Building your endowment

Stark Community Foundation recognizes that one of the biggest challenges for building an endowment fund is getting the word out. That’s why we designed this checklist to give your endowment building team an action plan to make this work more manageable. It is an essential guide customizable to many kinds of organizations, and you’re encouraged to play with the ideas and make them your own.
A CHECK-LIST FOR SUCCESS

Take these four steps to increase awareness of your organization endowment fund:

1. **EDUCATE** PG 4-5
   Articulate what an organization endowment fund is and the value it brings to your organization.

2. **COMMUNICATE** PG 6-10
   Share information regularly about your endowment fund through avenues you have already established, such as your organization’s website, newsletter, annual report, etc.

3. **GROW** PG 11
   Implement giving strategies that can help grow your endowment fund.

4. **CELEBRATE** PG 12
   Determine how your organization will recognize and thank donors who support your endowment fund.

BEGIN WITH STEP ONE AND WORK YOUR WAY THROUGH THE PLAN STEP-BY-STEP, CHECKING OFF THE ITEMS AS YOU GO.
An endowment fund is a pool of money that is invested to produce a stream of income each year to support a charitable cause. [ORGANIZATION NAME] has partnered with Stark Community Foundation to establish [FUND NAME] and professionally invest and administer the fund. Each year, we receive a percentage of the fund’s balance (currently 4.75% of the 20-quarter trailing average market value of the assets), which provides another source of funding for the charitable work of [ORGANIZATION NAME]. We may choose to forgo the distribution in any year to allow for more endowment growth.

[FUND NAME] provides essential stability and is a permanent source of funding for [ORGANIZATION NAME]. The fund offers options for donors who may give directly to [ORGANIZATION NAME] in support of current operations, may give to the fund in support of the organization’s long-term financial health or both. The endowment fund also presents an excellent option for donors who want to make legacy gifts through estate planning.

Anyone can contribute to [ORGANIZATION NAME]’s future with a gift of any size. Giving to [FUND NAME] is an opportunity for donors to leave a lasting legacy of support as we work to fulfill our mission for decades to come. All gifts are tax deductible to the full extent of both federal and state law.
WHAT IS THE DIFFERENCE BETWEEN A GIFT TO THE ORGANIZATION AND A GIFT TO THE FUND?

A gift to [ORGANIZATION NAME] contributes directly to the mission of our organization today. Whether the gift is for general support or restricted to one of our programs, the contribution supports our organization. A gift to [FUND NAME] is a gift to Stark Community Foundation, but it is restricted to be used in support of [ORGANIZATION NAME]. In most cases, the contribution is invested for the long-term. [FUND NAME] provides an annual distribution to our organization to support our mission. This annual distribution is just a portion of the balance of [FUND NAME], which allows the fund to grow through investment and, hopefully, through additional contributions. Both types of gifts are valuable to [ORGANIZATION NAME] to support our work.

WHAT TYPES OF GIFTS DOES OUR ENDOWMENT FUND ACCEPT?

Endowment fund gifts take many forms. Stark Community Foundation can provide gift planning assistance and facilitate gifts of all types on behalf of [ORGANIZATION NAME], including:

- Cash, Check or Credit Card
- Stocks, Securities, Bonds and Mutual Funds
- Real Estate and Personal Property
- Charitable Gift Annuities
- Life Insurance
- Retirement Assets
- Bequests

WHY DO WE PARTNER WITH STARK COMMUNITY FOUNDATION?

Stark Community Foundation has been professionally stewarding endowment funds since 1963, many of which have been established by area nonprofits. The Foundation’s investment expertise, low fees, personalized services, administrative support and oversight provide [ORGANIZATION NAME] with confidence that our assets are being managed wisely.
Communicate

2. **COMMUNICATE**

**SEND A LETTER OR EBLAST**

Soon after establishing your fund, send a letter or email to your constituents letting them know about your endowment fund. For example:

It’s true that we cannot predict the future, but we can prepare for it. Here at [ORGANIZATION NAME], we know we will need resources to continue to fulfill our mission of [MISSION] for years to come. That is why we established [FUND NAME] at Stark Community Foundation. The fund is professionally and permanently invested for long-term growth. Each year – and forever – [ORGANIZATION NAME] receives a percentage of the fund’s balance to support our work.

Our endowment fund is part of Stark Community Foundation’s diversified investment portfolio. We benefit from being invested with the other funds held at the Foundation. Stark Community Foundation handles administrative details and investment responsibilities, so our staff can concentrate on our mission.

You can be part of our long-term success. There are a variety of ways to give that provide you with maximum tax and financial benefits. You can contribute:

- Cash, Check or Credit Card
- Stocks, Securities, Bonds and Mutual Funds
- Real Estate and Personal Property
- Charitable Gift Annuities
- Life Insurance
- Retirement Assets
- Bequests

We hope you will play a part in the future of [ORGANIZATION NAME]. To support [FUND NAME], make a donation online at [YOUR SCF DIRECT DONATION LINK]*, call [PHONE NUMBER] or mail a check to Stark Community Foundation, 400 Market Ave. North, Suite 200, Canton, OH 44702. Be sure to indicate your support of [FUND NAME] in the memo line.

*To request your direct donation link, contact Stark Community Foundation at donorservices@starkcf.org or 330-454-3426.
We recently created an organization endowment fund at Stark Community Foundation to ensure a permanent source of income for our organization. [FUND NAME] welcomes gifts of all kinds, including cash, stocks, bequests, real estate, life insurance and retirement assets. Gifts can be made online at [YOUR SCF DIRECT DONATION LINK] or by calling 330-454-3426.

Once each quarter, use social media to educate your followers about your endowment fund. Encourage giving by showcasing donors or projects financed from the fund. Be sure to ‘tag’ Stark Community Foundation on Facebook, @StarkCommFdn.

**PROMOTE YOUR ENDOWMENT FUND ON YOUR WEBSITE**

Create a page on your website to tell donors about your organization endowment fund. Include a description, such as:

[ORGANIZATION NAME] has created an endowment fund at Stark Community Foundation to provide long-term financial support of our mission to [MISSION]. Stark Community Foundation provides professional investment management and administration of the fund, and each year, we receive a percentage of the fund’s balance to support the charitable work of [ORGANIZATION NAME].

The fund also provides options for donors who may give directly to [ORGANIZATION NAME] in support of current operations, may give to the fund in support of the long-term financial health of our organization or both. The endowment fund also presents an excellent option for donors who want to make legacy gifts.

To learn more about [FUND NAME], contact [CONTACT INFORMATION]. To support [FUND NAME], make a donation online at [YOUR SCF DIRECT DONATION LINK] or mail a check to Stark Community Foundation, 400 Market Ave. North, Suite 200, Canton, OH 44702. Be sure to indicate your support of [FUND NAME] in the memo line.

**TELL YOUR SOCIAL MEDIA FOLLOWERS**

Announce the fund creation on social media. For example:

We recently created an organization endowment fund at Stark Community Foundation to ensure a permanent source of income for our organization. [FUND NAME] welcomes gifts of all kinds, including cash, stocks, bequests, real estate, life insurance and retirement assets. Gifts can be made online at [YOUR SCF DIRECT DONATION LINK] or by calling 330-454-3426.
Distribute a News Release

Let local media outlets, like the Canton Repository and neighborhood newspapers, know that you have created your endowment fund by sending all the details in a news release. For example:

[ORGANIZATION NAME] Establishes Endowment Fund with Stark Community Foundation

[LOCATION], Ohio – [ORGANIZATION NAME] recently established an organization endowment fund through Stark Community Foundation.

[FUND NAME] provides a permanent, steady stream of funding to support [ORGANIZATION NAME]’s mission to [MISSION] forever.

[More information on why the fund was established, what its long-term effect will be on the organization and how it will impact the community].

“[Quote from organization’s leadership about the significance of establishing the fund].”

[FUND NAME] welcomes gifts of all kinds, including cash, stocks, bequests, real estate, life insurance and retirement assets. Gifts can be made online at [YOUR SCF DIRECT DONATION LINK] or by calling 330-454-3426.

[The date your organization was founded, your programs/services, major milestones, awards and honors].

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### USE ONE-LINERS WHEREVER YOU CAN

Include one-liners in your email signatures, on social media and in newsletters.

**SAMPLE ONE-LINERS:**

<table>
<thead>
<tr>
<th></th>
<th>Make a gift of any size to our endowment fund and support our mission of [MISSION] forever.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Consider a gift to our endowment fund to support our work today, tomorrow and forever: [YOUR SCF DIRECT DONATION LINK]</td>
</tr>
<tr>
<td>3</td>
<td>Your gift can grow and benefit [ORGANIZATION NAME] forever. Find out how: [WEBSITE URL]</td>
</tr>
<tr>
<td>4</td>
<td>Support our endowment fund to ensure [ORGANIZATION NAME] benefits future generations.</td>
</tr>
<tr>
<td>5</td>
<td>Gifts to [ORGANIZATION NAME]’s endowment fund allows us to [SERVICE/MISSION] in perpetuity.</td>
</tr>
<tr>
<td>6</td>
<td>Support the gift that keeps on giving. Donate to our endowment fund today: [YOUR SCF DIRECT DONATION LINK]</td>
</tr>
<tr>
<td>7</td>
<td>Have you considered including [ORGANIZATION NAME] in your long-term financial plans? Learn more: [WEBSITE URL]</td>
</tr>
<tr>
<td>8</td>
<td>Support [ORGANIZATION NAME]’s future with a gift in your will.</td>
</tr>
</tbody>
</table>

### SHARE THE GOOD NEWS OF AN ANNUAL DISTRIBUTION

Highlight your organization receiving an annual distribution from your endowment fund at Stark Community Foundation.

- Update your board members, thank donors who have supported the fund through an e-blast and note the distribution on social media and in your next newsletter.
SAMPLE GRAPHICS

An endowment fund can sometimes be difficult to understand. Considering using these graphics to help illustrate the endowment’s function.

Use this graphic to explain how your endowment fund benefits your organization.

Use this graphic to explain the power of an endowment.

By supporting [FUND NAME] at Stark Community Foundation, your gift is invested over time, while a percentage of our fund’s balance is granted back to [ORGANIZATION NAME] annually to support our mission.

This example illustrates how an initial $50,000 gift today can grow in just 15 years. By the end of year 15, our fund’s balance would be $67,293 while granting more than $40,000 back in support to [ORGANIZATION NAME].

For illustrative purposes, this graph assumes an annual 4.75% spending rate, 0.75% fee and 7.5% rate of return. Projections are not guarantees of future results, and no market value averaging is utilized.

Use this icon on your website, social media, email signature or letterhead template to let your audience know about your endowment fund.

Download these graphics for digital and print use at www.starkcf.org/oe-toolkit
Implement multiple giving strategies to help grow your organization’s endowment fund. For example:

- Add an endowment fund gift option to your donation envelope. For example:
  
  Please direct my contribution to support [FUND NAME] at Stark Community Foundation.

- Direct all unrestricted memorial and honorarium gifts to your endowment fund.
- Designate a specific percentage (5%, 10%, etc.) of all unrestricted gifts to your endowment fund.
- Earmark a portion of your annual budget to your endowment fund.
- Ask for gifts in-person. Take a look at your donor base and identify your top donors. These supporters will most likely donate early in building your endowment fund.
- Leverage challenge and matching gifts to motivate first-time giving or increase the size of repeat gifts.
- Develop a planned giving program to secure bequests of life insurance, retirement assets, real estate, personal property or cash.
- Ask board members to give or raise a specific dollar amount each year.
- Set a policy to allocate the first 10% of unrestricted bequests to your endowment fund.
- Host a fundraiser like a raffle or online auction and deposit the net proceeds into your fund.
- Encourage donors to ask if their employer has a matching gift program.

**RESOURCE**

Download and use the Endowment Goal Calculator to guide your goal setting.

If your organization is working toward setting a goal to grow your endowment fund, consider using this easy-to-use gift range calculator. This flexible tool allows your organization to quickly calculate how many donor prospects you need at each giving level to reach your overall endowment goal. Although the gift ranges may not be followed exactly due to your organization’s unique situation, it can provide an invaluable framework to guide your team when soliciting endowment gifts.

Download this calculator at [www.starkcf.org/oe-toolkit](http://www.starkcf.org/oe-toolkit)
Recognizing donors who have contributed to your cause, no matter the amount, shows how important they are to your mission and that your organization values everyone who gives.

**HIGHLIGHT DONORS**
Highlight donors who contribute to your endowment fund in publications, on social media and at events.

**HOST EVENT**
Consider hosting an annual gathering or event for donors to publicly thank them for their support.

**PERSONALIZE NOTES**
Consider sending a personalized or hand-written note of appreciation when a donor supports your fund.

**SEND BRANDED ITEM**
For larger donors, consider sending an item of recognition they could display to indicate their support of your organization.

**DISPLAY SUPPORT**
Have public recognition opportunities, such as a brick in a walkway or a tile on a wall that displays the donor’s name.

**IDENTIFY HONOR ROLL**
Create an honor roll of donors to be published in a publication, on your website and on social media.
ENDOWMENT BUILDING CHECKLIST

As you work your way through the plan step-by-step, check off the items as you go to serve as a guide.

1. EDUCATE
   - Educate Board Members and Staff

2. COMMUNICATE
   - Send a Letter or Eblast
   - Promote Your Endowment Fund on Your Website
   - Tell Your Social Media Followers
   - Distribute a News Release
   - Use One-Liners Wherever You Can
   - Share the Good News of an Annual Distribution

3. GROW
   - Implement Giving Strategies

4. CELEBRATE
   - Recognize Your Donors
If you have any questions while completing this checklist, contact Stark Community Foundation at donorservices@starkcf.org or 330-454-3426.

Download this toolkit online at www.starkcf.org/oe-toolkit