



# COUNTY 4-H ENDOWMENT GUIDE FOR FUTURE SUCCESS



## INTRODUCTION

The county 4-H endowment match campaign is part of the Michigan 4-H Foundation’s \$12.5 million capital campaign goal which includes a \$2 million goal for growing county 4-H endowment funds. The foundation has set a goal to raise \$1 million in match funds by June 30, 2018 that will allow it to match a total of \$1 million raised in commitments for county 4-H endowments.

This guide is provided as a mid-campaign follow-up for the 31 county 4-H programs that are participating in the County 4-H Endowment Match Campaign.

The County 4-H Endowment Match Campaign officially launched July 1, 2013, with the benefit of an endowment match pool contributed by the **Herbert H. and Grace A. Dow Foundation;** **the Rollin M. Gerstacker Foundation** and a host of individual leadership donors.

As of June 30, 2016, contributions to the endowment match pool totaled \$800,000. As of September 28, 2016, participating counties had received gifts and pledges to grow their endowments totaling \$788,391. **Given these totals, the Michigan 4-H Foundation will suspend the match effective December 31, 2016, to ensure qualifying dollars currently raised by counties can be matched.**

The Michigan 4-H Foundation continues to seek funding to complete the promised \$1 million in match funds to grow county 4-H endowment funds. Qualifying match distributions will be made through December 2018, on a first raised, first matched basis until all match funds are depleted. The maximum match per county endowment is \$50,000.

Whether your campaign is still underway, or you have reached your campaign goal, this guide is for you.

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**We are grateful for the leadership commitment to the endowment match pool from:**

- The Herbert H. and Grace A. Dow Foundation
- The Rollin M. Gerstacker Foundation

**And individual Michigan 4-H Family leadership donors:**

- Gary and Eiko Seevers and the Seevers Family Foundation
- Donald and Rebecca Jost
- Dale and Sally Stuby
- Noel and Sandra Clarkson Stuckman
- Wayne and Faye Adam
- Larry and Julie Chapin
- Thomas and Rhonda Coon
- Arlon and Shirley Elser
- Lowell and Marilyn Rotherth



# COUNTY 4-H ENDOWMENT CAMPAIGN

**MATCH & TOOLS**

## MATCH DOLLARS AND MATCHING TIMELINE

1. A minimum of \$10,000 must be raised by the county 4-H program to qualify for the match.
  - a. A county 4-H program will have up to five years to raise the required minimum \$10,000, provided match pool dollars are still available. The foundation will hold all money contributed toward said county's endowment, initially as a term-endowment fund; and then once the minimum \$10,000 requirement is met, as a permanent endowed fund. All gifts deposited with the foundation for support of a county 4-H endowment will be held permanently for support of that county's 4-H program.
  - b. Should a county not meet the requirement after five years or before the endowment match dollars are gone, then all monies held by the foundation will be retained as a term endowed fund or "county fund" and used to support the county 4-H program.
2. Funds submitted for county endowment match must include 50% of the total contributed by or raised from individual donors and/or county 4-H youth clubs. For example, in order for a \$10,000 endowed fund to be fully matched, \$5,000 must be gifts from individual donors or 4-H clubs. That qualifying \$10,000 will then be matched with an additional \$10,000 provided match funds are available.
3. The foundation will only match individual gifts that are paid directly to the foundation. The foundation will keep track of all individual giving and report back to county 4-H programs and match donors.
4. The foundation will match the total dollar amount contributed, but all endowed gifts will be charged the 20% cost allocation fee.
5. County 4-H endowments have been matched every January beginning in January 2014 for up to \$10,000 of funds raised in the previous annual (calendar) year. This annual \$10,000 match will take place each January until maximum match of \$50,000 is met or match pool funds are depleted.

### TOOLS AND RESOURCES FOR GROWING YOUR ENDOWMENT FUND

The Michigan 4-H Foundation provides the following tools and resources available for growing your county 4-H endowment funds:

#### Endowment Campaign Materials

- Campaign gift envelopes
- Campaign gift and pledge forms
- Planned giving ad sheets
- Sample media releases

#### Endowment Growth Services

- Direct mail solicitation services and support
- Major gift solicitation services and support
- Online gift services at <http://mi4hfdtn.org/countymatch>
- Online campaign updates at <http://mi4hfdtn.org/make-the-match-county-4-h-endowment>

#### Endowment Management Services

- Quarterly donor gift reports
- Bi-annual endowment financial reports
- Permanent recognition of fund in all foundation published reports to donors
- Donor stewardship and recognition
- Easy access to all endowment management policies and procedures – Investment, Revenue and Spending, Cost Allocation, Endowment Grant Request



# COUNTY 4-H ENDOWMENT CAMPAIGN

## REPORTS

### REPORTS AND REPORTING TIMELINES

#### BI-ANNUAL REPORT

##### Description

This report provides the fund balance and activity of your endowed fund. The report includes your gift total (net of fees); distributed match and interest earnings.

##### Timeline

The mid-year report provides financial activity from July 1 to December 31. These reports are distributed by the end of February.

The annual report provides the audited fund balance as of June 30 – including corpus and earnings account – and the status and amount of grant availability for the 4-H program year. These reports are distributed after the formal fiscal year audit is presented, typically by the end of October.

##### Ways to use the report

- Use information in articles and updates to report progress and growth of fund.
- Use available grant notice to plan how you will use the program grant in a way to encourage additional support and growth of the endowment.
- Keep and file as your formal accounting of the fund activity each year.

October 5, 2016

Jane Doe, 4-H Program Coordinator  
Mock County MSU Extension  
1111 Cattle Drive Lane  
Mock City, MI 48824

Dear Jane,

The following is an accounting of the **Mock County Endowment Fund**.

**SAMPLE BI-ANNUAL REPORT**

<b>The Corpus of the Fund:</b>	
Balance at January 1, 2016:	25,000.00
Revenues January – June:	2,500.00
Fees applied on Revenues:	-500.00
Endowment Match: (apply January)	10,000.00
Balance at June 30, 2016:	37,000.00
<b>The Investment Earnings Account:</b>	
Balance at January 1, 2016:	5,000.00
Earnings January – June:	250.00
Less Distributions:	-1,000.00
Less Administrative fee: (apply July 1)	0.00
Balance at June 30, 2016:	4,250.00

As required, distributions from this fund for fiscal year 2016-17 will be limited to 3.75% of the 12 quarter average balance ending June 30, 2016. This amount is \$850.

The deadline to request your annual available endowment funds is June 15, 2017 for remittance by June 30, 2017. Any funds not requested do not carry over as available after June 30<sup>th</sup> but will be reinvested in the portfolio.

Please contact me at 517-353-6692 or by email at (staff email address) if you have any questions.

Sincerely yours,

Foundation Staff  
Financial Director

#### QUARTERLY REPORT

##### Description

This is the fundraising report that outlines donors and their giving levels as well as provides a breakdown of dollars raised from individuals/clubs and organizations/businesses. To maintain donor confidentiality, this report only reflects donor gifts by giving levels and not exact gift amounts. The report does provide the total amount contributed to the endowment fund. Totals do not include interest earnings or matching funds from the Michigan 4-H Foundation.

##### Ways to use the report

- Send thank you letters to donors.
- Report to campaign committees.
- Share total gift progress with your 4-H family.

##### Timeline

September 31: reports are due to you by November 15.

December 31: reports are due to you by February 15.

March 31: reports are due to you by May 15.

June 30: reports are due to you by August 15.

(Date report was pulled)

**Michigan 4-H Foundation  
County Endowment Match Report  
Mock County**

Include records with these Gift dates: 7/1/2011 to (date of the end of reporting period)

<b>Constituent Name</b>	
<u>Sapphire Clover Citation - (\$5,000.00 +)</u>	
Jane Doe 1234 Anytime Road Capital City, MI 44444	Individual/Clubs \$12,345
<u>Amethyst Clover Citation - (\$2,500.00 +)</u>	
Robert Smith 1234 Anytime Road Capital City, MI 44444	Organizations/Businesses \$6,789
<u>Platinum Clover Citation - (\$1,000.00 +)</u>	
Mary Doe 1234 Anytime Road Capital City, MI 44444	<b>Grand Total \$19,134</b>
<u>Gold Clover Citation - (\$500.00 +)</u>	
John Smith 1234 Anytime Road Capital City, MI 44444	
<u>Silver Clover Citation - (\$250.00 +)</u>	
Jill Doe 1234 Anytime Road Capital City, MI 44444	
<u>Bronze Clover Citation - (\$100.00 +)</u>	
Jack Doe 1234 Anytime Road Capital City, MI 44444	
<u>Foundation Membership - (\$10.00 +)</u>	
Sue Doe 1234 Anytime Road Capital City, MI 44444	

**SAMPLE QUARTERLY REPORT**



# COUNTY 4-H ENDOWMENT CAMPAIGN

BEYOND THE CAMPAIGN

## BEYOND THE CAMPAIGN: IT'S JUST THE BEGINNING!

### Celebrate reaching your goal!

- Have a celebration event and invite top donors (you decide what amount qualifies).
- Send a press release to your local paper(s) with a photo of your top donors and or campaign committee from the celebration event.
- Thank you/announcement letter to all donors sharing that the goal has been met.

### Spend your endowment grant, when available!

- The intent of this fund is to provide a legacy fund to support your local 4-H program for generations.
- Endowment grants are calculated based upon the market performance using a three-year (or 12-quarter) rolling average. In years when the market performs poorly, spending may not be available.
- As a reminder, endowments are required to be held permanently. In order to maintain the fund's long-term availability for your county in perpetuity, spending is suspended when there are market losses in order to maintain the endowment fund's corpus intact for future earnings.
- After you receive notice of available grant through the bi-annual endowment report, you can request the available grant funds to support programs.
- Simply write a letter requesting spendable dollars for your county 4-H program before the May 31, of the fiscal year. If you've made a previous request of grant funds, your letter should include a report on how the funds from the previous year were used.

### Share the impact the fund is making

Whether you are actively soliciting donations for your endowment at this time or not, it is critical that you share the impact the fund is having and/or will have on your county 4-H program. This instills a picture in donors' minds about what they have/could support.

Always feature articles in your county 4-H newsletter/ media release(s) highlighting what the funds are going to be used for as well as a follow-up announcement when 4-H youth have benefited from the use of the funds. You could also include this type of information in your campaign celebration donor letter and media release.

### Continue to grow the endowment

- Do a solicitation mailing – perhaps every other year.
- Keep it top of mind in 4-H newsletters, etc. as a way to support your county 4-H program.
- The endowment fund can be a vehicle for honoring 4-H family members with memorial or tribute gifts.
- Promote the county 4-H endowment fund locally for special and planned gifts. Michigan 4-H Foundation staff can help navigate discussions with donors who seek to make a special or planned gift to grow your endowment fund. These types of contributions can significantly grow the value of your fund and increase the annual grant capacity.

## MICHIGAN 4-H FOUNDATION DONOR STEWARDSHIP

The Michigan 4-H Foundation acknowledges donors through the **Clover Citation Program**. All donors to the foundation of \$25 and higher are recognized in the foundation's published donor reports. Donors of \$1,000 and above are also recognized annually at a luncheon following the foundation's annual meeting held every first Friday of October.

**The Cornerstone Society** recognizes donors with historical giving that totals \$25,000 or more for individuals; \$50,000 or more for member organizations and foundations' and \$75,000 or more for corporations.

**The A.G. Kettunen Society** recognizes donors who have documented planned or estate gifts to support county or state 4-H programs with the Michigan 4-H Foundation.

**The Corporate Clover Club** recognizes annual corporate gifts of \$1,000 and above to support state or county 4-H programs.

For more information on these and other Michigan 4-H Foundation gift clubs visit: <http://mi4hfdtn.org/michigan-4-h-foundation-donor-gift-clubs>.



# COUNTY 4-H ENDOWMENT CAMPAIGN

STEWARDSHIP

## IDEAS FOR COUNTY-MANAGED DONOR STEWARDSHIP

### Build relationships

When someone donates to a county 4-H endowment, county and foundation staff members must work together to ensure that the relationship with the donor is a long, worthwhile one. In addition to the Michigan 4-H Foundation's donor acknowledgement and recognition, a thank you from the county can mean a lot to a donor.

Consider inviting donors to give more than their dollars. Invite them to provide expertise to a 4-H group, to be guest speakers, to serve on your county 4-H council, to become 4-H volunteers or to serve in other ways appropriate to their talents and your needs.

### Say thank you

Gifts to the Michigan 4-H Foundation to support county 4-H programs can and should be acknowledged and stewarded by the county in the following ways:

- Write a personal thank you letter or have a volunteer or a young person who will benefit from the gift write a letter of thanks. This could be a good task for county 4-H youth ambassadors.
- Invite donors to county 4-H events where donors can see their dollars at work. Remember to include county donors to the foundation in your invitation lists for award banquets, youth achievement events and other events where they can meet 4-H'ers and get to know how their gifts are making a difference in their community.

### Ask again, and again!

Counties should develop plans for annual solicitation of gifts to grow your endowment fund. This allows you to set and reach both donor and income goals over time.

Use your annual volunteer and member orientation as an opportunity to encourage private gifts to support 4-H. Introduce volunteers and 4-H youth families to the Michigan 4-H Foundation and the opportunity to provide private support to benefit your local 4-H program.

**Growing your county 4-H endowment should always be a gift opportunity for your program.**

### Think long-term

The very best way to grow endowments is through estate gifts. Be mindful of 4-H volunteers whose commitment to youth may extend to including 4-H in their estate plans. Work with foundation staff members to create a plan that can begin that process.

### Help donors grow their gift

If you have volunteers who work for companies that have employee **matching gift programs**, remind them to use these programs to enhance their gifts to grow your endowment. Most major corporations match their employees' support for significant non-profit organizations in education, youth development and the arts. Gifts to the Michigan 4-H Foundation qualify for many employee matching gift programs.

### Recognize donor support

If your endowment provides support for a specific program in your county, be sure to acknowledge the endowment's support in that program's promotional materials, on the event programs and in your media releases regarding the program. This is particularly important as a way to show the impact of your fund and donors' gifts.

Consider adding annual donor recognition to your county youth and volunteer recognition events. This provides an easy opportunity for your 4-H community to meet and say thank you to donors who are supporting your endowment fund and other county 4-H programs.



# COUNTY 4-H ENDOWMENT CAMPAIGN

## GIFT OPTIONS

### WAYS TO MAKE A GIFT

Not finished, or want to continue growing your endowment? There are many ways that donors may give to your county's endowment.

Below are gift vehicles donors may be interested in using to increase your county's endowment fund now and/or in the future. Michigan 4-H Foundation staff members are able to help further these conversations with prospective donors.

#### Outright gifts

Outright gifts such as cash, securities, stock and personal property/gifts-in-kind can provide immediate support to grow 4-H endowments and tax benefits for the donor.

Cash contributions can be made:

- As **pledge payments** (in payments for up to 5 years).
- As **memorial or tribute gifts**. The foundation offers ways for people to make a gift in memory of or in tribute to special people that can support county and state 4-H programs. This is a great way to honor 4-H volunteers, alumni and supporters.
- As **monthly gifts** through an automatic electronic funds transfer of money from the donor's bank account to the foundation's bank account.
- Payment can be by **cash, check, credit or debit card**.
- As gifts of **securities and stock**. Contact the foundation for gift instructions.
- The **IRA Charitable Rollover** allows traditional or Roth IRA owners – aged 70½ years – to make an annual tax-free distribution from an IRA directly to a charity, such as the Michigan 4-H Foundation.

The foundation can also receive **in-kind gifts**, including certain gifts of valuable **property or assets such as residences, farmland, equipment and agricultural products** (i.e. grain). When making a gift of agricultural product:

- Determine the amount of agricultural product (i.e. grain) you want to donate to support Michigan 4-H.
- Consult with your tax adviser to determine and confirm the tax impact and/or benefit of your gift.

- Notify the grain storage facility that you are delivering product in the name of and that will be owned by the Michigan 4-H Foundation.
- Notify the Michigan 4-H Foundation of your gift-in-kind. Written documentation needs to provide the weight and type of product (providing a copy of the weight ticket is ideal), evidence of your gift allocation to the Michigan 4-H Foundation, the name and address of the facility where the product is stored with contact information, and the 4-H program or purpose that you want your gift to support.

#### Planned gifts

Planned gifts are future gifts to support 4-H. Types of planned gifts can include:

- **Life income gifts** such as charitable gift annuities, charitable remainder unitrusts and charitable remainder annuity trusts provide current income to the donor and/or beneficiaries and an eventual gift to 4-H.
- **Revocable gifts** such as bequests, revocable living trusts and qualifying retirement plan assets are flexible gifts that can be changed.
- Other gift vehicles include retained **life estate, charitable lead trust and paid life insurance**.
- The Michigan 4-H Foundation can also be named as the charitable beneficiary of the remaining assets in an **IRA, 401(k), 403(b) and other pension plans, offering income tax benefits to the donor**.

Any and all of these methods can be offered as ways that donors can help continue to build your endowment or make a gift to support 4-H.

If a donor is interested in making a special gift, they should consult with personal legal counsel and/or a tax advisor and also contact the Michigan 4-H Foundation at (517) 353-6692 to verify that the intent of the gift can be met.



# COUNTY 4-H ENDOWMENT CAMPAIGN

**TAX ADVANTAGES**

## TAX ADVANTAGES OF GIVING

This quick guide can be shared with donors to explain the potential tax advantages of their support for 4-H programs through the Michigan 4-H Foundation. Note that tax law changes and should be confirmed annually. It is always important and recommended for donors to also consult with personal legal counsel and/or a tax advisor for definitive assessment of the tax benefits and limitations of the type of gifts they are considering.

<b>If a donor's goal is to:</b>	<b>Then they can:</b>	<b>And benefits of the gift will be:</b>
<b>Make a quick and easy gift</b>	Simply write a check or use a credit card to make a gift now by visiting: <a href="http://www.mi4hfdtn.org">www.mi4hfdtn.org</a> .	An income tax deduction and an immediate impact for Michigan 4-H through a gift to the Michigan 4-H Foundation.
<b>Defer a gift until after a donor's lifetime</b>	Include a charitable bequest in a Will or Personal Trust (cash, specific property, or a percentage of the residue).	An estate tax deduction and the ability to keep assets for benefit during their lifetime.
<b>Maximize heirs inheritance while benefiting Michigan 4-H Foundation</b>	Name Michigan 4-H Foundation as the beneficiary of a retirement plan – IRA, 401(k) or 403(b), leave other assets to family.	Reduce estate and income tax for heirs.
<b>Avoid long term capital gains tax</b>	Give Michigan 4-H Foundation appreciated stock or certain bonds.	A charitable deduction and avoidance of capital gains tax.
<b>Make a future gift with little cost</b>	Give Michigan 4-H Foundation a paid-up life insurance policy that is no longer needed.	Current, and possible future, income tax deductions.
<b>Create a hedge against inflation over the long term</b>	Establish a Charitable Remainder Unitrust.	An immediate Charitable deduction and variable income stream for life or period of years, not to exceed 20.
<b>Reduce gift and estate taxes on assets that are passed on to heirs</b>	Create a Charitable Lead Trust that pays income to Michigan 4-H Foundation for a specific term of years.	A gift or estate tax deduction, tax shelter protection for appreciated assets and retained ownership of assets.
<b>Secure a fixed and guaranteed income while avoiding market risks</b>	Establish a one or two life Charitable Gift Annuity or Deferred Gift Annuity.	Current charitable deduction and often a higher rate of return than from existing investment vehicles.
<b>Avoid capital gains tax on the sale of a home or real estate</b>	Give all or possibly an interest in the property to Michigan 4-H Foundation.	An income deduction, plus the elimination of all or some capital gains tax.
<b>Create a charitable gift while continuing to enjoy a home</b>	Give a personal residence or farm to Michigan 4-H Foundation while retaining use for life.	An immediate charitable deduction and a reduction in estate taxes – if applicable.



# COUNTY 4-H ENDOWMENT CAMPAIGN

**KEY CONTACTS**

## KEY CONTACTS

### Executive Director – Cheryl Howell

chowell@msu.edu

Cheryl is happy to entertain any questions you have about your campaign and fund. She can assist with growing your fund through special and planned gifts and as executive director she is best positioned to answer policy questions about your endowment fund.

### Finance Director – Julie Arter

jarter@msu.edu

Julie can be reached to help answer your questions about your endowment fund’s annual productivity and the amount of spending available and help you through the process of accessing grants from your county endowment.

### Administrative Secretary – Kathy Kregger

kregger@msu.edu

Kathy diligently inputs donations into the foundation’s donor database and may be found contacting county staff, volunteers or donors to confirm information regarding donations received for your county’s match campaign.

### Campaign Manager – Amanda Masters

amasters@msu.edu

Amanda is able to answer questions regarding your quarterly fundraising reports and annual spring mailings. In addition, she can access your county’s total raised between reporting periods, brainstorm campaign strategies over the phone, meet with key volunteers or donor prospects in person on a case by case basis.

### Communications & Annual Giving Manager – Abbey Miller

abmiller@msu.edu

Abbey, the creator of your campaign toolkit, can be contacted with questions regarding the resources available and requests for other resources that may be helpful to all participating counties. She is also able to entertain questions regarding annual mailing questions and assist with brainstorming campaign marketing strategy.

### About the Michigan 4-H Foundation

The Michigan 4-H Foundation is a not-for-profit 501 (c)(3) organization dedicated to encouraging and supporting Michigan 4-H Youth Development to prepare youth from all segments of society for meaningful and productive lives. The Michigan 4-H Foundation seeks, manages and distributes support from private individuals, organizations, foundations and corporations to support the mission and vision of Michigan 4-H Youth Development.

### The Campaign for Michigan 4-H’s Future

Our goal is to raise \$12.5 million by 2018. With this support, we will help 4-H engage more youth in relevant and interesting ways today; grow and diversify our volunteer base; and enhance program-delivery to best serve the needs of Michigan’s young people well into the future.

For information on how to support 4-H, contact:



### Michigan 4-H Foundation

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