

## What is an Endowment Fund?

An endowment fund is normally understood as a perpetual fund from which only a portion of the earnings (profits/income) are distributed. Donors may name their endowment in memory or in honor of a loved one or a favorite organization.

For example, a \$10,000 gift to a CFCC endowment fund is permanently invested in an endowed fund. Only a portion of the interest/income is used for the purpose designated by the donor, (currently the CFCC's investment policy designates up to 4% of the earning annually, after 12 months of investing).

Outright gifts may be given to the CFCC via cash, securities, assignment of life insurance policies or real estate. Bequests may also designate the CFCC with:

- \* Specific bequests of a percentage of one's estate, a dollar amount, or a specific piece of property;
- \* Contingent bequests, which designate the CFCC Endowment Fund as the beneficiary if other beneficiaries do not survive;
- \* Residual bequests, which designate the CFCC Endowment Fund to receive the remainder of one's estate after all specific bequests, have been made.