

Building an Endowment

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Why an Endowment?

- ❖ To help perpetuate something worthwhile
- ❖ To help stabilize an institution's finances
- ❖ To establish a memorial
- ❖ To help promote a cause
- ❖ Other diverse personal reasons

The Nature of Endowments

- ❖ Designated asset pools that are either defined as to purpose (*restricted*) or undefined as to purpose (*unrestricted*)
- ❖ Income from the pool is applied to the purpose
 - ◆ Spending rule
 - ◆ Spending rule formulas
 - ◆ Use of principal
- ❖ Transitions and terminations

Setting Up the Endowment

- ❖ Establishing the framework
 - ◆ Governance
 - ◆ Commission
 - ◆ Management
- ❖ Executing the commission
 - ◆ Establishing goals and objectives
 - ◆ Promotion
 - ◆ Establishing credibility
 - ◆ Nourishing participation
 - ◆ Marshaling and using resources
- ❖ Reporting, review and oversight
 - ◆ Regular reporting
 - ◆ Questions for review and oversight

Summary

An endowment can be a valuable tool in the extension of mission