CATHOLIC COMMUNITY FOUNDATION OF NORTHEAST INDIANA

334 E. Berry St., Fort Wayne, IN 46802

www.ccfnei.org • 260.399.1436

Q & A
Endowments and
Donor Advised Funds

CONTACTS

Lynda Houk, Director of Community Outreach
260-240-5435 / lhouk@ccfnei.org

John Kolasinski, Foundation Administrator
260-240-5405 / jkolasinski@ccfnei.org

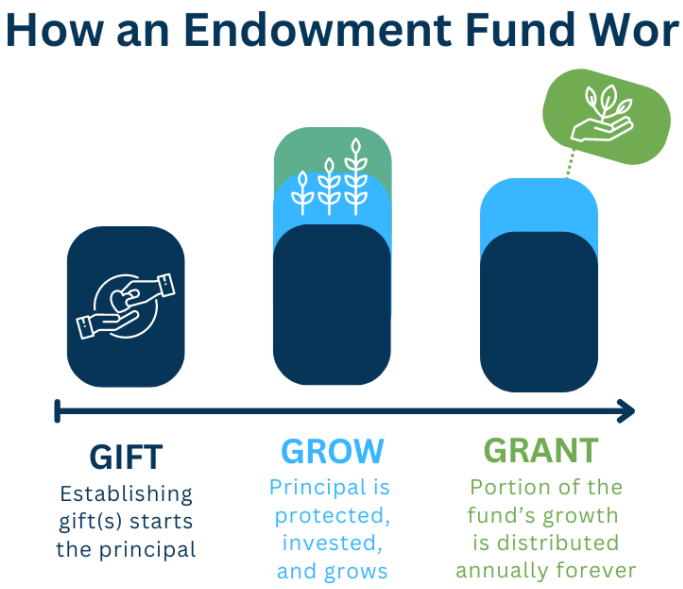
Mackenzie Ritchie, Chief Executive Officer
260-240-5432 (text or call) / mritchie@ccfnei.org

Claire Smith, Director of Communications
260-240-5433 / csmith@ccfnei.org

ENDOWMENT FUNDS

What is an endowment?

An endowment is a charitable fund that provides long-term support for a nonprofit organization or charitable cause. Endowments start with donations from individuals, families, or groups, which are pooled together to form the principal, or corpus, of the fund. This principal amount is not spent but is invested for long-term growth. Each year, a portion of the income generated is then distributed according to a spending policy. This annual grant distribution supports the grantee's ongoing activities, such as programs, operations, or maintenance. This makes endowments a powerful tool for supporting the organization's mission for generations to come and ensuring long-term financial health and stability.



Why the Catholic Community Foundation of Northeast Indiana?

Many charities maintain endowment funds to support their missions or those of other organizations. What sets the Catholic Community Foundation of Northeast Indiana apart from other charities that hold endowments is our dedicated focus on serving the Catholic parishes, schools, and ministries within the Diocese of Fort Wayne–South Bend. We were established specifically to manage endowments for these entities and collaborate with donors who want to support Catholic causes.

Our mission is to advance the work of the Catholic Church throughout northern Indiana by promoting charitable giving and estate planning. This mission shapes everything we do—from investing our funds in alignment with Catholic social teaching, to granting support exclusively to Catholic causes, to offering fee structures and gift minimums that are accessible to donors from all walks of life.

Does the Catholic Community Foundation hold more than one endowment?



Yes, the Foundation manages nearly 300 separate endowment funds, each supporting a unique parish or cause. Think of the Foundation like a library: just as a library houses many books, our Foundation holds a diverse range of endowment funds. While each fund has its own purpose, all endowments are managed together under one roof. This creates a unified and well-invested collection of charitable funds donors can support.

How are funds at the Foundation invested?

The Catholic Community Foundation co-mingles assets from all endowment funds into a single investment portfolio. This approach ensures prudent investment strategies across all funds, provides transparent reporting on each fund's performance, and enables us to benefit from economies of scale. The Foundation partners with Catholic Investment Services to manage our endowment. Our investment strategy encompasses global equities, fixed income, and alternative assets, all guided by principles of socially responsible investing. This approach ensures that our investments align with Catholic values and are focused on achieving long-term growth. The Foundation's total investment portfolio as of June 30, 2025, is approximately **$76 million**.

What is the average return rate?

All funds are combined in a single investment pool and managed according to our investment policy, which aims for an average return of 7% over time. The fund's net 10-year performance as of June 30, 2025, is **7.6%.**

What fees are associated with endowment funds?



The following fee structure applies to all funds held at the Foundation:

Flat Fee	0.85%

Effective July 1, 2026

How are annual grants from endowments determined?

The annual grant amount is determined by the Foundation's spending policy, which is designed to protect the endowment's principal while allowing for growth and regular grant distributions. Currently, **our spendable rate is 4.5% of the fund's average ending market value over the prior 20 quarters**. This approach ensures a consistent and sustainable source of funding for the grantee each year.

Can the grantee use the principal (corpus) of endowment funds?

No, the grantee cannot utilize the principal of permanent funds. This ensures the fund will exist in perpetuity and provide support for years to come. It's important to remember that endowments are not meant to be savings accounts or operating reserves, but rather long-term charitable funds that provide stable, consistent support today and into the future.

Can you give an example of how my endowed gift would work?

Endowment funds follow our 4.5% spending policy to ensure gifts grow while providing perpetual support. The graphic below illustrates how a $100,000 gift would work. *This illustration is for informational purposes only and does not guarantee investment performance or grant amounts.*



Initial Gift: You give **$100,000** to create an endowment fund.



Protected Principal: Your $100,000 stays intact and is invested for growth.



Investing for Impact: The fund grows for at least one fiscal year before grants are made from its earnings.



Annual grants: Each year, 4.5% of the fund's value is granted. *For example:* If the fund grows to $112,000, the annual grant will be about **$5,000**.

DONOR ADVISED FUNDS (DAF)

What is a Donor Advised Fund (DAF)?

Another type of fund that the Foundation administers is called a Donor Advised Fund, or a DAF. Think of a DAF as a "savings account" for your sacred giving. It allows you to recommend grants whenever you feel it's needed, to any Catholic charity. By establishing a DAF with the Foundation, you can support Catholic nonprofits at your convenience throughout the year, while benefiting from any tax advantages associated with funding your DAF in the year contributions are made.

What should I know about DAFs administered by the Catholic Community Foundation?

- ✓ Our DAFs are market participating and follow the same investment policy as our endowment funds (managed by Catholic Investment Services).
- ✓ Grant recommendations must be to Catholic, non-profit organizations recognized in the Official Catholic Directory (OCD). Recommendations made to nonprofits that are in alignment with Catholic values but are not listed in the OCD will be considered by the board/bishop on a case-by-case basis.
- ✓ All DAFs currently held at the Catholic Community Foundation are non-permanent, meaning they can be spent down in their entirety. However, permanently endowed DAFs are a possibility if interested.
- ✓ Fund Advisors have 24/7 access to view their fund and make grant recommendations through the Donor Portal.
- ✓ DAF grants are generally dispersed within 15 calendar days of the recommendation.
- ✓ If the Fund Advisor desires, our team is happy to provide insight into the current needs of our local Catholic community for consideration when making grant recommendations.

Are Donor Advised Funds different from Endowment Funds?

DAFs are similar in many ways to permanent endowments, but do have distinct differences. ***The table on the next page highlights these distinctions to help you decide if a DAF is a good option for you.***

	Donor Advised Fund (DAF)	Permanent Endowment Fund
What is the minimum initial contribution to establish this type of fund?	$2,500	$10,000
Can we keep donating to this fund over time?	Yes	Yes
Can others donate to this fund?	Yes, but they cannot advise.	Yes, and like the initial donor, they cannot advise.
What gifts could I contribute?	• Cash • Stock/securities • Real estate • Bequest • Beneficiary of retirement plan or insurance policy	• Cash • Stock/securities • Real estate • Bequest • Beneficiary of retirement plan or insurance policy • Qualified Charitable Distribution from IRA
Are gifts to this fund irrevocable?	Yes	Yes
Is this fund invested?	Yes	Yes
How and when is money granted out?	Donors recommend grants to their favorite Catholic charitable organizations whenever it makes sense for them. This allows donors to give when they can, then grant when it's needed. Grant recommendations can be made to multiple Catholic nonprofits, for charitable purposes.	Grants are typically made annually. After the initial setup of the fund, donors are *not* involved in the granting process. Instead, the Foundation grants a portion of the fund's investment earnings each year to support the donor's designated charitable purpose. The Foundation's current distribution rate is 4.5%.
Is this a permanent fund?	No, a DAF at our Foundation can be spent down in its entirety.	Yes, an endowed fund exists in perpetuity, abiding by the distribution policy to ensure the fund exists for generations to come.
What fees apply to this fund?	The fee structure is the same for all fund types. See previous Q&A for fees.	The fee structure is the same for all fund types. See previous Q&A for fees.
What happens to the fund after my passing?	When establishing a DAF, donors can name successor advisors to recommend grants after their death. If no successors are named or upon their passing, the remaining funds transfer to a designated Foundation fund, per the donor's instructions.	Endowed funds continue to follow the donor's original instructions, with the principal invested and annual grants distributed per the Foundation's spending policy, ensuring the donor's legacy lasts forever.