

Endowment Funds

If you want to support causes and organizations you care about or honor or remember someone, we can help.

An endowment fund gives you the opportunity to leave a permanent legacy in your community. An endowment fund can provide support forever for organizations helping people and programs.

The principal of an endowment fund gift is never spent. The payout from a fund is distributed annually in accordance with the purpose of the endowment fund.

The Foundation continually assesses changing needs and opportunities in the community. Each year the Foundation, with the assistance of the volunteer committees, awards millions of dollars in grants. Our staff is available to assist you with your community giving.

Types of Funds

Unrestricted

An unrestricted fund provides the most flexibility to the Foundation to meet the changing priority needs of our community. When you establish an unrestricted fund, the principal is invested and retained, and the distribution from your fund is combined is awarded for projects and programs meeting those community needs.

Preference

When you establish a preference fund, you may request that the Foundation consider grants for particular agencies or areas of interest from your fund. While the Board tries to honor these preferences, there is no binding requirement to do so.

Field of Interest

When you establish the field of interest fund, you specify a particular area of interest such as the arts, education or the environment. Each year, the Foundation selects projects within your area of interest to receive the distribution from your Fund.

Scholarship

You may establish an unrestricted scholarship fund which gives our volunteer Scholarship Committee the greatest discretion to make distributions from your Fund to deserving students in our service area.

You also may establish a preference or restricted scholarship fund giving preference to or restricting the scholarship to students who, for example, reside in a particular town(s) or have chosen a particular course of study.

Designated

When you establish the designated fund, you select certain nonprofits to receive the distributions from your fund. If, in the future, the agency no longer exists or no longer carries out a charitable purpose, the Board of Trustees of the Foundation will use its variance power to distribute the income to other nonprofits with similar mission or purpose.

Distributions from Endowment Funds

Each year the Board of Trustees establishes a payout rate, a percentage of each permanent fund's assets, for distribution purposes. In order to maintain the value of the endowment over time the payout rate plus the rate of inflation must be equal to or less than the endowment's total rate of return. The distribution amount is determined by multiplying the payout percentage by the 12 quarter moving average of each permanent fund's assets.

Contributions

Contributions to the Connecticut Community Foundation, a public charity, receive the maximum tax benefit allowable by law. A minimum contribution is required to establish an endowment fund at Connecticut Community Foundation. After the initial contribution, gifts of any amount can be added to the fund at any time. For the charitable income tax deduction, donors report only their gift(s) to the Foundation to the IRS.

The Foundation has managed donors' funds for over 80 years. The assets of the Foundation are prudently invested with a variety of money managers, overseen by the Investment Committee of the Foundation's Board of Trustees.

Contributions to an endowment fund are used to purchase units in the Foundation's endowment fund pool, which is invested in a balanced portfolio. The actual rate of return on the endowment will fluctuate with market conditions.

Your endowment fund receives its proportionate share of the fund's investment results quarterly. The rate of return on the endowment will fluctuate with market conditions.

You receive confirmations of all contributions and an annual financial statement.

Fees

Funds are charged low fees for administration and professional investment management. An annual administration fee is charged quarterly based on the market value of principal assets. The investment management fee is the actual fee charged to the foundation. The fee structure is subject to annual review and modification by the Board of Trustees.

Fundraising

Endowment funds, whether established by individuals or organizations, may carry out fundraising under guidelines provided by the Foundation and with prior approval by the CEO. The Foundation deposits, records and acknowledges all donations collected in accordance with the fundraising guidelines.

Staff Support

Foundation staff can help you achieve your charitable goals. Staff will assist you and your advisors to determine the most advantageous ways to make your gift and the best assets to use for your financial and charitable planning needs.