



## *Supporting Our Endowment Fund*

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### **What is the Catholic Foundation of the Diocese of Sacramento?**

The Catholic Foundation of the Diocese of Sacramento, Inc. is a religious organization that was incorporated in California in 2004 by Bishop William K. Weigand and has received 501(c)(3) tax-exempt status under the Internal Revenue Code.

### **What is the purpose of The Catholic Foundation?**

The Catholic Foundation provides a means for individuals and organizations to financially support the spiritual, educational and charitable needs of the Catholic Church. Through the establishment of individual endowments, the Foundation generates permanent income for parishes, schools, agencies and organizations and helps sustain the long-term strength and viability of the local Catholic community.

### **What is an endowment fund?**

One aspect of Catholic stewardship is to provide for future generations. An endowment can accomplish that mission. Unlike an offertory collection or annual appeal which is an expendable gift or immediately usable, an endowment is held in an investment fund set aside for the long-term support of an organization. The principal is preserved in perpetuity to provide future earnings for the benefit of a Catholic charitable cause. The income earned can be used according to the donor's intentions.

### **Can the principal of the endowment fund ever be invaded and used?**

The principal includes the initial contribution given to create the endowment as well as all additional contributions to the endowment. Endowments are permanent and therefore, principal is invested and the income used for the purposes in which the donor expresses.

### **How do endowments further the mission of one's parish and school?**

As a parish and school grow spiritually and physically, its needs may exceed its financial means. Fluctuations and shortfalls in offertory and school tuition may lead to deferred maintenance of church and school buildings, inability to retain good teachers, and other program cutbacks. Endowments are a way to stabilize income for years to come. Thus, they help parishes, schools, and other Catholic organizations continue to carry out the work of Christ.

### **How can endowments be funded?**

Funding an endowment can be achieved with current outright gifts of cash, securities or real estate from a donor or from capital campaign funds. In addition, a deferred gift or planned gift from a bequest in a will or living trust, charitable remainder trust, retirement plan asset, or life insurance policy can be used to fund the endowment at a later time. Planned gifts can provide a wider number of benefits such as reduction or elimination of estate and inheritance taxes, income taxes, and capital gains taxes; continued use of property during the donor's lifetime; and/or a lifetime stream of income.

### **How much money is necessary to start an endowment?**

An initial gift of \$5,000 is required for an individual or for a Catholic parish, school, or agency to set up a separate endowment. Donors have the option of naming the endowment in their family's name or in memory of a loved one.

### **What are the assets of The Catholic Foundation?**

The Catholic Foundation holds in trust \$33 million in endowment assets (consisting of approximately 90 endowments owned by multiple parishes throughout the Diocese.) These assets belong to the individual parishes, parish schools, and agencies where they are designated.

### **How are the funds in The Catholic Foundation of the Diocese of Sacramento invested?**

Participants select from three options depending upon their investment needs and objectives. The three investment funds cover the spectrum of risk and offer varying asset allocation options. All participant funds are invested through Christian Brothers Investment Services (CBIS), which strictly complies with the Roman Catholic guidelines for socially responsible investing. CBIS maintains separate and distinct accounting and reporting for Catholic Foundation funds.

### **Who manages The Catholic Foundation?**

The Catholic Foundation is managed by a Fiduciary Board of Directors representing many professional fields of expertise and areas of the Diocese. The financial statements of the Foundation are professionally audited each year to ensure accuracy and accountability by a certified public accounting firm. In addition, professional investment advisors manage and invest the assets of the Foundation.

### **How are the earnings distributed?**

All participant account earnings may be withdrawn semi-annually; accumulated as earnings for later withdrawal; or returned in part or whole to the principal (corpus).

### **How can I learn more about The Catholic Foundation and my endowment?**

Learn more about The Catholic Foundation by visiting [www.tcfsac.org](http://www.tcfsac.org) or contact us at:

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