



# Endowments

*An investment in the future of  
Shippensburg University.*

Shippensburg University  
**FOUNDATION**





## Invest in the future of Shippensburg University students with an endowed gift.

Many of Shippensburg University's alumni and friends have not only provided annual funds each year, but have also helped to build a permanent financial foundation through the Shippensburg University Foundation for the benefit of the University.

Like all gifts that benefit SHIP, endowed gifts contribute to the high quality of education, research, and high-impact learning. Of all forms of private giving, endowments offer the most influential of investments by creating self-renewing, living legacies that span generations. An endowment is an investment in the lives of those to come, a promise without end, made by today's donors for the future.

### **HOW DOES AN ENDOWMENT FUND WORK?**

In an endowment fund, the principal is invested in perpetuity. Each year, a percentage of the endowment's three-year rolling average is distributed to benefit your endowment's purpose. The rest of the earnings are reinvested to ensure growth, maintaining the fund's spending power far into the future. In this way, the endowment becomes a long-term source of funding for whatever you wish to achieve with your philanthropy. Endowments may be either restricted or unrestricted. Each year, you will receive an endowment report which includes information on the SU Foundation's overall investment performance as well as the specific performance of your fund.

The SU Foundation's overall endowment is made up of many individual endowed funds. The SU Foundation manages these endowments to produce earnings that support students, faculty, and programs as designated by our donors. Because an endowed fund continues in perpetuity, an endowed gift has both an immediate and a continuing impact on Shippensburg University today and in the future.

# Endowment gifts ensure excellence at Shippensburg University for future generations.



## WHY SHOULD YOU MAKE AN ENDOWED GIFT?

Endowments provide consistent and permanent funding for students, faculty, and programs at Shippensburg University for future generations. Endowments can also provide the funding to recruit and retain exceptional students and faculty, along with assuring that the University can fund research, new programs, and high-impact learning, all of which enhance SHIP's educational experience.

## HOW YOU BENEFIT FROM ESTABLISHING AN ENDOWMENT.

Establishing an endowment with the Shippensburg University Foundation gives you the power to choose how your investment will benefit students, faculty, or programs at Shippensburg University.

The perpetuity of your endowed gift will help the SU Foundation sustain support for the area of your choosing. You will feel the satisfaction of knowing that you've invested in something you care deeply about. Through your endowment, you can build a stronger connection to the students, faculty, or programs that your endowed fund supports.

An endowment is an excellent way to honor someone special or memorialize a loved one. Your friends, colleagues, and family may also wish to support the endowed fund you created because they know how much it means to you.

## WHAT IS THE FUNDING LEVEL FOR A NAMED ENDOWMENT?

A \$50,000 endowed scholarship provides an approximately \$2,000\* scholarship support. The minimum investment required to establish an endowment is \$25,000, which provides an approximately \$1,000\* scholarship per year. However the need is great, so endowments funded at higher levels provide greater dollars for the intended purpose. The larger the endowment the greater the positive impact for students, faculty, academic programming, and athletics.

Funding for the endowment can be made with outright, budgeted or a planned gift, or any combination of these. Please note that the first use of your fund will occur after the principal in the endowment has reached a minimum of \$25,000 and the earned income has accumulated for one year from the date of the gift.

## TYPES OF NAMED ENDOWMENTS

A named endowment can provide support for:

- Scholarships (academic, athletic, graduate, transfer)
- Joint Undergraduate Student/Faculty Research
- Student Emergency/Textbook
- Colleges, Departments, Library
- Wood Honors College
- Study Abroad
- Student Academic Competitions
- Chairs and Professorships
- Faculty Research and Scholarly Activities
- Seminar Series

\*Scholarship award amount is based on the annual spending rate approved by the SU Foundation Board of Directors and income available at the time the scholarship is awarded. Recipients receive the same award amount for as long as they retain the scholarship.





engage, entrust, encourage, empower, enrich...

### SCHOLARSHIP ENDOWMENTS

Endowing a scholarship fund with the SU Foundation is an investment in Shippensburg University, the future of a deserving undergraduate or graduate student, and the value of education. The need for endowment support has never been greater.

A scholarship can help ease the burden of financing the increasing cost of education. Scholarships reduce the need for many students to work outside jobs, but rather concentrate on their studies. By reducing college costs, scholarships also reduce student loan debt – giving new graduates more financial freedom as they embark on their careers.

The availability of scholarships means students from diverse backgrounds with a wide array of talents and interests bring unique contributions to the classroom. They challenge the curriculum, participate in student/faculty research, serve in student government, and participate in extracurricular activities. In the process, they enhance the reputation of Shippensburg University.

For Shippensburg University, scholarship endowments mean the best and brightest students have an opportunity to attend SHIP.

### RESEARCH ENDOWMENTS

The Joint Undergraduate Student/Faculty Research program was founded in 1989 on the premise that scholarly inquiry must be an essential component of the academic curriculum in all disciplines. The research program provides a multifaceted learning experience, allowing students and faculty mentors to work together in ways that encourage intellectual curiosity, critical thinking, and the excitement of discovery and learning outside of a classroom setting.

Students apply for research grants in October by submitting their proposals to the Undergraduate and Graduate Grant Advisory Committee. Once a proposal is approved, students undertake the



research with their faculty mentors. Results of the research are presented the following April during the Minds@Work research conference through poster sessions, departmental conference panels, individual oral presentations, and the Honors

Symposium.

The skills acquired during the research process are ones that will serve students well intellectually and professionally as they pursue graduate school or work in their chosen industry or profession.

For the faculty, the mentoring process offers a unique opportunity to share their passion, impart their wisdom, and watch the transition from student to scholar. The relationships that are formed through these collaborative efforts are often ones that last well after graduation.



# ENDOW

## STUDENT EMERGENCY ENDOWMENTS

Student Emergency endowments assist undergraduate students who have immediate financial needs that directly affect their ability to continue their education at Ship. This type of endowment offers a supplemental financial resource when students are unable to meet immediate and essential expenses due to times of crisis such as illness or death of a family member, medical emergency, or job loss. The SU Foundation has an application and review process for awarding these types of grants to students. Priority is given to students with the highest financial need and are typically awarded at maximum amount of \$500 per student each academic semester. Grants are awarded for tuition, housing, food, and textbooks.

## WOOD HONORS COLLEGE ENDOWMENTS

The Wood Honors College provides a four-year academic challenge for motivated students, emphasizing scholarship, leadership, and service. Endowments help provide Honors scholarships as well as in-depth service-learning projects that enhance what Shippensburg University's top students are learning in the classroom.

## STUDY ABROAD ENDOWMENTS

Today's students need an education that prepares them for the world. These funds support students undertaking study abroad and increase global and intercultural offerings, and ultimately enrich and diversify the campus environment.



## STUDENT ACADEMIC COMPETITION ENDOWMENTS



Every year, Shippensburg University students take part in academic competitions where they test their knowledge and skills against peers from around the country. These are rigorous challenges, crossing many disciplines, that SHIP students welcome—and often win. Income from endowed funds ensure continued and expanded opportunities for students to participate in both regional and national academic competitions.

## ENDOWMENTS SUPPORTING FACULTY

Faculty need to stay on the cutting edge of their disciplines—to be seekers of knowledge themselves. Endowments for faculty research and scholarly activities that spark innovation in teaching, research, and scholarship are greatly needed. Endowments may also be established for faculty chairs, professorships, and visiting professorships.

## COLLEGE-BASED ENDOWMENTS

Endowments can be established to support a college or department. In addition, a fund can be established for an academic seminar series within a college which brings prominent speakers to campus to spark intellectual conversation among students and faculty.





Endowments provide a permanent source of funding for SHIP students and faculty.

## Flexible options for establishing an endowment

### HOW TO FUND AN ENDOWMENT

We encourage you to establish your endowment with an **outright gift**. As a result, you can witness your endowment at work for students, faculty, or programs.

An endowment may also be established with a **planned gift** and/or **deferred gifts** from life income arrangements. You may also use a **blended gift** (a combination of an outright and planned gift) to fund your endowment.

### OUTRIGHT GIFTS

**Cash** A cash gift can be made in the form of a check made payable to the SU Foundation. You may receive tax benefits if you itemize deductions.

**Securities** You may realize substantial tax advantages by transferring gifts of appreciated stock. Capital gains taxation on the amount of appreciation is avoided, and you receive a tax deduction for the stock's full market value.

**Real Estate** Real property is given to SU Foundation by executing or signing a deed transferring ownership. The gift amount is based on the property's fair market value. You may avoid paying capital gains tax on the sale of the real estate and receive a charitable income tax deduction.

**IRA Charitable Rollover** (*Qualified Charitable Distribution*) If you are 70½ or older, you could benefit from an IRA Charitable Rollover (QCD). You may avoid taxes on transfers of up to \$100,000 from your IRA to the SU Foundation; satisfy the required minimum distribution (RMD) for the year; and reduce taxable income, even if you do not itemize.

### PLANNED GIFTS

**Bequest** A bequest is made by naming the **Shippensburg University Foundation** in your will for a specific amount, percentage, or residual of your estate.

**Beneficiary Designation** You can designate the **Shippensburg University Foundation** as a beneficiary of a retirement, investment or bank account, or your life insurance policy. You could reduce the burden of taxes on your family and receive an estate tax charitable deduction.

**Charitable Lead Trust** You can fund a trust that pays the Shippensburg University Foundation income for a number of years. You receive a gift or estate tax deduction at the time of the gift. After a period of time, the your family receives the trust assets plus any additional growth in value.

### DEFERRED GIFTS

**Charitable Gift Annuity** A charitable gift annuity is a legal contract with SU Foundation in which you transfer cash or securities in exchange for a guaranteed fixed income for life based on age.

**Charitable Remainder Annuity Trust** A qualified trust provides a fixed annuity (min 5%) and lasts for your lifetime or a term of years (20 years max). At the end of the trust, the principal passes to the SU Foundation.

**Charitable Remainder Unitrust** A charitable remainder trust pays variable income to the donor (min. 5%) or those the donor names before the SU Foundation receives the remainder. This trust lasts for the lifetime of the donor or a term of years (20 years max). Assets are revalued every year.

# How does the Shippensburg University Foundation manage endowments?



When you make a gift to the SU Foundation to establish an endowment, the funds are held in perpetuity by the SU Foundation and managed for the benefit of the university. It is assumed that endowment funds will have permanent life, and that investment policies will be followed which will protect the principal of the funds, preserve the purchasing power, and produce maximum total return without assuming undue risks.

On the recommendation of its investment committee, the SU Foundation Board of Directors sets a spending rate annually. The spending rate is calculated in the following manner: The principal of the endowed fund is calculated by determining the trailing three-year rolling average balance of the fund at June 30 each year. This sum is then multiplied by the spending rate to determine the annual payout to the income portion of each endowed account. Any excess income, net of the normal SU Foundation management fees,\* is added back to the principal of the endowment. This allows the endowment to continue to grow and provide future funding for the program previously designated by the donor.

This concept, often referred to as intergenerational equity, maintains the purchasing power of the endowment in perpetuity. If the current year's income is insufficient to meet the established spending rate, income from these sources that was reinvested in prior years may be used to meet the objectives of the fund.

*\* All gifts designated to an endowed fund are assessed a one-time five percent management fee that helps offset operational and reinvestment fees.*



## Seven steps to establishing an endowment

1. Choose the kind of endowment you would like to establish, e.g. unrestricted (where the current need is greatest), academic or athletic scholarship, joint undergraduate student/faculty research, study abroad, student emergency or textbook fund, etc.
2. Identify your short and long-term charitable priorities.
3. Decide how you will fund the endowment. The options are an outright gift, a planned gift, or a blended gift (combined cash gift/planned gift commitment.)
4. Decide on the size of the endowment you wish to establish. The larger the endowment, the more income it will generate for its intended purpose. The minimum financial level for a named endowment is \$25,000.
5. Think about and share your ideas on the criteria you wish to use for the awarding of funds from your endowment.
6. The SU Foundation will prepare a donor agreement outlining the purpose and criteria for your fund.
7. Review and sign the agreement and make your gift/commitment.





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