



The Catholic Foundation

Serving the Church in the Diocese of Lansing

Establishing an Endowment for Your Catholic Organization

Establishing an endowment at The Catholic Foundation of the Diocese of Lansing is an important step towards providing for the financial future of the Church. You can establish a written endowment agreement at the Foundation for the benefit of a parish, school or recognized Catholic organization. The endowment agreement clearly establishes the purposes for which the endowment is established, as well as: (1) your intention that the endowment exist perpetually for the long-term financial good of the organization or ministry; (2) your intention that this fund provide an annual payment in support of the agreed-upon purposes; and, (3) your intention to entrust the Foundation to invest these monies in a fashion ordered towards the continuing growth of the endowment funds, while also carefully managing risk.

Recording your intentions in a written endowment agreement clarifies the purposes for which these monies may be used and, in so doing, provides assurance to potential future donors about how their gifts will be spent.

The Catholic Foundation provides the following endowment services: it invests endowment funds; administers annual distributions from each endowment to be used for the purposes stated in the endowment agreement; and, whenever possible, provides charitable giving support to parishes, schools and Catholic organizations in an effort to help further build these endowments. Annual distributions in support of each endowment's purposes have been approved at 4.5% of the value of each endowment, as determined by the Foundation's Board of Directors and expressed in its Spending and Grantmaking Policy.

Catholic Foundation assets are invested in the National Catholic Investment Pool ("NCIP"), a product developed for Catholic dioceses and diocesan foundations in the state of Michigan. NCIP is administered by Michigan Catholic Conference through its investment adviser, CAPTRUST. Between NCIP assets and assets of Michigan's Lay Employees Retirement Plan, MCC is responsible for the investment of over \$2 billion in assets. Catholic Foundation investments account for about \$110 million of that amount.

The investment objectives of MCC's National Catholic Investment Pool are to preserve capital and to achieve long-term growth of assets without undue exposure to risk through prudent diversification measures. All NCIP investments are made in accordance with United States Conference of Catholic Bishops guidelines for socially responsible investments. More than a

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dozen asset managers have been retained by NCIP's investment advisor in an effort to secure the best investment advice with respect to different market sectors, especially relating to stocks and fixed income products.

Current target investment allocations - as determined from time to time by the Board of Directors of The Catholic Foundation – are of 60% equities, 35% fixed income products, and 5% real estate/alternative investments.

Investment and administrative fees are charged on each endowment fund. 'All-in' fees for endowments are approximately of 1.15% annually. Investment fees are highly competitive for the services provided because of the economies of scale afforded to us by investing through NCIP. The administrative fee accounts for the cost of administering endowments at the Catholic Foundation and supports our efforts to build endowments benefitting our parishes, schools, and Catholic organizations through active fund development. Overall, the Catholic Foundation's 'all-in' fees compare very favorably to other diocesan foundations and local community foundations.

The Catholic Foundation strives to provide an important service and value through the establishment and promotion of endowment accounts – helping to provide for the financial future of the Church in the Diocese of Lansing. A minimum initial gift or contribution of \$10,000 is recommended to establish a new endowment. A named endowment will be considered for a minimum initial gift of \$50,000, or a pledge for cumulative contributions to the endowment of \$50,000 or greater within 5 years. A sample endowment agreement will be provided upon request. If you have any other questions about establishing an endowment at the Catholic Foundation or about contributing to an existing endowment fund, please contact:

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