

Creating an Endowment

An endowment is a “forever” gift – a permanent fund established by a donor in which the principal is invested and all or part of the earnings are used by the RMS in perpetuity to assist in carrying out the mission and goals the donor chooses to support. Establishment of an endowment allows the donor to name the fund and gives RMS an opportunity to recognize the donors’ generosity – a gift that will make a difference for generations. Donors may want to use this method to memorialize a family member or special individual, or say thank you to a loved one or RMS. This can be a scholarship given in a person’s name, a research fund for a particular river management issue in the name of a friend. Endowments can be established in the donor lifetime or through a charitable bequest via a will, codicil, trust, or related amendment(s). Donors can request endowments with a single gift or series of gifts. Consider creating a collective endowment funded with cash, appreciated stocks, real estate, life insurance, retirement plan assets, deferred gifts from trusts or annuities, or personal property. Generally, a minimum donation is required to establish an endowment – as a guarantee the income from the fund is adequate to achieve the donors’ intent. The RMS would use the memorial fund’s income as you specify (subject to Board approval) and any principal from the fund could be invested to provide income to the RMS in perpetuity. Possible options to choose among several funds, e.g.:

*Unrestricted Fund – gift allows RMS to make specific funding recommendations

*Designated Fund – the donor determines in advance what programs or services desired for the donation to support

*Advised Fund – the donor recommends how the proceeds from the endowment are to be spent

*Wills or Trusts – In addition to providing for loved ones, you may desire to also provide for the RMS in your will or trust. This can be done by a gift of a specific amount, property or asset, all or a portion of your remaining estate, or by using the various charitable trust options discussed herein. Charitable gifts to RMS may reduce your income and estate taxes. Laws, including those regarding income and estate taxes, vary from state to state and your estate plan should always be reviewed and updated with help from your financial and legal advisor.

Specific details included with the type of endowment the donor selects will be incorporated into a written description of the endowment and the written document must be approved by then donor and the RMS. Regardless of the type of endowment established, the satisfaction associated with charitable giving is enormous.