BUILDING NONPROFIT PERMANENCE.

MORE EFFECTIVE ENDOWMENT STRATEGIES THROUGH THE CHICAGO COMMUNITY TRUST

THE CHICAGO COMMUNITY TRUST AND AFFILIATES
LEVERAGE THE POWER OF THE CHICAGO COMMUNITY TRUST FOR YOUR ORGANIZATION.

When your nonprofit organization seeks to build permanent funding solutions, the first resource you consider should be The Chicago Community Trust.

The wide scope and the long history of our philanthropic reach within metropolitan Chicago make the Trust a natural partner to create an effective endowment strategy for your organization.

HELPING NONPROFITS OF EVERY SIZE.

Our region is home to thousands of nonprofit organizations — many of which have difficulty building long-term advantages in fundraising.

The Trust helps you focus on far-reaching solutions such as planned gifts or professional investment management at a reasonably low cost. That’s why we assist organizations of every imaginable purpose and mission:

- RELIGIOUS ORGANIZATIONS
- EDUCATIONAL INSTITUTIONS
- BIOMEDICAL RESEARCH AND CLINICS
- ENVIRONMENTAL ORGANIZATIONS
- COMMUNITY GROUPS
- SOCIAL SERVICE AGENCIES
- ARTS AND CULTURAL ORGANIZATIONS
THE PATH TO “YES”.

Many worthy organizations have sought the advice and management skills of professional partners and have been told, usually not in these words, “you’re too small.”

Perhaps in some circumstances they were willing to take on your organization, but their fee schedule was unreasonable relative to your needs.

Not at The Chicago Community Trust. Our commitment to the region goes back a full century. Our devotion to the health of nonprofits of every kind is unparalleled in the Chicago region. All relevant resources are placed at your organization’s disposal when you establish your endowment fund with the Trust.

We strongly believe in and assist the building of financial endowments for our charitable partners. That is why the Trust has lowered the barrier to entry to the point where nearly any nonprofit organization can get started right away.

THREE STEPS TOWARD YOUR PERMANENT ENDOWMENT FUND.

With just $10,000, your organization can create the beginning of a permanent funding mechanism for itself — allowing a range of potential new funding sources that may not have been practical or possible before.

1. Create and name your endowment fund in one day
2. Provide initial funding
3. Immediately begin to solicit ongoing, annual or special donations, as well as planned gifts from your donors

Later, as your fund grows, your organization will have the structure in place to build a true endowment — providing permanent, ongoing distributions that can fund operations or other objectives.
How does our organization establish an endowment through the Trust?
To establish an endowment, your organization and the Trust sign an agreement giving the Trust the authority to hold, manage and invest the property contributed to the fund. Because the assets in the fund are invested with the Trust’s pool of assets, the fund benefits from the investment expertise of the Trust’s professional managers.

How can an endowment fund be used?
Endowment building can be important to the long-term stability of any nonprofit organization.

An endowment fund at The Chicago Community Trust can be a flexible asset for your organization. You can arrange to receive grants from the fund, or you may have grants reinvested in the fund, while benefiting from the lower fees and costs resulting from our economies of scale.

What kind of annual grant amount should we expect to receive?
When your organization arranges to receive grants from your fund, the endowment agreement provides that the Trust shall distribute an amount equal to the Trust’s distribution policy. In general, your organization would not have the ability to withdraw funds in excess of the distribution policy amount.

This distribution policy is reviewed annually by the Executive Committee of the Trust.

What if donors wish to name our organization in their wills?
Planned and estate gifts are easily arranged to benefit your organization through your endowment fund at the Trust. Our staff will work directly with your donors and their advisors to structure ideal solutions for both your donors and your organization.

What if donors wish to donate something other than cash or securities to our organization?
When your organization creates a fund at the Trust, all of our gift planning resources are at your disposal. Complex gifts — such as real estate or closely held business interests — can be facilitated through your fund at the Trust.

What fees does The Chicago Community Trust charge?
There are two annual fees that apply to an endowment fund: (1) a 0.4 percent administration fee (subject to a $200.00 minimum), and (2) an investment management fee that averages 0.8 percent. Thus, the total annual fees for an endowment fund will be 1.2%.

Can our organization offer charitable gift annuities to our donors?
Yes. Nonprofits that do not meet the minimum requirements of The Illinois Department of Insurance can offer them through the Trust’s charitable gift annuity program. The remainders of charitable gift annuities are placed in your endowment fund at the Trust, benefiting your nonprofit organization in perpetuity.

How do charitable gift annuities with the Trust work?
The Trust will provide illustrations to your donors and their advisors explaining the benefits of a charitable gift annuity, draft the gift annuity contract, receive payment to fund the gift annuity, invest the funds for the gift annuity, make payments via check or direct deposit to the annuitant, mail the annual 1099 form to the annuitant and distribute the remainder accordingly.

The minimum size of the charitable gift annuity is $10,000. There is an annual administrative fee of 0.48%. See page 8 for more on charitable gift annuities.

What happens if our organization ceases to exist?
If your organization ceases to exist, the Trust will make distributions from the fund to organizations with as similar charitable purpose to your organization as possible.

What is the Trust’s investment policy?
A full description of the Trust’s investment policy and performance is available at your request.

The Trust’s investment objective is to achieve a total return sufficient to preserve the purchasing power of our funds, while maintaining a prudent level of risk.
Large donors may be waiting in the wings for the right time or the right reason to support your organization. Our experience reveals that a tipping point exists at which donors begin to feel confident that their assets will be properly safeguarded — and that is the moment when the most significant donations begin to arrive.

Because your new endowment fund will be overseen by the Trust, your donors will enjoy additional confidence in the stability and stewardship of their contributions and planned gifts.

When the Trust’s century of experience and the professionalism of our staff and investment managers become part of your fundraising appeal, imagine how much more your organization could achieve.

Make the most of planned gifts — now and in the future — by allowing The Chicago Community Trust to help plan, invest, administer and maximize your organization’s coming assets.

One of the most challenging situations a growing nonprofit can face is a sudden windfall. The Trust can help your organization make the most of that money by having a windfall strategy in place.

**STRENGTHEN YOUR DONORS’ CONFIDENCE.**

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**BENEFITS OF PARTNERING WITH THE CHICAGO COMMUNITY TRUST.**

**Scale and substance.** The Chicago Community Trust offers our charitable partners a stable and long history of support. Since our founding in 1915, we have consistently grown in influence across the region and in our asset base to over $2 billion today.

**Philanthropic expertise.** Philanthropy is our only concern, and we understand every facet of it, from the agency side (fundraising, board relations, reporting) to the donor side (philanthropic estate planning, multigenerational giving).

**Sophisticated investment management.** Because the Trust is not an asset management company that must invest internally, we are free to offer best-in-class professional investment management for the full range of suitable investment strategies.

**Low fees.** The scope of our philanthropic operations offers a tangible benefit in the form of reduced fees and economies of scale that are available nowhere else.

**Extensive gift planning support.** We offer comprehensive support for legacy gifts from your donors. Naming your organization in a donor’s will can present many different variables and complexities. We work directly with your donor’s advisors to structure planned gifts for you — with 100% of the bequest made to directly benefit your organization.
ENLARGING YOUR FUNDING TOOLKIT: CHARITABLE GIFT ANNUITIES.

One of the most compelling ways to raise funds from retirees and pre-retirees is the charitable gift annuity. When one of your donors wants to make a substantial contribution to your organization, but still actively seeks lifetime payments, a charitable gift annuity offers the best of both worlds.

HOW CHARITABLE GIFT ANNUITIES WORK.

1. Via contract, the donor contributes a sum of money to the Trust.
2. That sum of money generates lifetime payments for the donor (and spouse, typically).
3. Upon the death of the donor(s), what remains of the original sum is contributed to your endowment fund at The Chicago Community Trust.

Charitable gift annuities are complicated with many moving parts — and many ways to fall short of success. Because of our experience in these areas, we offer our expertise to any charity that establishes an endowment fund within the Trust.

By working with us, your organization opens up a turnkey way to raise significant funds — even while you are providing streams of lifetime income for your most important donors.

Charitable gift annuities are a true win-win scenario for both the donor and the organization receiving the gift, but only if the annuities are contracted and administered properly. Our technical expertise offers relief from the challenges and hidden dangers of these highly complex legal and financial agreements.

WHAT THE TRUST WILL DO FOR YOUR CHARITABLE GIFT ANNUITIES.

- Draft the annuity contract
- Supply all ongoing administration
- Manage the investment of the principal
- Make regular payments to donors
- Provide tax forms to donors
- Disburse the assets to your endowment fund when donors die

A SENSE OF PERMANENCE.

Talk with the Trust. When you speak with us, there’s no obligation or commitment on your part. We understand that you are seeking to identify the best financial solutions for your donors — and the best financial and operational solutions are exactly what we seek to provide.

At The Chicago Community Trust, we stand ready to support your charitable mission.

We look forward to serving you.

THE CHICAGO COMMUNITY TRUST
225 N. MICHIGAN AVENUE
SUITE 2200
CHICAGO, ILLINOIS  60601

cct.org

Abbe Temkin, director of major and planned gifts
atemkin@cct.org
312.616.8000 x133