



### ***What is an Endowment?***

An endowment is a permanent fund of support for a specific purpose. The principal of your gift is invested, allowing you to build a strong foundation for your area of interest. Annual investment earnings of the endowment support the specified purpose.

### ***Why should I consider establishing an endowment fund?***

Establishing an endowment is a present and future investment. By establishing an endowment, benefits will be provided generation after generation for your specific area of interest as the endowed gifts keep giving over time. Many donors establish an endowment to have the opportunity to honor a loved one, colleague or mentor with a permanent reminder of their life and example.

### ***How is an Endowment Supported?***

Several assets can support endowments including, but not limited, to cash, stock gifts and property.

### ***How are endowed fund distributions made?***

After endowing your fund, you may establish your own criteria for the distributions of the annual investment earnings. The rate of the spendable income is determined by the CREATE Foundation Board of Directors. This rate is a percentage of the endowment principal balance (currently 4% of the average fund balance for the twelve preceding quarters or since inception).

### ***What administrative support is available for an endowment?***

All gifts are tax deductible as allowed by law and donors will receive a receipt for the amount of their gift to the endowment. Endowment's advisors are provided with a quarterly financial statement detailing contributions, disbursements, fees, gains, losses and interest accrued during the quarter. Our administrative staff provides support during your grant making process to ensure that all procedures and guidelines are followed properly.

### ***How can I establish an endowment?***

A donor can begin an endowment by simply signing a CREATE Foundation Endowment Fund agreement and contributing a gift valuing at least \$5,000.

### ***For further information contact:***

Mike Clayborne  
President

Email: [mike@createfoundation.com](mailto:mike@createfoundation.com)

PK Thomas  
Director of Development

Email: [pk@createfoundation.com](mailto:pk@createfoundation.com)

P.O. Box 1053, Tupelo, MS 38802  
Phone: 662.844.8989



## **CREATE Foundation Endowment Fund Policies**

Currently, all endowment funds are placed in an endowment pool and invested by our fund manager, Hardy Reed. Exceptions are made for fund balances greater than \$250,000 if the donor would rather name a different investment advisor. Our investment mix is typically 60% equity and 40% fixed. An investment committee comprised of members of the CREATE Board of Directors meets quarterly to evaluate performance relative to industry standards. Dividend income is allocated to each fund in a proportionate manner, and so are any gains or losses on investment (realized or unrealized).

The disbursement rate or spending policy is currently 4% of the average fund balance for the past three years (twelve quarter rolling average). The rate is set annually by the CREATE Board. In January of each year, you will be notified by letter of the amount available to spend. CREATE charges an administrative fee of 1% on endowment fund balances. This fee is charged once a quarter based on the average balance for the quarter. Any excess of investment return over these amounts is added to the principal to allow the fund to appreciate and maintain its value over time.



## Advantages of a CREATE Foundation Endowment Fund

- Confidence of major donors in giving to an organization with financial strength, stability, and a well-planned investment strategy.
- Releases the organization from fiduciary responsibilities and investment decisions.
- Participation in a large endowment pool which should increase investment performance and lower investment costs.
- Assistance in marketing the endowment through CREATE publications and website.
- Assistance in working with organization donors in evaluating charitable giving options.