

Establishing an Endowment at the Riverside Community College District Foundation

RCCD Foundation policy states that the minimum gift amount required to establish a new endowment is \$20,000. In addition, the RCCD Foundation's Board of Directors has implemented a 5% administration fee on all new gifts received by the Foundation. Therefore, to establish an endowment and cover the 5% fee, the minimum contribution is \$21,000.

Endowment accounts provide funding for scholarships or programs in perpetuity from the earnings on the investments. The percentage of earnings distributed is determined by the RCCD Foundation Board of Directors, not to exceed 4.5% annually, based on calculations of a three-year trailing average. As such, the amount awarded per endowed fund varies each year with the market and Board rulings. However, in general, an endowment with the minimum \$20,000 corpus usually provides approximately \$700 - \$1,000 in program or scholarship funds per year. Because sufficient earnings must accrue before a distribution may occur, interest payouts from endowed funds typically begin approximately three years after full funding of the corpus has been received.

Donors may choose to begin funding their program or scholarship immediately by making additional annual contributions while building the required minimum for endowment and/or while the endowment is accruing interest earnings. Many donors choose to make these additional contributions in order to begin making their intended impact right away while allowing the endowment to build sufficient earnings to fund the program or scholarship in perpetuity.

Endowments can be funded by various methods, including cash, pledge (payable over up to five years), gifts of stock, and planned giving vehicles (bequests, etc). Please contact the RCCD Foundation to discuss your interest in establishing an endowment and the various options that may be available to accomplish this goal.

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