

THE FOUNDATION

Serving the Catholic Community of Eastern North Carolina

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The Foundation of the Diocese of Raleigh Frequently Asked Questions

What is The Foundation of the Catholic Diocese of Raleigh? What is its mission?

In 2018 Bishop Luis Zarama, the 6th Bishop of the Diocese of Raleigh, established The Foundation to manage the temporal works of the Church across the Catholic

Community of Eastern North Carolina now and in the future. The Foundation is a way to ensure a strong and vibrant Diocese today and for generations to come.

We gather and grow assets for parishes, ministries, Seminarians, Home Mission and future expansion through the Land Trust

How does the Foundation Operate?

The Foundation is a 501(C) 3 organization with the primary mission to grow the existing endowment funds that are under management and create other endowments and long-term gift vehicles to support the future growth needs of the Catholic community in eastern North Carolina. The Foundation is a separate legal entity of the Diocese of Raleigh, and all fund management and long-term fundraising strategies benefit the ministries of the Diocese of Raleigh.

How is The Foundation different from other community foundations?

The Foundation is distinguished by faith-based and socially responsible operations purposely aligned with the Catholic Church. The Foundation's Catholic mission is the most important factor in a donor's decision to manage his or her charitable plans through The Foundation which subscribes to United States Council of Catholic Bishops (USCCB) guidelines on socially responsible investing.

What is an Endowment Fund?

An Endowment Fund is a permanent pool of monies intended to exist as long as the charitable purpose of the fund exists, often times in perpetuity or forever since many charitable causes will exist in perpetuity - such as the need for Catholic Church communities, Catholic education, service to the homeless or hungry, etc.

Endowment Funds are generally established by donor-restricted gifts and bequests, to provide a source of income in perpetuity or for a specified period of time.

The endowment can be named in honor of a loved one or family legacy. To accomplish this, the fund is intended to grow in assets with only a portion of the interest income to be withdrawn each year for a charitable purpose. The goal is to establish a balance within the fund that can grow forever while also funding the mission of the endowment on an annual basis.

An Endowment Fund should not be confused with a capital fund, a reserve fund, or a special projects fund, all of which generally allow the expenditure of the principal.

What is a Family-Name Endowment?

The named endowment differs from a segregated fund savings account in that only a portion of the interest income is used each year to fund distributions. The corpus remains intact in perpetuity. The fund will be used for the purpose that is restricted by the donor and accepted by the beneficiary parish or organization. This is also called a Donor Designated Endowment.

What are the benefits of a Family-Named Endowment? (Donor Designated Endowment)

- May maintain anonymity or can publicize the name of the fund in The Foundation communication materials.
- Knowledge that the family-named endowment will exist forever.
- Knowledge that the fund will be used for the purpose directed by the donor under the fiscal management of The Foundation Board of Directors regardless of personnel changes.
- Knowledge that the fund will be used for the purpose of the donor under the immediate oversight of a donor designated Governing Body.
- Option to engage with the beneficiary's receiving assistance through personal site visits or through written correspondence. Additional contributions may be made to the fund at any time by the donor(s) or by others.
- Receipt of a quarterly report on the fund performance and balance of the Endowment.

What is Donor Designated (Non-Advised) Fund?

Similar to a Donor Advised Fund, a Donor Designated (Non-Advised) Fund enables the donor to deposit a pool of funds to The Foundation of the Diocese of Raleigh to benefit a specified number of Diocese of Raleigh ministries. The Fund may be established for a period of years, or in perpetuity, as long as the Fund is replenished. Often a Donor Designated (Non-Advised) Fund is treated by the donor as a charitable checking account since the distribution of gifts are restricted to a named Diocese of Raleigh ministry identified at the execution of the Fund. Unlike a Donor.

Advised Fund, Qualified Charitable Distributions (QCDs) may be used to fund a Donor Designated Fund.

For endowments or other donor-created funds, the philanthropic impact by a donor/investor can be measured and continued beyond his or her lifetime.

What is the benefit for donors?

The Foundation is your partner for Catholic Faith based stewardship. The Foundation offers flexible gift options to donors interested in supporting their favorite catholic causes. The Foundation can connect you with estate and gift planning resources to support all your estate planning needs. The Foundation can work with you and your financial advisor to explore IRAs, QDC, RMD and Stock gifts professional philanthropy for its donors/investors, providing excellent customer service and customized giving solutions within a regulated and transparent business environment. The Foundation relieves donors of investment and regulatory reporting burdens while providing them with comprehensive, up-to-date reporting on both the grants and donations made in their names. Donations also realize immediate tax benefits for donor/investors to The Foundation.

How and where are funds invested?

The Foundation invests the funds with a professional investment advisory group to facilitate necessary asset growth for beneficiary organizations. The Foundation maintains a balanced asset allocation strategy. In all cases, The Foundation is committed to being transparent when it comes to fund management and maintaining a socially responsible investment policy as determined by the United States Council of Catholic Bishops. The Foundation strictly adheres to the Investment Policy created by the Board of Directors upon the recommendation of the investment committee which was modeled after the investment guidelines of the Catholic Diocese of Raleigh.

Who do the funds help?

Grants from The Foundation are made in strict adherence to the Legal Declaration that created the Funds which includes support of numerous ministries of the Diocese of Raleigh. Because donors to The Foundation influence how and where their funds are given, grantees can include a wide array of charitable causes benefitting parishioners and others throughout the diocese.

How can I contribute to a Fund managed by The Foundation?

Your donation/investment may be in the form of an outright cash gift or donation through your Donor Advised Fund or Charitable Giving Account. You may find it beneficial to contribute appreciated property such as stock or use your options of an IRA Required Minimum Distribution (RMD) or Qualified Charitable Distribution (QCD). Finally, you may consider naming a new or existing Fund as a beneficiary in your longer-term gift planning such as a Charitable Gift Annuity or Charitable Remainder Trust. Consult your financial advisor to determine the most cost effective and tax efficient method for your situation.

What is the difference between a Restricted Gift and an Unrestricted Gift?

The Foundation provides flexibility to donor/investors who wish to support their favorite charitable cause. The donor is welcome to restrict or earmark their gift to a specific cause or named-fund. Otherwise, the donor may decide to provide an unrestricted gift to The Foundation to be used for the greatest area of need as determined by The Foundation Board of Directors.

What is a Charitable Gift Annuity?

A Charitable Gift Annuity is a contract between a donor and The Foundation. The donor makes a gift to The Foundation, who in turn agrees to pay a specified income to the donor for life. It is legally binding and is payable from the general assets of The Foundation. The payout rates for a "Single Life Annuity" or "Two Life Annuity" agreement do not exceed those suggested by the American Council of Gift Annuities as updated on their website, www.acga-web.org. The payout rates range from 4% to 9% depending upon the annuitant's age.

What is a Charitable Remainder Trust?

A Charitable Remainder Trust is a trust designed to pay an annual income to one or more individuals for a term of years or for the lives of those individuals in an amount equal to a fixed percentage OR fixed dollar amount of the value of trust assets. The amount of each payment to the beneficiaries may vary based on fluctuations in the value of the trust as determined on an annual basis. Upon the death of the beneficiaries, the assets of the trust are transferred to Fifth Third Bank for the charitable purposes specified by the donor. The minimum payout rate to the individual(s) is 5% by law.

Can I include The Foundation or a specific Fund in my estate plan?

Yes, you can include a contribution to The Foundation or a named-Fund(s) in your estate plan. We encourage you to notify The Foundation of your intention, and to clarify your desire with respect to which fund(s) you wish to support. The Foundation office can assist with proper documentation to make sure your wishes are carried out correctly.

Who do I contact at The Foundation?

Contact the Foundation Office at **919-568-1065** or **Office@FoundationDOR.org** and The Foundation Executive Director, Maureen O'Keeffe Lindgren, or Director of Development, Donna Ashcraft, can assist you with your questions or to facilitate your investment.