



PERMANENT FUND BASICS

WHAT IS THE PERMANENT FUND?

The Permanent Fund is an endowment invested permanently. Only the earnings on the fund are used for programs and projects. A portion of the fund is allocated to benefit the programs every year.

HOW ARE THE FUNDS USED?

50%+/- of the earnings go to the World Fund, Ambassadorial Scholars, Group Study Exchanges, Matching Grants, 3-H programs, and Peace and Conflict Resolution Scholars.

50%+/- of the earnings go to DDF for the SHARE program

WHY THE PERMANENT FUND NEEDS OUR SUPPORT

To ensure the Foundation's long range future and to continue to grow the income stream for the increasing annual demands on Foundation funded programs

THE GOAL FOR THE PERMANENT FUND

The goal is to raise \$1 Billion by the year 2025. As of now there is over \$200M contributed with another \$250M committed.

REASONS TO GIVE TO THE PERMANENT FUND

1. Serving others
2. Leave a legacy
3. Tax advantages
4. Retirement benefits

TWO WAYS TO GIVE

1. Outright Gift (Irrevocable): Cash, real estate or other assets
2. Bequest (Revocable): Life insurance, will, or trust

TWO WAYS OF GIVING

OUTRIGHT GIFTS

Benefits to the Giver: 1. Immediate Tax Break 2. Life Income Payments
In addition to serving others and leaving a legacy

Who Might be Interested: Rotarians nearing or at retirement age with assets

Recognition by TRF: "*Major Donor*" if \$10,000 or more, Levels 1-5
"*Benefactor*" if less than \$10,000

"*Arch Klumph Society*" for Gifts of \$250,000 or more
Donor's photo prominently and permanently displayed at RI Headquarters.

Three Basic Alternatives:

CHARITABLE REMAINDER TRUST: An irrevocable trust that provides a distribution for a fixed number of years or for life. Payments to giver can be fixed or variable. Trustees invest aimed at long term growth. General payout between 5-7%

CHARITABLE GIFT ANNUITY: An exchange of cash or securities for a Charitable Gift Annuity that the Foundation agrees to pay one or two annuitants a fixed sum for life. The number of annuitants and their ages determine the rate.

POOLED INCOME FUND: An irrevocable donation of cash or securities to the pooled income fund is invested along with gifts of all other pooled income donors. Quarterly payments are made on a proportional share of the fund's income to each participant; the amount of the payment varies with the funds earnings and performance. The fund is invested in a mix of stocks and bonds to balance the need for current income with long term growth of principle.

BEQUESTS

Two Categories:

BENEFACTORS- Revocable promise to give the Foundation through life insurance, wills or trusts. The amounts are from \$1,000 to \$9,999.

Recognition: Chevron dangle, and Certificate

BEQUEST SOCIETY- Revocable promise to give to the Foundation \$10,000 or more through insurance, wills or trusts.

Recognition: Bequest Society Emblem, Chrystal, and Certificate.

Emblem: Levels 1-5

Benefits: Leaving a worthwhile legacy – knowing after you have passed on, your gift will keep on working to alleviate suffering and promote goodwill and peace in the world.

NAMED FUNDS

Gifts of \$25000 or more may allow the donor to designate the use of the fund consistent with Rotary Foundation programs and allow the donor to name the fund.

The fund does not go into effect until the funding is in place through an outright gift or a bequest is funded upon the death of the person(s) making the bequest.

To illustrate how this might work:

Gift of \$25,000 or more – Create a named fund to provide general support for The Rotary Foundation.

Gift of \$50,000 or more – Create a named fund to create an endowment or any of the TRF programs from scholarships to matching grants.

PERMANENT FUND BASICS

Gift of \$150,000 or more – A named fund can support a more restricted purpose (endow an Academic –Year Ambassadorial Scholarship in your name or a loved one's name).

Gift of \$250,000 or more – Can support any of the above **and** qualify you for recognition in the Arch Klumph Gallery in RI World Headquarters.

Gift of \$500,000 or more – Can endow a Peace and Conflict Resolution Scholarship in your name

RESPONSIBILITIES OF THE COMMITTEE

1. **Learn** as much as you can about the Permanent Fund from information on the **RI Website** (rotary.org/foundation), **The Permanent Fund Chairman** has additional information and access to experts at the Rotary Foundation Headquarters.
2. Identify a ***Permanent Fund Advocate*** in each of the clubs assigned to you.
3. Working with the Club Advocate ***identify:***

Prospect for Major Donors

Sources for Finding Prospects:

Major Donors and those who give to other foundations
Bequest Society members
Benefactors who are Paul Harris Fellows
Paul Harris Society members
Rotarians who make large annual gifts
Non-Rotarians with a Rotary heart

Prospects for Bequest Society Members

Sources for Finding Prospects:

Dedicated Rotarians
Rotarians who have been active for a number of years
Involved Rotarians

4. **Assist** in the planning of **invitational events** for prospective Major Donors and significant Bequest Society members.
5. **Communicate with Permanent Fund Chairman.**
Share ideas and suggestions for educating Rotarians on the Permanent Fund and for improving the fund development process.

Provide and update prospect lists.

Should you have any questions regarding the Permanent Fund please see your club Foundation Chair or contact District Permanent Fund Chair **George Huffman** : 407-896-8632 grhuffman@earthlink.net or the District Rotary Foundation Chair Rick Baines 407-240-5248 ric2b@bellsouth.net.