

MAKING AN IMPACT

How To Secure Your Legacy Through Endowment Funds

Photography by Wes Battoclette

The history of endowment funds is long and impressive, but there's never been such opportunity for donors to secure their legacy through planned charitable giving as there is today. Cincinnati is no stranger to this practice. To further explore planned charitable giving within our Tri-State area, John Dovich, Chris Brennan and Jim Ellis of John D. Dovich & Associates, LLC recently met with Debbie Heldman, Executive Director of the Walnut Hills High School Alumni Foundation; Vince Hopkins, Major Gifts Officer of the Xavier Endowment Fund; and Sarah Weiss, Executive Director of the Center for Holocaust and Humanity Education, three leaders of prominent endowment funds in our city.

JOHN DOVICH: Why an endowment fund? What role does an endowment fund play within your organization?

SARAH WEISS: There are a number of reasons for endowment funds within non-profit organizations. To begin with, there are two components within endowment funds – an organization side and a donor side. On the organization side, an endowment is important for the sustainability of the non-profit in terms of planning for the future, as well as creating programming that might not otherwise be possible without the donations. In terms of donors, for the people who support our organizations, giving towards an endowment makes them feel good that they are doing something that will last and have a great impact on the future.

VINCE HOPKINS: Our endowment fund at Xavier University supports faculty, students and all manner of programs. What excites our donors is the realization of the idea of life and perpetuity at our university. Our donors leave a legacy to the university that will make an impact on the future. That impact on the future is what excites all of our donors.

DEBBIE HELDMAN: An endowment fund ensures that Walnut Hills High School and our legacy of excellence



Pictured left to right: Vince Hopkins, Sarah Weiss, Chris Brennan, Jim Ellis and John Dovich. **Not Pictured:** Debbie Heldman.

continue for generations to come. It helps fill the gap between our strategic vision and the limited amount of public funds available, as well as provide an opportunity for alumni to give back to an institution that prepared them not only for their secondary education, but life.

CHRIS BRENNAN: How are endowments created? How involved is the board of directors (or trustees) with managing the endowments?

VH: When Father (James) Hoff became president in the early 1990s, he made it known we needed to focus on and develop our endowment fund. He is the one credited with starting us in that direction and our endowment has steadily grown ever since. Father Hoff made Xavier realize we had to shoot high. He did great work and Father (Michael) Graham is following in his footsteps with the very high caliber work he does for the university. Our finance committee within our Board of Trustees oversees our endowment fund. We also have an outside financial services organization that helps us manage the investments.

SW: As our fund grows, we are looking to partner with a larger organization so that we can have our funds managed in a more advantageous way.

DH: While Walnut Hills High School was founded in 1895, the foundation was only created in 1995 in conjunction

with our centennial. While fundraising was active at the school, this created a formalized structure to receive funds. We began with a capital project, the building of an Alumni Arts and Science Center – at the time the largest public/private partnership in the country – and have since moved on to other capital projects as well as increased our annual fund. That said, the next step was to make sure our future was secure with the funding of an endowment. Our Board of Directors will oversee an investment committee that will utilize the services of an outside investment firm.

JD: How do you broaden your base of donors?

VH: In our current campaign we are trying to identify our next generation of donors. Our organization realized we kept doing fundraising with the same group of people. We cherish our current donors, but we also recognize we need to identify the next generation of donors to keep growing our fundraising and move us to the next level of achieving our stated goals.

DH: We're fortunate in that we have a very large base of alumni who are extremely supportive of our foundation. And with each year, we have a new graduating class of alums who continue to support Walnut Hills High School and our foundation.

CB: Are your endowment funds geared toward perpetuity?

SW: Yes, in fact, most organizations' endowments are geared toward perpetuity. You want to establish them with a long-term vision and use the interest generated from the principal.

VH: Yes, our endowments are focused on living in perpetuity.

CB: Let's talk about the actual fundraising for a moment. How do you excite your donors and alums about your endowments and motivate them to contribute to your organization?

SW: Our conversations with our donors always start with what our organization is doing and why it's important to the donors, and in fact, our community. We talk about how close the donors have been with our organization and how they want to help guarantee its future. In fact, right now in Cincinnati, we have the campaign of "Create Your Jewish Legacy." It's a concerted endeavor, spearheaded by the Jewish Federation of Cincinnati, to help build all of the endowments within the Jewish community in Greater Cincinnati. We talk about everyone's legacy and talk about our organization, as well as all of the other Jewish organizations. This current campaign is a different approach where we are helping all of the Jewish organizations in Cincinnati in this campaign.

VH: We have six major gift officers, including myself, whose responsibility it is to meet with people and have conversations about Xavier. Through these conversations we let the potential donors know what our needs are and how they can help us meet our goals. Whether it's a building we need to fund, or scholarships to students, enhancing academic programs or just basic general operating funds, this is how we initiate the donation process. We find out what's important to the donors and if we get to the point in the conversation where the donor would like to make a planned gift, we get our planned giving office involved in the conversations.

DH: We provide a menu of opportunities in our endowment that match the donor's interests. These can be programmatic from fine arts to science, staff development, facilities, student body enhancements, scholarships, etc., but all are ongoing needs that lend themselves to long-term giving.

CB: What legal restrictions are you constantly monitoring?

SW: You have to be careful about the intentions of the donors with restricted gifts. If the donor has a certain purpose in mind for their gift, you have to legally honor that. Non-profit organizations have to maintain the records so there's no confusion about this aspect of donations. There are endowment funds for particular funds you have to honor. In my organization, I oversee that aspect and our auditors pay attention to this.

VH: The major gift staff (members) are responsible to keep in touch with our respective donors so that people know how their gift is being used. We also recently hired a director of donor relations to make sure everything is properly allocated and acknowledged.

DH: We are a public high school within the Cincinnati school district. You typically don't see foundations and endowment funds for public schools, so we are a bit of a unique situation. Our endowment does not have any impact on public funding. Like any nonprofit, we have a fiduciary responsibility to donors and their wishes and have a yearly audit to ensure we are in compliance with all legalities.

JIM ELLIS: Do matching campaigns work with you?

VH: We have donors who have made challenge grants – obviously there are businesses that will match donations. We also have a program called March Gladness that has a matching gift component focused on annual fund giving.

DH: We do have matching gifts from many of our alumni through their employers.



JD: How often do your conversations with donors involve planned giving through their estate plans?

SW: We've made a push for people to include us in their estate planning. We've been able to talk to our constituents who use our services, like teachers, who've made a planned gift to us. These are not high-income salaried people, but they are finding a way to leave a legacy to us in their planned gift. These are for endowment funds, but are not restricted.

VH: We have a comprehensive approach to fundraising that often includes planned gifts. We also have a planned giving office to provide further guidance.

DH: While we talk to any interested donors now about planned giving, we are currently in the throes of creating a comprehensive plan.

JE: Do you find fundraising in Cincinnati very robust?

SW: I think Cincinnati is very philanthropic. It's in the DNA of our region, comprised of both the pride and history of the city, as well as the many corporate headquarters located in the area. And, let's not forget about our United Way in Greater Cincinnati. It's one of the top ones in the nation. All of this helps our local endowment funds and the organizations and people they serve.

CB: Do you think there's anything exciting in Cincinnati that might affect the endowment process?

SW: I'm excited about our own capital campaign, and of course, relocating our museum into the Union Terminal in 2018. And, of course, having a commitment to growing the endowment as a result of the "Create Your Jewish Legacy" initiative is very exciting.

VH: Our campus has undergone a massive transformation over the past 20 years – our standards have also transformed – the Cintas Center, for example. We did say the endowment was an initiative we wanted to focus on but we also had to get the building built so many gifts went toward that. Now, with this current campaign, our focus is

to have the financial backing to keep everything running.

DH: The vibrancy of Cincinnati is attracting many of our young alumni back to the city. We are excited to be able to engage them with opportunities at their alma mater to give back. This process allows them to reconnect and become involved with all the exciting things happening at the school.

CB: Clearly, our city and Tri-State region are very fortunate to have such innovative and impressive organizations serving our city, such as all of yours. Thank you for spending some time with us, to share your vision and expertise in the endowment arena. The citizens of our city are so much more empowered with knowledge and experience because of the work you do, and the caring and giving of your donors. Thank you!

John D. Dovich & Associates, LLC is located at 625 Eden Park Drive, Suite 310, Cincinnati, OH 45202. For more information, call 513.579.9400 or visit www.jdovich.com. John D. Dovich & Associates is a Federally Registered Investment Adviser. Registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. Information within this material is not intended to be used as a primary basis for investment decisions. It should also not be construed as advice meeting the particular investment needs of any investor.

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For more information on the endowment funds mentioned in this article, please visit: www.xavier.edu/alumni, www.chhe.org and <http://www.walnuthillseagles.com/alumni/about-alumni-foundation.aspx>.

A special thank you to the Center for Holocaust and Humanity Education for the use of their museum in photos used in this article.