

## Establishing an Endowment

Endowments are a 'unique' type of planned gift, which the donor can make either during his/her lifetime, or via a Bequest in his/her Will.

The capital of an Endowment can be invested on a short-term basis, or held in perpetuity.

Endowments can be made up using cash, securities, paid-up life insurance policies, real property, etc., but it differs from other gifts in that the principal of an Endowment gift remains invested (for whatever term the donor desires) and only the 'interest' income of the fund is used annually.

The minimum amount of an Endowment gift is usually \$10,000.00, but can be as large as the donor desires. It can be made in one lump sum, or arrangements can be made with Red Deer Hospice to hold a series of installments over an agreed upon period of time.

If the contributed property is valued at greater than \$10,000, the donor(s) may determine the period of time that he/she intends it to be invested. If the donor decides that they want it invested in perpetuity, the endowed fund can be an everlasting gift, and it can also be an enduring tribute, carrying the name of the person or person(s) for whom the Endowment is established.

For contributed property valued at less than \$10,000, in no case shall the contributed property be held for a period of more than ten years, in accordance with Section 149.1 (1)(e)(i) of the Income Tax Act.

No matter whether the Endowed Fund is invested on a short-term basis or in perpetuity the interest (and capital at time of withdrawal) may be used to support:

- ✓ The general purposes and programs of Red Deer Hospice.
- ✓ Our Fund-a-Day campaign, which provides enough money to cover all costs related to the care of one resident for one day – currently that amount is \$285.00 (so an Endowment of \$10,000 would easily generate enough interest to pay for one day).
- ✓ Capital expenses as may become necessary in the years ahead.
- ✓ Specific programs and/or equipment, such as:
  - Bereavement Support Programs in-house and out in the community;
  - Ongoing maintenance and/or repairs of Hospice building and grounds; and/or
  - Purchase of items on Red Deer Hospice's Wish List.

Often an Endowment is established as a bequest in one's Will, so if you are considering establishing a Endowed Gift with Red Deer Hospice, please contact us prior to visiting your lawyer to draft your Will, and we will forward the necessary forms that will assist you. You can contact our Fund Development & Marketing Coordinator at **403-309-4344**, or by email at [funddev@reddeerhospice.com](mailto:funddev@reddeerhospice.com).