

LAKE LAND COLLEGE

FOUNDATION



WE ARE SO GLAD YOU WANT TO MAKE A DIFFERENCE AT LAKE LAND COLLEGE!

ANNUAL FUND/SCHOLARSHIP VS. ENDOWMENT DETERMINING WHAT METHOD OF GIVING IS RIGHT FOR YOU

If you are not sure what method is right for you, please ask yourself these very important questions to determine your best option.

- 1. Do I want the difference I make to stop when I'm no longer able to make annual gifts?
- 2. Do I want the difference to go on forever in perpetuity?
- 3. Do I want the difference to go on forever, but am concerned about the financial impact of the gift on my current lifestyle?

The answer to each of these questions will assist you in deciding what is best for you.

ANNUAL FUND/ SCHOLARSHIP

IF YOUR ANSWER TO THE FIRST QUESTION IS YES, THEN CREATING AN ANNUAL FUND IS THE BEST METHOD FOR YOU.

These funds are created when you provide regular annual gifts for a specific purpose such as a scholarship. A formal memo of understanding is created between you, the donor, and the Lake Land College Foundation, a non-profit corporation. Typically, the minimum annual fund gift is \$1,000. Here are some considerations in establishing an annual fund or scholarship:

- Decide what to name your fund. You may want to honor or memorialize someone.
- 2. Decide the impact you want to make. If it is a scholarship, then you will need to determine the criteria. If it is a fund, then you will need to determine the program or area that will benefit.
- 3. Determine the size of your annual gift.
- Decide if you'd like recognition for your efforts. The Lake Land College Foundation publishes an Annual Report and likes to recognize all our donors according to their investment.

ENDOWMENT

IF YOU WOULD LIKE FOR THE IMPACT OF YOUR GIFT TO GO ON FOREVER IN PERPETUITY, THEN CREATING AN ENDOWMENT IS THE BEST METHOD FOR YOU.

When you provide the necessary funding to establish an endowment, a formal agreement is written between you, the donor, and the Lake Land College Foundation, a not-for-profit corporation, to manage and administer the fund in perpetuity. Endowments allow your gift to be added to the foundation's investment portfolio and earn interest based upon the performance of the portfolio. Here are considerations when creating an endowment:

- Decide what to name your fund. You may want to honor or memorialize someone.
- Decide the impact you want to make. If it is a scholarship, then you will need to determine the criteria. If it is a fund, then you will need to determine the program or area that will benefit. You may also create an endowment that does BOTH scholarship and program support. A member of our staff can discuss this with you in more detail.
- Determine what your initial gift will be. The minimum amount required to establish an endowmen't is \$20,000 and can be attained in a variety of ways. Temporary funds can be created with an initial gift and subsequent gifts in any increments as long as the minimum funding amount is achieved within five years. Or, a \$20,000 gift can be designated in your estate plan with annual gifts also being given that will go toward the award each year. We refer to this as split funding. The Foundation is willing to assist you in making a gift that works best for you.
- 4. Fully funded endowments remain dormant for one full fiscal year before an award can be made so that investment earnings can be realized. Additional gifts placed in a temporary account can allow an award to be made during the dormancy period. The Endowment principle, or original \$20,000, will never be invaded to preserve the fund in perpetuity.



Biological Science instructor Jeff White (right) turns your gift into a lifetime of knowledge for students every semester!

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ABOUT ENDOWMENTS

An endowment provides sustainability for the area it supports, and therefore is invested for growth and longevity. Each year, calculations of the award amount rely upon the fund balance. Based upon Foundation policies, 4.5% of the fund balance is used for the award and 1.0 percent is used for administrative fees. Any remaining earnings are allocated back to the endowment as historic earnings to be used in the future should the endowment investments underperform. This allows for an award to be made in the event of a down market The original gift or permanent balance of the fund is never invaded. Initial and future gifts to your endowment will be deposited, invested and reinvested as directed by the Lake Land College Foundation Board of Directors according to its investment policy. The policy goal is a return of inflation plus a minimum of 0.5% over the

fund's rolling 10-year average. More details on the Foundation investment policy and award calculations may be requested at any time.

YOUR GIFT MAKING AN INVESTMENT IN LAKE LAND COLLEGE

is easy no matter what method of giving is right for you. Both methods of making a difference are appreciated and change the lives of Lake Land College students. No matter the method, you will have opportunities to connect with students and college faculty and staff, attend special events, and be recognized for your generosity according to your investment. And just like any investment, you will always have the opportunity to learn about the performance and balance of your account/fund at any time.

NOW LET'S GET STARTED!

A member of our staff is available to assist you at any time. Simply call 217-234-5363 or email the Foundation at foundation@lakelandcollege. edu. Or, check our website for more information at lakelandcollege. edu/foundation. Thank you for your consideration and we look forward to being good stewards of your gift that will make a difference at Lake Land College!

THANK YOU FOR YOUR GIFT!

"Lake Land College was a major milestone in my life and I will be eternally grateful for the doors it has opened for me and my family.

l encourage
everyone to
participate and
give to the Lake
Land College
Foundation. You
will be glad you did
your part to help
others and you will
never regret that
decision."

- John Livesay
Pana, Illinois
LAKER NATION CLASS OF 1971



C O L L E G E

FOUNDATION