF AN ENDOWMENT?

In 20 years, an endowment at the Community Foundation should expect to have nearly doubled in size, and cumulative grants awarded will have exceeded the original contribution. See example below detailing the projected performance of an endowment started with \$12,000 in January 2012.

Year	EOY Fund Balance	Investment Growth (8% average)	Average Admin and Investment Fees (1.25%)	Grants (4.5%)
2012	\$12,810.00	\$960.00	\$150.00	0
2013	\$13,620.00	\$1,024.80	\$160.13	\$576.45
2014	\$13,908.23	\$1,089.60	\$170.25	\$612.90
2015	\$14,214.68	\$1,112.66	\$173.85	\$625.87
2016	\$14,527.61	\$1,137.17	\$177.68	\$639.66
2017	\$14,847.44	\$1,162.21	\$181.60	\$653.74
2018	\$15,174.31	\$1,187.80	\$185.59	\$668.13
2019	\$15,508.38	\$1,213.94	\$189.68	\$682.84
2020	\$15,849.80	\$1,240.67	\$193.85	\$697.88
2021	\$16,198.74	\$1,267.98	\$198.12	\$713.24
2022	\$16,555.36	\$1,295.90	\$202.48	\$728.94
2023	\$16,919.83	\$1,324.43	\$206.94	\$744.99
2024	\$17,292.33	\$1,353.59	\$211.50	\$761.39
2025	\$17,673.02	\$1,383.39	\$216.15	\$778.15
2026	\$18,062.10	\$1,413.84	\$220.91	\$795.29
2027	\$18,459.74	\$1,444.97	\$225.78	\$812.79
2028	\$18,866.14	\$1,476.78	\$230.75	\$830.69
2029	\$19,281.49	\$1,509.29	\$235.83	\$848.98
2030	\$19,705.97	\$1,542.52	\$241.02	\$867.67
2031	\$20,139.81	\$1,576.48	\$246.32	\$886.77
2032	\$20,583.19	\$1,611.18	\$251.75	\$906.29
<b>BALANCE</b>	<b>\$20,583.19</b>		<b>CUMULATIVE GRANTS</b>	<b>\$14,832.67</b>