

Frequently Asked Questions- on website:

Rev. Robert Heinz Catholic Formation Endowment Fund Frequently Asked Questions

Q 1. What is an endowment fund?

A. An endowment fund is a permanent savings vehicle for not-for-profit institutions. The growth of the fund is not subject to tax, and donors receive tax deductions for gifts made to the endowment fund.

Q 2. How does an endowment fund work?

A. An endowment is a restricted fund that is invested and maintained in perpetuity. Once funds are set aside in an endowment, only the interest earned on the fund is available to be used. As the endowment fund principal grows, the level of interest generated increases and provides a revenue stream which is separate from Parish stewardship (Sunday envelopes), tuition and other Parish fund raising.

Q 3. Why was the Rev. Robert Heinz Endowment Fund formed?

A. Father Bob Heinz decided in 2004 to direct all congratulatory gifts for his Silver Jubilee as a priest to seed the beginning of an Endowment for St. Alphonsus Liguori Parish. The charter members of the Endowment Ministry Council of St. Alphonsus decided to name it the Rev. Robert Heinz Endowment Fund.

Q 4. How will the amount of income from the Endowment Fund be determined?

A. Income of the Endowment Fund, available for distribution, will come from interest earned, dividends, and realized capital gains from management of the Fund. Endowment Fund income is available for distribution on a quarterly basis. In order to preserve the Fund, 5% of the Endowment Fund balance (based on the value on June 30th each year) can be used for approved purposes.

Q 5. How will the income from the Endowment Fund be used?

A. The purpose of the Endowment Fund is to perpetuate, partially support and further, the Catholic formation and faith development of the people of St. Alphonsus Liguori Parish. Funds

can be used to support existing Parish ministries or new parish programs that might build stronger community within the Parish, focus on creating meaningful liturgical and worship experiences, and enhance the faith education of adults, youth and children consistent with the overall mission of the Parish.

Q 6. Who determines what programs receive the income from the Fund?

A. The Endowment Ministry Council of St. Alphonsus Parish, a committee of eight (8) persons, will assist the pastor of St. Alphonsus Parish in discerning the distribution of Fund income. All allocations will be consistent with Archdiocesan Policies and Procedures.

Q 7. What does Catholic Formation/Faith Development mean?

A. To promote Formation is to advance the spiritual growth of our Catholic community through various programs for all members. Faith Formation is a life-long process that we never complete. This Fund will help to support that life-long formation for many of our members.

Q 8. How will the Endowment Fund grow in the future?

A. Contributions to the Fund can come from many sources including gifts, memorials, wills and trusts and a percent of undesignated funds received by St. Alphonsus Parish.

Q 9. Who will manage the Endowment Fund?

A. The Archdiocese of Chicago has established the Archdiocese Parish Educational Endowment Fund which allows parishes to pool their endowment money in investment vehicles for higher return. Currently, the Fund has \$17 million dollars from over a dozen parishes. Each parish still holds title to its own monies.

Q 10. Will the Archdiocese have access to the money in the Fund to pay other expenses?

A. Gifts to an endowment fund are restricted funds. The money will always belong to St. Alphonsus Parish and not the Archdiocese. These funds cannot be used for any purpose other than the purpose for which they were contributed. Donors will be given a written statement explaining the purpose of the Endowment Fund so there is no misunderstanding concerning the way funds will be used. The Archdiocese can not use the Fund or the income of the Fund for any reason.

Q 11. What happens to the Fund should St. Alphonsus Liguori Parish close or consolidate?

A. In the unlikely event that the Parish is closed by the Archdiocese, the money in the Fund, as well as all the assets of the Parish, would become the property of the Archdiocese. If St. Alphonsus and another parish consolidate into a single entity, the Fund would still belong to the Parish, but would require a new Charter to be written to reflect the change.

Q 12. Can a parishioner know how the money they donate will be used?

A. A parishioner's donation will never be used. It will remain forever as part of the income generating principal invested with the Archdiocesan Fund for the future. It is only the interest earned that will fund Catholic formation programs. The projects and programs that receive Endowment Fund support will be listed in an annual report published in the Parish bulletin.