



## Trust and Endowment Frequently Asked Questions

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### 1. What is a trust or endowment?

A trust is a long term fund – held 10 years or more – that will eventually be completely expended. For example, a donor may make a gift of \$30,000 and stipulate that grants of \$2,500 should be made annually until the fund reaches a balance of \$0. Or the donor could make that same gift of \$30,000 and specify that typical Foundation trust disbursement (currently 10%) is to be granted each year until the fund reaches \$0.

An endowment is a long term fund where the capital is held in perpetuity and the Foundation's endowment disbursement (currently 3.5%) is granted each year forever.

### 2. How are trusts and endowments invested?

The trusts and endowments of the Foundation are invested with Fiera Capital in a balanced fund. The Foundation's investment committee and board of directors oversee the fund manager and the Foundation's assets. The 2017 return was 10.32 %, the 5-year rate was 10.13 % (gross of fees)

The investments are compared to the Foundation's Socially Responsible Investment Policy and in 2017 were 98% in compliant with that policy.

### 3. How do I set up a trust or endowment?

You contact the Foundation. Foundation staff will work with you to determine which type of fund best suits your intentions and then draft an agreement to lay out how your fund will function.

You can establish a fund with any gift \$5 – to \$50,000 or more. You may also lay the groundwork for a fund that will be activated with a gift in your will.

#### **4. Is there a minimum amount for a fund?**

As per above, you can establish a fund with a gift of any size now or through your will.

There are varying thresholds at which funds make grants and staff can advise you on what those thresholds are based on what organizations you wish to benefit with your fund.

#### **5. What beneficiaries can I designate?**

Your fund can make grants to any registered charity in Canada who mission and goals are not in conflict with those of the United Church of Canada. At least one of the beneficiaries must be a United Church related organization.

#### **6. What can I expect from the Foundation?**

You can expect solid, best of sector fund management practices and communications at least twice per year. You will receive an annual report (such as the one enclosed with this fact sheet) as well as copies of the letters to the grantees that received monies from your Fund. From time to time we may send you additional communications if we think they will interest you.

You can also expect us to be delighted to hear from you. The Foundation board of directors and staff work hard to ensure that your funds are managed well and that your intent for those funds is upheld to the fullest. We would love to hear from you with any questions you have or with any details on why you chose to establish your fund.

#### **7. Who should I contact with any questions?**

Please contact Foundation staff at 866-340-8223 (toll free) or [fdn@united-church.ca](mailto:fdn@united-church.ca) You can also contact your regional Stewardship and Gift Officer