Endowments

A Toolkit for Parishes









Catholic Foundation of Southern Minnesota

A parish endowment is a lasting act of stewardship, helping parishes move from year-to-year survival to long-term stability. This resource equips parish leaders with the tools to plan, establish and grow their own endowment.

Released July 2026

From the Bishop

Dear Parish Leaders,

We find ourselves in a unique moment in the life of the Church. Across the country, and here in Southern Minnesota, many parishes are experiencing real financial fragility. Annual giving has flattened, and younger generations donate differently than those who came before them. None of this should alarm us, but it should awaken us. The Church has faced changing circumstances in every age, and each time, the Holy Spirit has prompted us to respond with creativity, prudence, and trust in God's providence.

One of the most effective ways we can strengthen our parishes for the long term is by building endowments: stable, mission-aligned funds that grow over time and provide reliable annual support. An endowment is not simply a financial instrument; it is a concrete expression of hope. It says to our parishioners and to future generations: we intend to be here, preaching the Gospel, celebrating the sacraments, forming disciples and bringing hope, for decades to come.

I want to challenge each parish in our diocese to take a step. Continue or begin the work of establishing an endowment that can serve as a long-term revenue stream for your community. Even modest endowments, faithfully tended, become sources of stability and strength.

Let us act now, with wisdom and courage, so that our parishes remain vibrant centers of evangelization, worship, and charity well into the future.

Peace In Christ,

+ Robert Barron

Most Reverend Bishop Robert Barron
Bishop of the Diocese of Winona-Rochester and Ex Officio Board Member

A Prayer for Your Parish

Loving God,
You are the giver of every good gift and the source of all we have.
Bless our parish and all who serve here. Strengthen the work of our hands, guide our decisions, and provide what we need to carry out Your mission with faith and joy.
Help us use wisely the resources entrusted to us, and inspire generous hearts so that this community may flourish today and for generations to come. We place our trust in Your providence and ask You to bless all who support the mission of the Church.
Amen.

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The Following Additional Templates & Resources

Are available online at CatholicFSMN.org/EndowToolkit

Or by request by emailing: info@catholicfsmn.org or calling 507-858-1275

- Fundraising Toolkit & Video How To by Executive Director
- Parish Gift Instrument Example
- How tos and Explainers:
  - Deciding Whether To Use Outside Help for Fundraising and Gift Recieving
  - The Difference Between an Agency & Benefeciary Fund
  - Create a Simple Communications Plan
  - Ongoing Endowment Fundraising
  - Asking for Estate Gifts
  - Why parishes need a long-term plan for legacy gifts
- Foundation Forms and Worksheets from this Appendix

Fundraising Templates Built in Microsoft Word, Excel and PowerPoint for easy editing:

- Project Plan/Timeline
- Fundraising Editorial Calendar
- Designed Bulletin Insert
- Short Text for Bulletin
- Mass Announcement Script
- Major Donor Outreach Plan & Tracker
- Pastor letter to parishioners x2
- Gathering Space Monitor Graphics
- Posters & Social Media Content

From the Board Chair & Executive Director

Dear Parish Leaders,

Thank you for your commitment to the mission of the Church and for the countless ways you steward the people, resources, and ministries entrusted to your care. We are grateful to walk alongside you in this important work.

This toolkit was created to make the process of establishing or growing an endowment as simple and accessible as possible. Inside, you'll find everything you need to plan, establish, and promote your parish endowment, from sample policy language and communication templates, to practical guidance on inviting parishioners to participate. With this toolkit in hand, you should have what you need to do this on your own if you want, but you do not have to do it alone.

The Catholic Foundation of Southern Minnesota exists to help you! We seek to strengthen the long-term vitality of parishes, schools, and ministries by providing trusted Catholic investment management, practical stewardship tools, and local philanthropic expertise—all grounded in Catholic values and delivered with professionalism, clarity, and care. **Our mission is simple: to strengthen *yours*.**

Feel free to contact us at any time for help using this resource or building your endowment. And if time is a concern, know you may choose to use all or some of our low cost services, such as gift receiving, to bring this endowment to life. However you choose to work towards building financial stability, we are here to support you.

We hope you'll use this toolkit to build the kind of long-term stability that allows your parish to thrive, not just today, but for generations. We are honored to partner with you in this important work.

With gratitude,

Michael Speltz

Dr. Michael Speltz, Board Chair &
CFO, Academy of Our Lady of Lourdes

Elizabeth Williams, MS, Executive Director
507-218-4098 | ewilliams@catholicfsmn.org

Why Endowments Matter

What is an Endowment?

A parish endowment is a **permanent fund** where gifts are invested, and a portion of the earnings are distributed each year to support parish needs. The original gifts, called **corpus or principal**, are preserved and grow over time, while earnings provide ongoing support over time. Additional gifts can be added to the fund at any time and are typically added to the corpus.

Why Spend Time on it?

An endowment is more than a financial asset: it is a statement of permanence. It signals to your parishioners and community that your parish intends to be here for generations. Endowments create a dependable stream of income that can help stabilize parish finances through economic fluctuations and give leaders the confidence to plan boldly rather than reactively.

Looking ahead requires both faith and prudent planning so we must ground ourselves in what's really happening today. Recent studies show:

- Fewer households are donating overall. Less than half of American households now give charitably, compared to more than two thirds giving charitably two decades ago.
- Weekly giving nationally dropped from 49% of churchgoers in 2015 to 39% in 2023.
- Weekly church attendance in the U.S. has declined from 42% in 2000 to ~30% today.

We see similar patterns locally. While Mass attendance in our Diocese of Winona-Rochester has grown year over year, it remains below pre-pandemic levels. Average attendance in 2025 was 26,106 — a 4.87% increase from 2024. And yet overall diocesan Mass attendance is still down 11.22% compared to 2019.

Sources: Giving USA, Vanco, 2023, Gallup, 2024, DOW-R Courier, Jan 2026

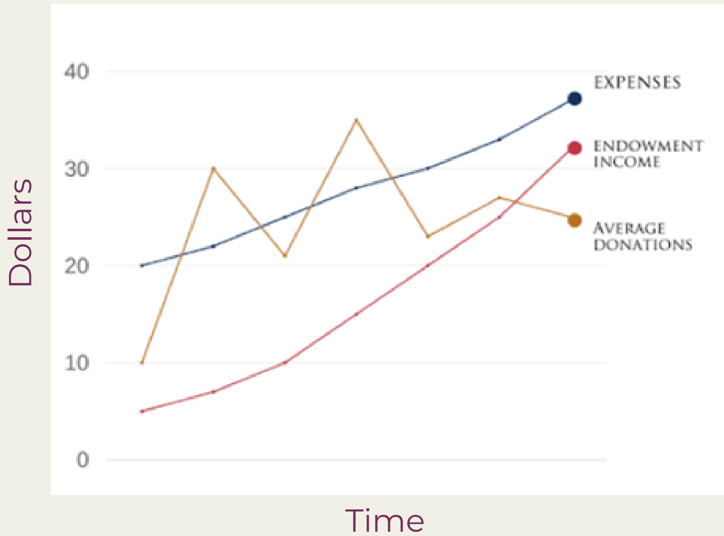


Chart Credit: Catholic Foundation of Western Michigan, Nov 2021

These trends do not diminish the faith of our communities, nor should we panic, but they do highlight the importance of thoughtful planning. They invite us to think proactively about sustaining parish life. Endowments provide one way to build long-term stability while continuing to rely on the generosity of parishioners today.

The example graph shows that over time, expenses will rise with inflation while annual offertory will likely fluctuate. Endowments are helpful because distributions are not only predictable, but also grow larger with each passing year.

Endowments
How They Grow

Endowments grow over time, even as they generate annual distributions (or grants). Here are some examples:

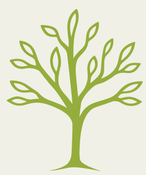
Year 1

Parish Establishes fund of $500,000

$25,000 available for distribution in year 1

Year 15

Fund Grows to $672,934



$32,987 available for distribution

Cumulative distributions: $432,335

Year 25

Fund Grows to $820,303

$80,422 available for distribution

Cumulative distributions: $800,757

Year 50

Fund Grows to $1,345,974

$65,970 available for distribution

Cumulative distributions: $2,114,485

TIP: Consider Setting Your Endowment Goal Based on Your Goal for Annual Distributions

	Intial Fund Balance	**$ 250,000**	**$ 500,000**	**$ 1,000,000**	**$ 2,000,000**
Year 1	Fund Balance	$ 255,000	$ 510,000	$ 1,020,000	$ 2,040,000
	Annual Distribution	$ 12,500	$ 25,000	$ 50,000	$ 100,000
	Cumulative Grants	$ 12,500	$ 25,000	$ 50,000	$ 100,000
Year 15	Fund Balance	$ 336,467	$ 672,934	$ 1,345,868	$ 2,691,737
	Annual Distribution	$ 16,493	$ 32,987	$ 65,974	$ 131,948
	Cumulative Grants	$ 183,504	$ 432,335	$ 864,871	$ 1,729,342
Year 25	Fund Balance	$ 410,151	$ 820,303	$ 1,640,606	$ 3,281,212
	Annual Distribution	$ 20,105	$ 40,211	$ 80,422	$ 160,844
	Cumulative Grants	$ 400,379	$ 800,757	$ 1,601,515	$ 3,367,091
Year 50	Fund Balance	$ 672,897	$ 1,345,974	$ 2,691,588	$ 5,383,176
	Annual Distribution	$ 32,985	$ 65,970	$ 131,941	$ 263,881
	Cumulative Grants	$ 1,057,243	$ 2,114,485	$ 4,228,970	$ 8,457,940

Assumes following the Catholic Foundation's endowment spending policy of a 5% annual distribution; and assumes 7% annual returns after management fees.

Endowments in Six Steps

TIP: Assign an individual project owner to each step - not a committee. Many people will be involved in each step, but your project owner can be the champion that manages a timeline and ensures each task get done.

1 Planning & Purpose

- What will the endowment support (e.g. facilities, faith formation or unrestricted)
- Who is the beneficiary: parish, school, etc.?
- What is the endowment goal?
- What is the budget to raise these funds (if any)?
- What will be your spending policy?*

2 Documentation

- Contract with the Catholic Foundation to establish your agency fund*
- Create Internal-facing Policies & Processes, such as spending policy modification clause or Endowment Board**
- File all documentation from steps 1 & 2

3 Fundraise

- Create your case statement*
- Engage potential major donors, create gift instruments*
- Host a free planned giving seminar with the Foundation*
- Create communication plan & promote publicly*

**Use our free downloadable fundraising toolkit of editable Word and PowerPoint documents to complete these steps.*

4 Protect & Grow

- Add donations to your fund with the Catholic Foundation
- We manage according to Catholic moral & social teaching
- Access monthly statements through online portal

5 Begin Annual Distributions

Once the fund meets the planned spending threshold (often after one full year of investment), the Foundation:

- Calculates the annual distribution
- Notifies the beneficiary
- Issues the distribution

You will want to document the use of funds

6 Steward Over Time

- Annual financial & Catholic values investment reporting to parish, finance council
- Communicating impact to parishioners and the donor's family (when appropriate)
- Consider sharing your impact stories with the Foundation
- Updating records as leadership changes

**Access all templates and resources at CatholicFSMN.org/EndowToolkit*

***Some parishes may wish to establish a legal endowment which will require more robust documentation and establishment of a formal Board. We encourage you to consult your lawyer to determine whether a formal legal endowment is a priority for your parish.*

Catholic Foundation of Southern Minnesota

My Parish Already Has Funds We Wish to Endow

Planning & Purpose:

- ☐ What amount do we want to endow to establish the fund?______________________________
- ☐ Gather list of accounts and balances we wish to use to establish the endowments.
- ☐ How will we use the earnings? ____
- ☐ Will earnings be restricted or unrestricted? ____
- ☐ Should our parish ever close, what/who will the successor benefeciary be? ________________________
- ☐ Create a spending policy. *See appendix for example*.
- ☐ Document & file this information in parish records.

TERMS:

Corpus or Principal

The original funds that are permanently invested and never spent. Corpus is preserved in perpetuity while only the earnings it generates are distributed to support the designated ministry or beneficiary.

Protect & Grow:

- ☐ We completed the Foundation's "Onboarding Survey" (typically Priest or finance council). Emailed to info@catholicfsmn.org. See *appendix* & online*
- ☐ The Foundation will create the agreement* based on your answers to the onboarding survey* and will return to you for an authorized signature.
- ☐ Priest signs the agreement (optional to include trustees). Return to the Foundation info@catholicfsmn.org.
- ☐ The Foundation will reach out to the provided parish contact for confirmation of transfer amount and delivery method.

More details on this process and how to receive monthly statements is available on pages 15-16, "Mechanics of an Endowment"

Optional: Fundraise

- ☐ Decide: Do we want to promote this fund to continually receive additional contributions? If yes, leverage free resources, templates and worksheets online.*

DID YOU KNOW?

To be a true permanent endowment, all gifts received are added to the endowed portion of the fund which will over time, increase the earnings amount available for distribution.

**Access all templates and resources at CatholicFSMN.org/EndowToolkit*

My Parish Would Like to Start an Endowment but We Need Funding

Planning & Purpose:

- [ ] What amount do we want to endow to establish the fund?_______________
- [ ] How will we use the earnings? ____
  ____
- [ ] Will earnings be restricted or unrestricted? ___________________________
- [ ] Should our parish ever close, what will the successor benefeciary be?
  ______________________________________EIN:____________________________
- [ ] Create an endowment spending policy. *See appendix for example.*
- [ ] Document & file all of this information parish records.
- [ ] Who will be on the committee to plan for, raise and manage these funds? What are their roles? ____
  ____
  ____
- [ ] What timeline is feasible? Begin with a project timeline* and assign who will be responsible, accountable, consulted & informed for each task.
- [ ] Who will be responsible for updating the timeline (weekly or monthly?) and holding people to their deadlines? ___________________________________
  ____
- [ ] Decide if you will use outside help to fundraise or receive gifts. Consider, what is the cost/benefit of bringing in outside help? The Foundation can help you weigh pros & cons, provide services or refer to other vendors. Learn more: *CatholicFSMN.org/ EndowmentServices*

**Access all templates and resources at CatholicFSMN.org/EndowToolkit*

My Parish Would Like to Start an Endowment but We Need Funding

Documentation

- [ ] We completed the Foundation's "Onboarding Survey" (typically Priest or finance council). Emailed to info@catholicfsmn.org. See *appendix* & online*
- [ ] The Foundation will create the agreement* based on your answers to the onboarding survey* and will return to you for an authorized signature.
- [ ] Priest signs the agreement (optional to include trustees). Return to the Foundation info@catholicfsmn.org.
- [ ] The Foundation will reach out to the provided parish contact for confirmation of transfer amount and delivery method.

More details on this process and how to receive monthly statements is available on pages 15-16, "Mechanics of an Endowment"

Fundraise:

- [ ] Create a Case Statement using Foundation's worksheet*

Major Donors:*

- [ ] Review parishioner giving history and identify potential major donors
- [ ] Set leadership goal. How much do we expect to receive from major donors?
- [ ] Create gift instruments. See example online*
- [ ] Schedule major donor meetings
- [ ] Prepare materials to bring to meetings
- [ ] Meet with major donors
- [ ] Document major donor responses
- [ ] Follow up and confirm pledges
- [ ] Establish matching gifts. e.g. We had a anonymous donor who pledged $XX,XXX if our parish can raise that much to match it.

CHALLENGE:
Don't skip a major donor plan because you're uncomfortable.
5-15% of individuals typically give 75-90% of total donations!
Use our outreach plan worksheet in the appendix or online* to get started.

**Access all templates and resources at CatholicFSMN.org/EndowToolkit*

My Parish Would Like to Start an Endowment but We Need Funding

Fundraising Continued:

Parishwide Fundraising

- [ ] Create a communications plan.
  Tips here: CatholicFSMN.org/Comms Plan
- [ ] Update the project timeline with planned tasks & task owners
- [ ] Create fundraising materials
- [ ] Mail, publish, share, etc.

Planned Giving:

- [ ] Contact the Foundation to schedule a free estate planning seminar: 507-218-4098
- [ ] Prepare to host: location, seating, projector, internet, refreshments, day-of help
- [ ] Host planned giving event
- [ ] Follow up with attendees afterwards about pledging

DID YOU KNOW?

Estate planning education can be a pipeline of opportunity to grow an endowment because the average person leaves 14% of their estate to charity. Have you asked your parishioners to consider your parish in their estate?

Protect and Grow:

- [ ] Acknowledge each gift received with a letter or thank you card. Donors need to know their gift was received and will be put to good use
- [ ] Send tax receipts for all donations annually
- [ ] Transfer gifts to the Foundation on planned cadence (usually monthly). *See appendix for deposit transmittal procedure.*
- [ ] Report to the full parish on progress using the Foundation's monthly statements and by creating your own impact stories. Ideas on how here: *CatholicFSMN.org/EndowmentComms*
- [ ] *Consider reporting your impact stories to the Foundation. See form online**

**Access all templates and resources at CatholicFSMN.org/EndowToolkit*

Why Partner with the Catholic Foundation?

For More Than 35 Years

The Catholic Foundation of Southern Minnesota has served as a trusted partner to Catholics and Catholic organizations across Southern Minnesota.

Founded in 1991 as an Office of the Diocese of Winona, the Catholic Foundation of Southern Minnesota was created to support important initiatives such as the Seeds of Faith endowment and the establishment of priest retirement programs.

In 2014, the Catholic Foundation of Southern Minnesota became a separate legal entity, providing greater transparency and peace of mind for donors and partner organizations.

Today, we continue this work by helping you turn generosity into action through trusted stewardship, investment oversight, and charitable giving resources that will strengthen the Church for generations to come.

We're Proud Of Our Positive Impact

Asset Development

Protect & grow the gifts of Catholics. Over $54M held today; $36M of that is held as "Agency" funds - owned by Catholic organizations

Granting

Over $1.2M granted annually to Catholic causes such as faith formation, seminary education, Catholic schools, capital improvements & more.

Community Leadership

Diocesan-wide listening exercise conducted in 2025. Free resources and low-cost services for parish stewardship and philanthropy are available today, including free Planned Giving Seminars and this toolkit.

What's Next?

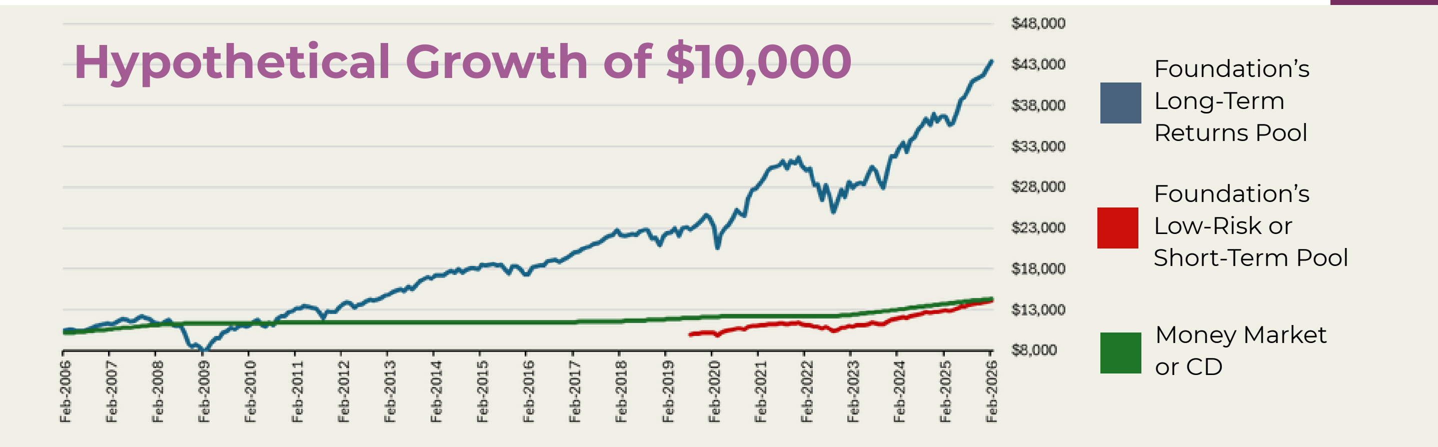
Our 2026-2030 strategic plan aims to increase local impact across all three pillars of our organization. Learn more: CatholicFSMN.org/StrategicPlan

Asset Development Explained

In the context of a foundation, asset development refers to the strategic process of building, growing, and managing the foundation's charitable assets — such as endowments, funds, and other resources — to support its mission, grantmaking, and community impact.
(Source: globalfundcommunityfoundations.org)

We're Proud Of Our Stewardship

The Catholic Foundation of Southern Minnesota has stewarded the gifts of Southern Minnesota Catholics well for over 35 years. The blue line illustrates real market performance for if your parish had $10,000 invested with us for 20 years using our long-term investment pool: it would have grown to $43,000. The red line represents $10,000 being invested in our low-risk pool upon the pool's inception, about 6.5 years; growing to over $14,000. The green line represents the typical returns of a money market or CD. Today, we now offer three pools: Long-Term Returns, Intermediate (previously our Short-Term/Low-Risk) and a new Short-Term pool. Learn more at CatholicFSMN.org/Invest



Portfolio Performance

June 30, 2026

	Current Month	QTD	YTD	1-Year	3-Year	5-Year	Since Inception	Inception Years	12/31/2025 Market Value	Current Market Value
Investment Pool Performance										
CFSM - Long-Term Investments (Net)	0.25%	10.39%	9.25%	17.61%	15.36%	8.35%	7.06%	25.92	$45,098,410	$50,925,772
CFSM Long-Term Target Benchmark	0.09%	10.64%	9.37%	18.88%	14.64%	7.42%	N/A			
CFSM - Short-Term Pool (Net)	-0.12%	3.12%	2.71%	6.92%	8.15%	4.81%	5.34%	6.83	$5,263,999	$3,932,369
CFSM Short-Term Target Benchmark	-0.07%	3.13%	2.63%	6.87%	7.59%	3.87%	4.61%			
* All periods greater than one (1) year are annualized.								Total Foundation:	$50,362,409	$54,858,141

Continued
Why Partner with the Catholic Foundation?

Our Commitment to Catholic Values in Investing

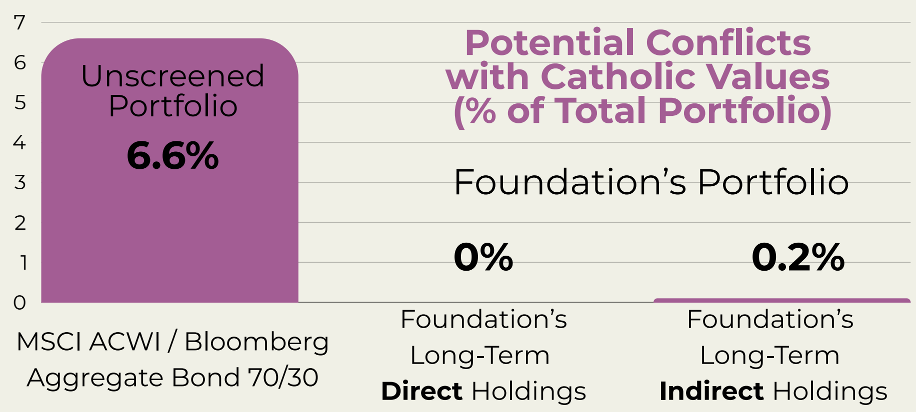
Socially Responsible Investing (SRI) has been around for many decades, and while interpretations vary widely, Catholic institutions typically rely on the United States Conference of Catholic Bishops (USCCB) Socially Responsible Investment Guidelines as their primary moral framework. However, please know that not every broker who seems to follow Catholic investing guidelines does completely.

At the Catholic Foundation, we use a **proactive approach** that screens for both **USCCB-aligned SRI** criteria and **Environmental, Social, and Governance (ESG)** metrics to ensure our portfolio reflects Catholic teaching while also incorporating broader measures of corporate responsibility and long-term sustainability.

This stands in contrast to a reactive approach, where an investor simply removes an investment after noticing a conflict. Because potential conflicts with USCCB guidelines can appear across all major asset classes — equities, fixed income, and alternatives — a reactive method is not sufficient. Corporate practices evolve, business lines shift, and new affiliations emerge. A faithful Catholic investment strategy must therefore be dynamic, disciplined, and attentive to change.

The Catholic Foundation's investment process is **intentionally structured, top-down, and continuously monitored**. Our Foundation staff, financial advisors and the Board review the portfolio regularly, and formally review our investment policy at least annually, to ensure ongoing alignment with Catholic values and responsible stewardship of the gifts entrusted to us.

The chart illustrates our prioritization of Catholic values in our investment strategies compared with an unscreened investment portfolio.



The Mechanics of Your Parish Endowment

Management

The Catholic Foundation of Southern Minnesota provides the stewardship and expertise needed for your parish endowment to flourish. We hold, invest, and manage your fund with fiduciary and Catholic integrity. In addition, all parishes in our diocese have access to free and low-cost services for pastors, parish staff, and donors to strengthen your mission now and ensure long-term sustainability. For more details on the Foundation, see pages 12-14.

What is an Agency Fund? Who Will Own the Fund?

The Foundation recommends (and has this designed this entire toolkit with the understanding that) you set up an Agency Fund for your endowment. **That means your parish is the sole fund owner and beneficiary**. We also encourage you to document a successor beneficiary should your parish ever close. The Foundation does not and will not ever own your funds. Our job is to steward: protect and grow them for you, until you're ready to use them. Learn more about agency funds on our website: *CatholicFSMN.org/Agency*

Account/Account Numbers/Corpus/Earnings

A single fund will hold both the principal or corpus as well as all accumulated earnings. You monthly account statements always list the corpus. Your account will be identified by fund name and associated parish name & address. We do not use account numbers.

What is Your Fee Structure?

The Catholic Foundation uses a reasonable management fee structure that has been benchmarked against other Catholic Foundations nationwide.

You can expect a flat fee from the table at right, tiered by account balance. It includes: 1) a financial management fee pays for fund manager fees & advisory services, as well as 2) an administrative fee that goes directly to the Foundation to fund our operations budget.

Account Balance	**Flat Fee as** Annualized Interest Rate
> $1,000,000	1.1%
$250,001 - 999,999	1.2%
$0 - 250,000	1.25%

Where & when do I see fees? Fees are annualized and applied monthly. The financial management portion of the fee comes directly out of earnings. The Foundation's administrative portion you will find on your monthly statements, towards the bottom.

Continued
The Mechanics of Your Endowment

Onboarding Process
You will first complete an onboarding survey that asks for the fund name, initial investment pool, endowment status, contingency beneficiary, donation records you'd like us to hold (or not), fund transfer preferences, who will be authorized signers and who will receive investment statements. Next, we'll send you an agency agreement contract to sign. Once you sign and return, we'll work directly with your bookkeeper or accountant to transfer the funds.

Initial Deposit
An initial minimum gift of $5,000 must be received with a signed agreement to establish an endowed fund. A principal balance of at least $25,000 is recommended before a parish, school, or ministry takes an annual distribution.
The Initial deposit from a parish should be made using the *deposit transmittal form found in the Appendix*. The form should be transcribed onto parish stationery and signed by the pastor. We can ACH the funds from your checking or savings account. If the funds are currently held at a different investment firm, you can direct them to ACH directly to us using the form. Contact Kelly Hoffman (info below) with any questions.

Additional Deposits
Once an endowment is established, additional gifts can be made at any time for any amount. Donors can give to your endowment directly through to the Catholic Foundation or can donate to the parish, for you to transfer to your endowed fund.
To be a true permanent endowment, all gifts received are added to the endowed amount of the fund, creating long-term stability. If you expect otherwise, please let us know when making the donation. Upon request, the Foundation can accept online donations directly to your endowment. This service available upon request for little to no cost. Inquire for costs unique to your situation. For ongoing deposits, *see appendix* for our simple *ongoing deposit procedure*.

Accessing Endowed Fund Account Balances / Statements
Fund balances are updated monthly. Parishes can access their endowed fund monthly statement any time in our online portal. The monthly statement includes the corpus balance, contributions made, realized and unrealized gains, dividends, distributions taken and management fees; shown for the past month and fiscal year-to-date. An email notification will be sent monthly when new statements are ready. Log in here:
https://cfsm.fcsuite.com/erp/fundmanager

Contact Information
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Continued

The Mechanics of Your Endowment

Distributions

The Foundation leverages a best-practice spending policy that uses a total return approach and is standard in the nonprofit sector.
Details in appendix.

1) If your parish chooses to follow our spending policy with your agency fund endowment, we will automatically assist you at the start of each calendar year to calculate your available distributions. Available distributions will never take the fund below corpus.
2) If you opt to create your own, unique spending policy, we will depend upon you to tell us the appropriate distribution amount annually. In this case it is our duty let you know if your distribution request takes your fund balance below corpus.

Timing of Distributions

With the exception of the first anniversary (see below), grant distributions are calculated once per year based on the fund value as of December 31. Distributions calculated on December 31 of a given year are distributed during the following calendar year. *Example:* A distribution calculated as of December 31, 2027 will be available for use during calendar year 2028.

Requesting a Distribution

Once the annual distribution amount is determined, parishes or schools may request funds at any time through a written request. All requests must:

- Be signed by the pastor and/or authorized signer(s).
- Comply with the documented purpose of the endowment. It is the pastor's responsibility to ensure the funds are used for the intended purpose.

A *Distribution Request Form* is available in the *Appendix*. While you are not required to use the form itself, all information listed on the template must be provided.
Contact Kelly Hoffman with any questions: 507-858-1276.

Reporting on Distributions

Parishes are responsible to share with their parishioners the impact of their endowment's distribution(s). Ideas here: CatholicFSMN.org/EndowmentComms

The Catholic Foundation of Southern Minnesota would also love to hear your stories! If you're willing, we encourage you to complete the *Endowed Fund Distribution Report* form in the *Appendix* and return to the Foundation. Stories of impact from distributions may be featured in the Foundation's annual report, website, print or e-newsletters and/or on social media.

Donors
Frequently Asked Questions

The purpose of this document is to provide general information in response to questions you may have or may receive from potential donors. It is not intended to provide specific advice or recommendations for any individual. **We always advise our donors and suggest you also advise donors consult with their attorney, accountant or tax advisor with regard to their personal situation.**

When You Hear... "*How should I make a sizable gift to the parish?*" "*How can I make an impact or leave a legacy?*" "*How do I include the parish in my estate plans?*" ...the Catholic Foundation can help the donor create a personal giving plan. Rest assured, we will work with them to support their intentions to give to your parish.

1. Do I need a will? Most likely. Without a will, the laws of the state will determine who will receive your assets and who will manage your estate. As a result, the state may not include all of the persons or charities you would like to support. A will allows you to appoint a guardian for your minor children or other dependents (if applicable), choose a representative to carry out your wishes, and determine the destination of your estate assets. Making a charitable bequest (i.e., giving assets to charity through a will or living trust) is a simple way to make a planned gift. The donor states in his or her will the amount or percentage of assets that are to pass to a designated charity. The donor receives an estate tax deduction for the amount of the bequest. As of time of creating this document, there is no limit* on the amount that can be deducted for estate tax purposes. To prioritize a specific gift to heirs, some may wish to designate their parish or favorite charity as the "residual beneficiary" of their estate. This means that after they have designated specific amounts to loved ones, they identify the parish as the residual beneficiary to receive the remaining balance of their estate after all other distributions have been made. Find bequest language at CatholicFSMN.org/Bequest

2. What is planned giving? "Planned giving" means mapping out a plan for your assets upon your passing. Many individuals create a giving plan to document their wishes of how to transfer their estates to the institutions and people they want to benefit from a lifetime of their hard work. In addition to fulfilling their charitable goals and expressing (financially and spiritually) their gratitude to God, donors may receive tax benefits through several types of tax-favored plans. Planned giving takes many forms and can be tailored to meet the needs and goals of the donor. Learn more at CatholicFSMN.org/Plan

3. Can I receive a charitable tax deduction for making a gift of securities? Yes. We encourage you to speak with your tax advisor about the specific implications for your situation.

4. How can I ensure that my assets go to my heirs rather than to the IRS? There are three places your money and assets can go after your death: your heirs, a charity or the government. By planning carefully, you can control how much goes to whom. You can leave as much as you want to your spouse without paying estate taxes (the marital deduction). In addition, you can ensure that the IRS gets less of your estate by making charitable gifts. The charitable estate tax deduction is unlimited*. If you have a sizable estate, consider how charitable giving can shrink your estate for tax purposes. It provides an opportunity for you to support the causes that are important to you rather than supporting the causes important to the U.S. government via the IRS.

*This information reflects federal and Minnesota tax laws in effect as of June 2026. It is provided solely for general educational purposes and should not be interpreted as legal, tax, or financial advice. The Catholic Foundation does not provide legal, tax, or financial advice. Donors should consult their own qualified advisors to evaluate how these rules apply to their individual circumstances.

Donors
Frequently Asked Questions

5. What are the benefits to leaving my qualified retirement plan assets to charity?
Congress intended retirement funds for retirement, not inheritance. Thus retirement funds what are passed down to heirs are often taxed excessively in estate taxes.

Many people find that they do not need to use all or some of the retirement income that retirement plans provide, so they let their plans continue to grow tax deferred. If you have planned to leave your qualified assets (and nonqualified tax-deferred assets such as nonqualified annuities) to children or others, you may want to examine the potential tax implications with your tax advisor. One alternative could be to name a charity as the beneficiary of the retirement assets, thereby avoiding all income and estate taxation and providing a benefit to your community.

6. What are the benefits of making a charitable gift through my will? Charitable bequests (i.e., assets given through a will) provide substantial tax benefits and may be the most appropriate charitable giving technique for a person who is charitably inclined and yet wants to retain control of the assets during his or her lifetime. A donor who makes a bequest to a charity will be entitled to a charitable estate tax deduction for the value of the charity's interest, effectively removing the value of the gifted asset from the donor's estate.

Charitable bequests can be made in a variety of ways. The simplest way is to make an outright bequest of an entire asset. In return, the donor's estate will get a deduction for the fair market value of the asset on the date of death. Alternatively, a donor may make a bequest of a partial interest in an asset. The donor's estate will receive a deduction for the present value of the charity's interest in the asset.

7. I'm planning an estate gift to my parish or other Catholic charity through the Foundation. Is there anything I need to do besides put it in my will or designate you as a beneficiary?
Thank you for considering a legacy gift. **Yes**, if you intend to make your estate gift through the Catholic Foundation, it is very important that you let us know in advance. When we are notified, we can document your intentions clearly and ensure your gift will be used exactly as you intend.

For example, if you want your bequest to support Faith Formation at St. Mary's in Winona, we will record that designation and make sure the restriction is communicated when the gift is received.

A recurring but preventable challenge arises when a financial institution sends the Foundation a check without indicating the donor or the purpose of the gift. We make every reasonable effort to identify the donor and clarify the donor's intent; however, privacy policies at the financial institution often prevent us from obtaining needed information.

You can easily prevent this by contacting us to share your charitable intentions. A brief phone call or email ensures your legacy is honored exactly as you envision it.
Email: info@catholicfsmn.org
Phone: 507-858-1276

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Parishes

Frequently Asked Questions

1. Why should we create an endowment?
An endowment is a powerful tool for long-term parish stability because it creates a dependable, annual stream of income, reducing pressure on the annual offertory. It signals to parishioners that you have a thoughtful, long-range financial plan, which builds confidence and encourages deeper investment in your mission. Endowments also cultivate a pipeline of future gifts, both planned and today, by inviting parishioners to embrace a lasting expression of stewardship.

2. Why should we partner with the Catholic Foundation? Partnering with the Catholic Foundation to manage your endowment ensures that your parish benefits from Catholic-aligned investing, strong long-term returns, and local expertise dedicated to serving the Church in Southern Minnesota. Our investment program follows the USCCB's Socially Responsible Investment Guidelines, so your endowment is stewarded in a way that reflects and protects Catholic values. At the same time, our professional advisors deliver competitive, market-aligned performance. Because we are a local Catholic organization, we understand the needs of parishes, schools, and ministries in our diocese. We provide hands-on service, clear communication and a commitment to strengthening our local Catholic community. See pages 12-14 for more details.

3. Do we choose investment managers for our endowed fund at the Foundation? No. The Foundation manages all of our assets through the investment policies established by our Board of Directors to ensure continuity and performance.

4. What is the minimum amount to establish a fund? To receive annual distributions? An initial gift of $5,000 is required to establish an endowed fund. We suggest (but do not require) that you begin distributions once your balance has reached at least $25,000.

5. What is the relationship of our endowed funds to the Diocese of Winona-Rochester?
While we were initially founded as an Office of the Diocese of Winona in 1991, today we are a legally separate entity. The Bishop, Vicar General and CFO of the Diocese are ex officio Board members to ensure alignment with diocesan vision and mission. In addition to this legal separation, your fund will be an Agency fund, meaning you, as the parish, are the owner of the fund.

6. Can we spend the principal of our endowment if we have a significant need? Or can we take a loan from our endowed fund?
If your parish or school has established a legal endowment with an attorney, no — the principal is permanently endowed and cannot be accessed beyond the annual distribution. These funds are legally restricted and must remain intact in perpetuity.
If your parish has created an endowment outside of formal legal constraints, we still strongly recommend not spending or borrowing against the corpus. Preserving the principal honors donor intent and ensures the fund continues to support your parish for generations. Consider discussing your situation with the Diocese's College of Consulters for advice from experienced clergy.

7. What happens to the endowed fund if the parish closes, merges or is clustered? Upon establishing an endowment, the parish should identify a successor beneficiary in case the original intent of the endowment ceases to exist. We will follow those instructions.
If, in the future, circumstances render the use of the endowment for the purpose set forth in the agreement impractical or impossible, then the Fund's distributable funds shall be used for support in such a manner as the Foundation's Trustees may reasonably determine, keeping in mind the original and successor beneficiary intent.

Parishes
Frequently Asked Questions

8. Does Minnesota's UPMIFA apply to our parish endowment?

UPMIFA applies automatically when a donor restricts a gift as an endowment. If parishioners are not using a gift instrument, then the parish itself must decide whether the fund is legally endowed or is a board-designated. Because many parishioners do not use formal gift instruments, it is important for the parish to decide up front how it intends to treat the fund.

You may choose to adopt legal endowment documentation and operate the fund as a true endowment under UPMIFA, or you may choose to treat the fund as a board-designated endowment, which functions similarly but is not legally restricted by a donor.

This choice is entirely at the discretion of the parish. What matters most is that you communicate clearly during fundraising so donors understand how their gifts will be managed. The Catholic Foundation can support you in managing either type of endowment. Please let us know which type you will do within your onboarding survey.

9. Where should gifts be sent for an endowed fund?

- **To the parish** – Parishioners can give through any means available through your parish. Many parishes establish a monthly schedule of sending an ACH or check deposit to the Catholic Foundation of gifts they have received designated to their endowment.
- **To the Catholic Foundation**
  - **Send a Check:** Make a gift using a check or money order made out to: Catholic Foundation of Southern MN. **In the memo line include the endowment name.** Mail to: Catholic Foundation of Southern MN PO Box 30098, Winona, MN 55987
  - **Donate Stock, Commodities & Non-Cash Assets:** Donors should contact the Foundation for instructions.
  - **Give Online:** If you've chosen to set up onling giving with us, donors can make a gift at any time online by credit or debit card at catholicfsmn.org by selecting "Give Now" at the top of any our of webpages.

9. Can the Catholic Foundation accept and acknowledge gifts on our behalf? Yes. If this becomes too much for your staff, we are happy to do so. Donors can send gifts directly to us, indicating which fund they'd like to support. Gifts received will be added to your corpus. Depending upon the level of effort, there may be a small fee to cover the cost of our time.

10. Can you talk to a parishioner about complex gifts or planned giving on our behalf? Yes. We are available to talk with your parishioners to help them create a personal giving plan that honors their intentions of giving to your parish.

11. Our parish/school has a foundation or endowment already. Can we move our assets to the Catholic Foundation? Yes! See page 8 or contact us: 507-858-1276 or khoffman@catholicfsmn.org.

12. Are there other fund options through the Catholic Foundation besides endowments? Yes, we offer three different investment strategies of Agency funds: long-term, intermediate and low-risk. Simply complete the same onboarding survey to get started or learn more at CatholicFSMN.org/Invest.

13. How do we know how much we can take from our endowed fund? You should create a spending policy when you establish your endowment. The Catholic Foundation can calculate the amount for you using standard best practices. See appendix for our calculation process and sample spending policy.

14. How do we make deposits or distributions from our account? See Mechanics of your Endowment, pages 16-17.

Glossary of Terms

Endowed or Endowment

The term endowed or endowment has been used in different ways in our diocese. Some think of an endowment as simply as a fund that was established to save for a rainy day, while others use the term to describe a formally established, legally restricted fund overseen by a board. In this toolkit, we operate with the definition that an endowed fund is intended to hold a corpus or principal balance in perpetuity, with only the interest and earnings being eligible to be spent. Because you will own the endowment as an agency fund, how you choose to spend should be aligned with whatever you choose to communicate to your donors from the onset of fundraising.

Corpus or Principal

Corpus, often used interchangeably with principal, refers to the original funds, along with any additional contributions, that are permanently invested and never spent. Over time, the corpus typically grows as unspent earnings are reinvested, which helps ensure that the annual distribution amount increases steadily. The corpus is preserved in perpetuity, while only the earnings it generates are distributed to support the designated ministry or beneficiary.

Beneficiary

A beneficiary is the parish, school, ministry or organization that is designated to receive the benefit of a gift, fund, or distribution.

Compounding Interest

Compounding interest is the interest that is calculated not only on the original corpus but also on the interest that has already been added to it. In an endowment, this creates a **snowball effect**, helps the fund grow steadily over many years. Example on page 6.

Restrictions & Designations

In parish fund accounting, terms like *restricted, unrestricted, and designated* are often used, and it's important to understand the difference between them.

Designations are internal decisions made by parish leadership (such as the pastor, trustees, or finance council). These funds are not legally restricted and can be changedat any time by the same leadership body.

Restricted funds carry a permanent directive for how the money may be used, based on the donor's stated intent. When a donor gives a gift for a specific purpose or ministry, the parish has a moral and legal obligation to honor that intention.

Documenting donor restrictions is essential to ethical stewardship. While the Catholic Foundation can assist with questions and maintain copies of restrictions and designation, **each parish is responsible for accurately tracking** both donor-imposed restrictions and leadership-imposed designations.

Diversified Revenue Streams

Refers to having multiple, reliable sources of income rather than depending on a single type of giving or funding. For a parish, revenue streams might include offertory, rental income, fundraising events, grants, bequests, and endowment distributions. Having an endowment means you gain a new annual revenue stream.

Appendix

Visit CatholicFSMN.org/EndowToolkit to Download More Resources:

Catholic Foundation Agency Fund Documents

- Agency Fund Onboarding Survey
- Initial Deposit Transmittal Form
- Ongoing Deposit Transmittal Procedure
- Foundation's Policy for Calculating Endowment Distributions
- Endowed Fund Distribution Report Form

Endowment Planning Documents

- Sample Spending Policy
- Project Plan/Timeline
- Case Statement Worksheet
- Major Donor Plan Worksheet
- Major Donor Outreach Tracker
- Parish Gift Instrument Example

Fundraising Templates Built in Microsoft Word, Excel & PowerPoint for easy editing:

  - Project Plan/Timeline
  - Fundraising Editorial Calendar
  - Designed Bulletin Insert
  - Short Text for Bulletin
  - Mass Announcement Script
  - Major Donor Outreach Plan & Tracker
  - Pastor letter to parishioners x2
  - Gathering Space Monitor Graphics
  - Posters & Social Media Content
  - Fundraising Toolkit & Video How-To by Executive Director

How-Tos and Explainers:

- Deciding Whether To Use Outside Help for Fundraising and Gift Recieving
- The Difference Between an Agency & Benefeciary Fund
- Create a Simple Communications Plan
- Ongoing Endowment Fundraising
- Asking for Estate Gifts
- Why parishes need a long-term plan for legacy gifts

Catholic Foundation of Southern Minnesota

Thank You

To you, all the parishes and Catholic ministries who will use this toolkit, thank you. Your commitment to caring for your communities and planning for the future is a gift to the people you serve. Your steady leadership is what will allow us to keep a vibrant Catholic community across Southern Minnesota for generations to come.

I also want to extend my heartfelt thanks to everyone who helped bring this endowment toolkit to life. Beginning with the mentors who taught me how to make complex ideas accessible, and to my husband who pushes me, asks the right questions, and lifts me up more than he'll ever know, I am deeply grateful.

To Angela Wistrcill, thank you for the thoughtfulness and creativity you poured into the marketing templates that make this resource practical, clear and inviting. To the Catholic Foundation of West Michigan thank you for inspiration and sharing some of your question & answer content with us.

My sincere gratitude also goes to Kelly Hoffman, whose technical excellence, practical insight into parish bookkeeping, and true spirit of partnership helped us create this toolkit and build a scalable, diocesan-wide approach to supporting endowments in every parish.

I am especially thankful to Monsignor Thomas Cook for reading through this resource line by line beside me; your collaboration made this toolkit stronger, more faithful, and more actionable than I ever imagined.

Furthermore, I am deeply grateful to Bishop Robert Barron, Board Chair Dr. Michael Speltz, and our entire Board for their support, encouragement, and trust throughout this project.

I owe deep thanks to my parents for grounding me in the Catholic faith from childhood, teaching me hard work and that anything is possible, all forming the foundation that makes work like this possible.

Above all, I thank God for the grace, clarity, and perseverance to bring this toolkit to completion. I hope it serves our parishes for many years and, in some small way, stands as part of my legacy of service to Southern Minnesota.

Elizabeth Williams, MS
Executive Director
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Catholic Foundation of Southern Minnesota