

Perhaps you've always been intrigued by the possibility of establishing an endowment to create a permanent source of philanthropic support for the community you love, but you thought the process might be difficult or daunting. When you work with the Aspen Community Foundation, it's easy – and enjoyable – to structure your endowment as your gift to improve the quality of life for future generations.

Five FAQs to help you establish an endowment



Many community-minded individuals have served on the boards of directors of charitable organizations in our region. If you've served on a charity's board (or several!), you are no doubt familiar with the concept of an endowment. Many charities establish endowment funds and reserve funds with Aspen Community Foundation (ACF) to help ensure that their missions stay strong during economic downturns and periods of increased community need.

What you might be less familiar with, however, is an endowment fund established at Aspen Community Foundation by an individual or family. Every year, the ACF team works with people like you to establish endowment funds to support the needs of our region in perpetuity.

Here are answers to five frequently-asked questions about setting up an endowment fund.

Why does the community foundation offer endowment funds to individuals and families?

ACF serves as the hub of philanthropy for many families in our community. We connect donors like you to community needs you care about, and this includes offering the opportunity to make a charitable investment that supports a range of community needs now and in the decades ahead—needs that cannot be predicted. That's the purpose of an endowment: to provide a steady stream of dollars, far into the future, to meet community needs as they arise.

How does an "endowment" work?

"Endowment" is the word often used to refer to a designated pool of assets that are invested by ACF and tracked separately such that a modest portion (usually based on a percentage) of the assets are distributed each year to charitable causes, and the rest of the assets remain invested to grow in perpetuity. This growth, in turn, helps the endowment provide even more support each year to the causes for which it was established. The ACF team is experienced at managing the accounting, investment, and distribution aspects of endowment funds.

Contact Stephanie Gianneschi, Director of Philanthropic Services, to establish a fund.

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How can I stay involved with my endowment fund after it's established?

First and foremost, you can name the endowment fund anything you want, such as the "Smith Family Endowment Fund," or something more anonymous such as the "Endowment Fund for Our Future." In addition, our team is happy to keep you informed about the positive change in the community that is occurring thanks to the distributions from the endowment fund you've established. We can continue to keep your children and grandchildren informed, too, beyond your lifetime. In this way, your legacy continues through the generations.

Who decides where the endowment distributions go each year?

ACF is itself a permanent institution. Our board and staff are committed to keeping a finger on the pulse of the region's greatest needs and maintaining a deep knowledge of the charitable organizations that are meeting these needs every day. This is ACF's mission in perpetuity. The ACF team is made up of dedicated and knowledgeable professionals who understand our community and build ongoing personal relationships with the people working at the region's charitable organizations. The ACF team recommends distributions from your endowment, and our independent board of directors reviews and approves these distributions to ensure that they fulfill your charitable goals for establishing the endowment in the first place.

What does it take to establish an endowment fund?

Setting up an endowment fund is as easy as setting up any other type of fund with ACF. Our team will prepare simple paperwork capturing the name of the endowment fund and any areas of interest you'd like to support. Then, you can transfer cash—or, even better for tax purposes, you can transfer appreciated assets such as stock or real estate. You'll be eligible for a charitable tax deduction in the year you make the transfer to establish the fund. You can make future transfers to your endowment fund each year, too, to achieve your tax and estate planning goals. Our team is also happy to work with you and your advisors to structure a bequest to your endowment fund following your death. We highly recommend considering a bequest in the form of a beneficiary designation on an IRA because of the multiple tax benefits. Related, if you are over 70 ½, making a "Qualified Charitable Distribution" from your IRA directly to your endowment fund is a very effective charitable planning tool to avoid income tax and also satisfy your Required Minimum Distribution if you've reached that age as well.

We look forward to working with you to support our community and your favorite charitable causes for generations to come!