



IIMC FOUNDATION

RESTRICTED ENDOWMENTS

What is a restricted endowment?

A restricted endowment is a savings fund created by a donor(s) (an individual, group of individuals, or an organization). People can donate to this fund as often as they wish. However, only the interest earned from the account can be used to fund IIMC education programs. For example, if the savings fund has \$25,000 and it earned \$500 in interest, either a portion of or the entire interest earned (\$500) can be used toward IIMC education programs. The rest of the money, the \$25,000, remains in the fund untouched.

Why is it restricted and who insists on the restrictions?

Only the creator(s) of the restricted endowment fund can impose restrictions. Those restrictions determine how the interest from the funds will be used.

How can restricted endowment interest be used?

Generally, the interest from the fund may be used for IIMC approved education programs, e.g., CMC or MMC scholarships, conference education sessions and grants, and other education programs for the benefit of IIMC members.

Who makes decisions on how interest is used?

When the endowment contract was created, terms were agreed upon, in writing, that govern precisely who or what individuals or organizations are eligible to receive the funds and for what purpose. Any IIMC approved educational offering is eligible, subject to the terms of the endowment.

What is the minimum amount required to create an endowment and how often must contributions be made?

\$1,000 is the minimum to create a restricted endowment. Contributions may be made at any time. There are no minimum ongoing contribution requirements.

Are there start-up or annual administration charges?

There are no annual administrative fees. There is a 3% service charge on all new investments.

Can a donor(s) or anyone else withdraw the entire endowment?

No. No one can "close" or withdraw funds from the endowment. The intentions of the endowment are honored for eternity.

How are the funds monitored?

IIMC Foundation's Financial Investment Committee and professional investment advisor monitor IIMC Foundation funds to ensure compliance with the Foundation's adopted Investment Policy and to conservatively maximize earnings. Quarterly statements are provided to the IIMC Foundation Board and to all endowment contacts.

Plan ahead – pay it forward.

How does a restricted endowment differ from traditional investments with a financial institution?

Investments in a traditional financial institution can be withdrawn or their purpose changed by those having access to the accounts at any given time. With a restricted endowment, the intentions of the original donor(s) are respected for eternity. Over time, earnings from pooled investments exceed those of savings accounts, checking accounts, or CD's.

How are investment decisions made and by whom?

All funds are invested by direction of the IIMC Foundation Financial Investment Committee with the assistance of a professional financial advisor and in compliance with the adopted IIMC Foundation Investment Policy.

How long does it take to fund a scholarship?

Generally, annual interest from a \$5,000 endowment would fund one \$300 scholarship.

Why should a State/Provincial/National association consider creating a restricted endowment?

A restricted endowment guarantees education funding for eternity. Long-term earnings are higher than traditional financial institutions and monitored by a professional advisor. A restricted endowment is an investment in the future of the profession and its members. The size of the endowment and rate of growth are entirely at the discretion of the donor(s). It's a safe and flexible way to invest with legal assurances and accountability. The intentions of the donor(s) are protected and honored.

How is an unrestricted endowment different from a restricted endowment?

Unrestricted endowments are used for educational purposes as determined by the IIMC Foundation Board of Directors, restricted endowments are determined by the donor(s).

Where can I find out more information about the IIMC Foundation?

IIMC Foundation annual reports and policies can be found on the Foundation's website at www.iimcfoundation.com.

Who do I contact for more information?

Contact Acting President Buster Brown at 402-707-1079 or bbrown2244@aol.com, or any IIMC Foundation Board member. Related Policies 10, 12, and 24 can be found at www.iimcfoundation.com.

Established in 1984, the IIMC Foundation is a tax-exempt, nonprofit foundation under Section 501(C)(3) created to raise funds for its partner, the International Institute of Municipal Clerks. IIMC and its affiliated State/Provincial/National associations use these funds to promote, train, and educate Municipal Clerks.

Together, we can build a better future.