



ENDOWMENT FUNDS

POLICY

A donor may establish a permanent endowment fund at the Archdiocese of Miami through the Catholic Community Foundation in the Archdiocese of Miami, Inc. Endowments are excellent vehicles to providing annual support for entities within the Archdiocese in perpetuity. All endowment funds are deposited in and maintained by the Catholic Community Foundation in the Archdiocese of Miami, Inc. (“CCF”).

The Archdiocese of Miami Development Corporation has developed the following policies for Endowment Funds which recognize the three elements of an endowment fund:

- A common fund to which one or many donors can make contributions to establish and build permanent charitable support for the Archdiocese.
- Management and investment policies which provide the best opportunity for enhancing the long-term growth of the endowment as well as providing annual cash distributions to support the Archdiocese.
- Protection of the endowment fund from both inflation and invasion of principal to insure that it will always be available to support the Archdiocese in with the intention under which it was established.

The Archdiocese of Miami Development Corporation actively works with both donors and Archdiocesan entities to develop contributions to Endowment Funds. Gifts of cash and non-cash assets are accepted into the funds. The receipt and deductibility of non-cash gifts, bequests, and trusts are described in the Archdiocese of Miami’s Gift Acceptance Policies.

The following policies have been adopted by the Archdiocese regarding the establishment and operation of Endowment Funds:

1. An Endowment Fund may be established for the benefit of any entity in the Archdiocese of Miami with approval of the Board of the CCF. and a minimum fund amount of \$100,000. The initial contribution may come from a single donor, a group of donors, or from the beneficiary entity.
2. All contributions to an Endowment Fund are invested in the CCF’s pooled investment program which is managed by a group of investment managers chosen by the Board of Directors of the CCF upon recommendations made by the CCF’s Investment Advisory Committee. The CCF’s investment policy emphasizes preservation of capital, protection against inflation, socially responsible investing and a continuing source of income.
3. Allocation of Investment Results, Cash Distributions, Administrative Fees:
 - a. Investment Return. Total investment return to the fund is made up of current income (dividends and interest), realized gains and losses on the sale of investment assets, and unrealized gains and losses on changes in market value. Investment return is allocated to a fund each month based on its share of the investment pool plus any additional contributions which are placed in the fund.
 - b. Cash Distributions. The amount distributed to the beneficiary organization or



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charitable purpose shall be five percent of the average market value of the fund, which will be calculated on a rolling yearly average of the previous three (3) years. This method serves to smooth out market value fluctuations and provide a stable and predictable source of income. Cash distributions shall be made once each year, following the annual audit of the CCF.

- c. Administrative Fees. The CCF will remove fees from the fund based on the current fee schedule to defray administrative expenses.
4. An Endowment Fund is established when approval is given by the Board of Directors and an initial contribution of at least \$100,000 is received. The fund may be started with less than \$100,000; however, no cash distributions will be made until the fund reaches the minimum corpus. The beneficiary entity will be that named by the donor or organization initiating the request for approval from the CCF. Subsequent contributions may be made to the fund by any donor for any amount. All contributions are immediately added to the investment pool and begin to generate earnings for the fund. Acknowledgment of each contribution to the fund is sent to the donor and to the beneficiary organization. Memorial contributions are also acknowledged to family members. At the time of the annual cash distribution, an annual report on the activity and investment results for the fund is made to the beneficiary entity.
5. Endowment contributions are safeguarded in the CCF. The principal of an endowment fund must be protected from invasion if the fund is to provide for the future income for the organization or purpose. In accepting a contribution to an Endowment Fund, the CCF commits to the donor that the contribution will be protected for the benefit of the entity indicated.
6. The Archdiocese actively promotes endowments to its donors and to the general Archdiocesan community. The staff of the Archdiocese of Miami Development Corporation will actively work with any donor interested in making a contribution to an existing endowment or establishing a new endowment fund through any contribution vehicle accepted by the CCF.

Initial: May, 2013
Current: September, 2021