

# Thrall Community Education Foundation Endowment Policy

## DEFINITION

An endowment fund is a gift in which the donor's intent is to preserve the principal in perpetuity and spend the earnings only.

The endowment fund principal or corpus is permanently restricted.

## GOVERNING AUTHORITIES

The Board of Directors of the Thrall Community Education Foundation (TCEF) has authority over the acceptance and maintenance of gifts, endowments, and investments. The Finance & Governance Committee is authorized by the Board to oversee the administration and investment of the endowment fund.

Donors can restrict the purpose with gifts of \$100,000 or more. An agreement will be signed by the donor and an authorized member of the Board of Directors that specifically states the donor's intent and the obligations to the Foundation.

## GENERAL ENDOWMENT POLICIES

It is the policy of the TCEF to enhance its endowment fund by promoting practices that permit the most flexibility in long-term planning, utilization, and investment. Therefore, TCEF seeks endowment gifts that least restrict the purpose, administration, and the investment of principal. However, gifts of \$100,000 or more are encouraged for those investors that want to restrict their gift to a specific program or educational initiative. The following policies apply to the endowment fund.

### Ownership

A donor gift becomes an asset of TCEF and the donor relinquishes ownership and authority. Once a gift is designated to an endowment fund, the donor's gift designation may not be changed.

### Endowment purpose

TCEF encourages unrestricted endowment gifts because they provide the Foundation with the most flexibility in its financial planning and alignment of programs that support Thrall ISD. However, donors may restrict the use of the earnings for a specific purpose, given that the purpose is acceptable and approved by the TCEF Board of Directors.

### Documentation policies

To donate to the general endowment fund or establish an endowment fund, TCEF requires a gift instrument with certain elements approved and signed by the donor. The document must clearly identify which individuals have the authority to define the endowed fund terms and all restricted endowments must have an alternative use clause. This documentation serves as evidence of donor intent, and helps to ensure the terms of the gift are clearly documented and followed.

## Endowment Funding Levels

The TCEF Board of Directors has approved several thresholds for endowed funds. The general endowment fund gifts and earnings will accrue until a balance of \$1,000,000 is achieved. Endowed gifts to the fund will be permanently restricted as endowed funds and not expended. Earnings on this corpus will be spent as determined by the Board of Directors. The restricted endowment fund will be set up for each donor for gifts of \$100,000 or more. Earnings on the gift will be spent as agreed upon by the donor and Foundation.



## THRALL ENDOWMENT FUND

# FAQ

### 1. What is an endowment fund?

The endowment fund is an investment account established by the Thrall Community Education Foundation (TCEF) to fund programs and operations. The “corpus” is a minimum amount that is reserved perpetually and only the earnings of the corpus are spent. There are two (2) types of endowment funds established by the Board of Directors.

- General endowment fund: An endowment fund established for any size gift. Once the fund reaches \$1,000,000 in donations, this will serve as the corpus of the general endowment fund and earnings will be allocated for programs and operations.
- Restricted endowment fund: An endowment fund established to allow a donor to restrict the earnings to a specific program. The minimum investment is \$100,000 for this fund. Earnings from the restricted endowment fund will be allocated to the program as designated by the donor and approved by the Board of Directors.

### 2. Why did Thrall create an endowment fund?

Building the endowment fund means strengthening TCEF’s financial structure for the future. It is only through philanthropy that endowment funds will benefit the programs and operations of TCEF. Support from alumni, parents and donors, increases the resources being invested and makes larger investment returns possible.

This support is critical in today’s extremely competitive academic environment. Building a permanent endowment fund provides TCEF with future stability and resources from which to grow, not contingent on the success of current or future fundraising efforts. Having an endowment fund provides a constant source of annual income while demonstrating security and long-range financial planning.

### 3. What is the difference between annual giving and a gift to the endowment fund?

Consistent, annual giving is the financial lifeblood sustaining TCEF’ annual mission of providing grants to educators of Thrall ISD and scholarships to every graduating senior.

The endowment fund will allow a stable income to additionally fund the grants, scholarships and operations, but may also be allocated by the Board of Directors to fund systemic or additional programs identified by the district to enhance learning and academic success for Thrall ISD educators and students.

#### 4. What will the money be used for?

The mission of the Thrall Community Education Foundation is to provide financial support to Thrall ISD in areas that are not directly supported by the district's operating budget.

The Thrall Community Education Foundation links community resources - time, money, services, expertise - with the needs of our schools to enhance and complement the educational mission of Thrall ISD.

The Foundation builds board-based support for educational excellence, increases the visibility and value of our schools and promotes the understanding that everyone in the community is responsible for creating a quality educational system.

#### 5. Can I restrict my gift to a certain program?

Yes, gifts to the endowment fund of \$100,000 or more can be restricted to a specific program or focus area, but must be approved by the TCEF Board of Directors and Thrall ISD School Board. This ensures your gift will enhance learning and aligns with the district goals.

#### 6. Can I pledge a gift over a period of time?

Yes, gifts can be pledged and paid to best suit the donor.

#### 7. How are endowment funds invested and who manages the assets?

The Finance & Governance Committee oversees accounts, investments, assets, liabilities and all financial aspects of TCEF. Investment policies have been developed by the Board of Directors and are available for review. Financial advisors are relied on by the Finance & Governance Committee and the Board of Directors.

#### 8. Is there a minimum gift required?

There is no minimum for annual giving or the general endowment fund. There is a minimum of \$100,000 for a restricted endowed gift.

#### 9. How can I invest in the endowment fund?

There are many ways to give to the endowment fund:

- You can give online at [tcef.org](http://tcef.org).
- You can consider a gift through an insurance policy naming TCEF as the beneficiary
- You can consider a bequest through a will or estate
- You can donate stocks or other assets

#### 10. Who should I contact if I have questions?

Please call 844.898.8233 (TCEF) for questions about donations, endowment funds, Harvest Festival, or any other TCEF activity. We are located at 201 S. Bounds, Thrall Texas 76578.