FREQUENTLY ASKED QUESTIONS

What is an Endowment Fund?
An endowment is a permanent fund that provides income each year to support your mission. The fund at the Community Foundation is professionally managed to ensure the funds remain strong over time. Currently, funds may pay out 5% of the average fund balance annually. For example, a $100,000 fund provides about $5,000 in support each year.

What is a Designated Fund?
A designated fund is a permanent fund that benefits your organization. Gifts to the fund may be current or deferred, as in the case of a bequest. Each year, your organization receives support in the name of the fund.

Why is an Endowment Important?
An endowment provides essential stability, grows over time, and is a permanent source of funding to meet both current and future needs. The endowment fund also presents an excellent option for your donors who want to make deferred gifts.

Who Makes Gifts to the Endowment?
Anyone can contribute to your library’s future with an endowment gift of any size. Endowment fund donors support your organization in carrying out its mission, now and in the future.
**What form can an endowment gift take?**

Gifts to endowments take many forms. The Community Foundation provides professional gift planning assistance and facilitates gifts of all types, including:

- Cash
- Current gifts of non-cash assets, such as stock and real estate
- Charitable bequests
- Life income gifts
- Gifts of retirement plan assets
- Gifts of life insurance

**What is a Charitable Bequest?**

A charitable bequest is a gift made under the terms of a will. Because a bequest is flexible and revocable, it is the most common type of deferred gift. A bequest helps provide support and commitment to your library far into the future.

**Are Endowment Funds restricted in purpose?**

A designated fund at the Community Foundation provides support to advance your mission. It is also possible to establish separate funds for the support of specific purposes. Individuals and families, as well as organizations create these funds, usually named, to address a need or support a program of special importance to them.

**Is there a minimum size for gifts to our endowment fund?**

No. Your organization benefits, now and in the future, from endowment gifts of any size.

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