

How to Fund an Endowment

“Only the super rich can create endowments.” Has this thought kept you from considering the creation of your own endowment fund at Advocate Charitable Foundation to benefit your favorite Advocate hospital or program? If so, the next few paragraphs may change your mind. You'll discover that nearly anyone, with a little planning, can establish an endowment or make a significant contribution to one.

Right up front, you need to know that Advocate requires a minimum of \$25,000 to create an endowment. This may seem like a lot of money, but consider these options.

Do It Now

Some folks prefer to establish their endowments now so they can enjoy watching them grow and benefit the hospital.

Cash. Finding enough cash to launch an endowment is rarely possible. But sometimes we receive an unexpected windfall through an inheritance or the larger-than-expected proceeds from the sale of a valuable asset. It may also be helpful to know that the Foundation permits a donor to fund an endowment over a five year period. Spreading cash gifts over several years may also have tax benefits for you.

Securities. Do you have publicly traded stock that is highly appreciated in value but low in dividend return? Why not use this to start your endowment? Since the Foundation can sell your stock without incurring a capital gains tax, it may be the perfect funding method for you.

Tangible Property. Real and personal property be a source of endowment funding. We will sell the property and place the proceeds in your endowed fund.

Do It Later

While it may not be feasible to start an endowment now, your estate will likely have enough resources at your death. Consider these possibilities:

A Bequest from your Will. The most popular way to fund a future endowment is to include a gift in your will. for this purpose. If you do decide to create an endowment through a bequest, please talk with our gift planning team to make sure your attorney uses our proper legal name and address.

The Remainder of a Trust. Donors sometimes establish a trust during life to provide themselves with ongoing income. When they are gone, whatever remains in the trust is disbursed according to instructions in the trust document. This, of course, can include the funding of an endowment with the Foundation. Trusts are popular as estate planning tools and may provide you with an excellent way to establish your endowment.

Insurance Proceeds. Do you have a life insurance policy you no longer need for protection? You could sign part or all of the policy over to the Foundation for the purpose of creating an endowment when you are gone.

Do It Now and Later

You may want to start your endowment now, modestly, and then add to it later through your estate plan. This way you could see the fund in operation and enjoy seeing the good it does.



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Please feel free to contact us if you have any questions. We would be glad to send you additional resources that might be helpful in your planning.

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