

THE INDEPENDENT CATHOLIC FOUNDATION

For The Diocese of Altoona-Johnstown

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Summer 2015

Foundation Marks Anniversary

In June 2015 the Independent Catholic Foundation will celebrate its 25th Anniversary. It all began as a prayerful dream and vision in 1989 by two Johnstown business men, Frank Pasquerilla and James Saly, with full support of then Bishop Joseph V. Adamec. Bishop Joseph had expressed his desire for the involvement of laity in projects such as this. The Foundation has grown to become an organization with 230 individual endowments that are valued at almost \$25 million in assets. All parties involved with the Foundation felt that it was very important to become a separate legal entity; so in 1991 the initial Board of Directors was seated and the Foundation was established with seed money from some of its original directors.

The charter of the Foundation is one of a 501(c)(3) public charity. In the early years there was a fundraising effort known as the "Blue Ribbon Panel." This helped the Foundation by securing 30 or 40 contributors who in some cases made one time donations and others multi-year. Early operational money was secured through a loan from the Diocese which over time was fully repaid.

Ongoing capital needs at the high schools, as well as, the need to address the elementary school finances were all original considerations. As a result, there are endowments in place for all of the high schools, as well as endowments for elementary schools.

As the Foundation mission grew, the ministries of Catholic Social Services (now known as Catholic Charities), Sisters of Mercy, and St. Vincent DePaul, became important funds within the Foundation. There is also a Seminarian Endowment Fund created by the Knights of Columbus and some college scholarships, most notably from Tyrone's St. Matthew Parish.

After the foundation actually began, office space was rented in Duncansville with a payroll staff of one-person. The paid director utilized volunteer labor, as well as, part-time help. In 1998, the Foundation returned to a shared office space on the Diocesan campus and at that time the Executive Director's duties combined with the diocesan stewardship director. This helped to conserve the financial resources of the Foundation.

The early goals were for continuing growth and to be self-sustaining. 2008 marked the return of its Executive Director being a Foundation employee and no longer affiliated with the Diocese. They moved their office off-site shortly thereafter. In March 2013, the Independent Catholic Foundation moved to their current location in Altoona. This move was to accommodate the need for more space. Still with only one full time employee and part-time administrative and accounting support, the Foundation continues to grow, prosper and offer financial support to many Diocesan ministries. Guided by the 18 member Board of Trustees, the Foundation continues to serve donors by matching their philanthropic vision to the people, programs, ministries, and institutions that best serve their hope for a better community.

Note: This article was compiled using information from a presentation by long serving trustee Mark Thomas. This article was first published in 2010 to coincide with the Foundation's 20th anniversary. It has been updated with current information.

From the President and Executive Director

A good friend of ours said "As with great comedy, timing is everything". We could not agree more with his sentiment of "timing". As we write this note, we are getting ready to celebrate the 25th Anniversary of the Foundation's incorporation, are "knocking on the door" of \$25 million under management in our investment portfolio, have 230 separate endowments and have surpassed \$25 million in total assets. In 2010 when we celebrated our 20th anniversary we had \$14.1 million in assets under management in 165 separate endowments; over \$10 million in growth in those 5 years. What a blessing to be associated with the Foundation at this "time". In those same five years, we have offered a total of \$3,380,824 in support to the

various ministries of our diocese. We continue to be guided by dedicated Trustees and a hard working Finance and Investment Committee. Our funds are enjoying investment growth while we are assured they are invested according to our Catholic values. This success has allowed us to offer grants to all parishes (see related article) and support other ministries through our marketing efforts. We are humbled by this success and pray that God continues to smile on our efforts. We hope you enjoy this edition of the newsletter and trust it provides insight on how you can remember your parish or favorite Catholic ministry in your estate planning. Please feel free to contact our office or any Trustee to discuss how we may be of service.



President Dino Persio, Esq. and Executive Director Bill Hiergeist reviewing a recent investment summary

*Dino S. Persio, Esq., President
Bill Hiergeist, Executive Director*

FOUNDATION GRANTS

Last winter, the Foundation offered a \$500 grant to any parish who requested it. This program being used as a marketing effort, asked only that the parish would publicize the grant, how it was used, and from where it came. Over 40 parishes, or about 50% of the diocesan parishes, requested the funds. One of the best uses (at least one of the best stories) involves buying a cabbage slicer! The pastor related that the annual Lenten fish dinners are quite a money-maker for the parish, and coleslaw is a big part of the dinner. He went on saying “the group is too frugal to buy shredded cabbage, so they cut it by hand which takes a long time. A slicer will sure help with that!” Many of the pastors sent a note of thanks.



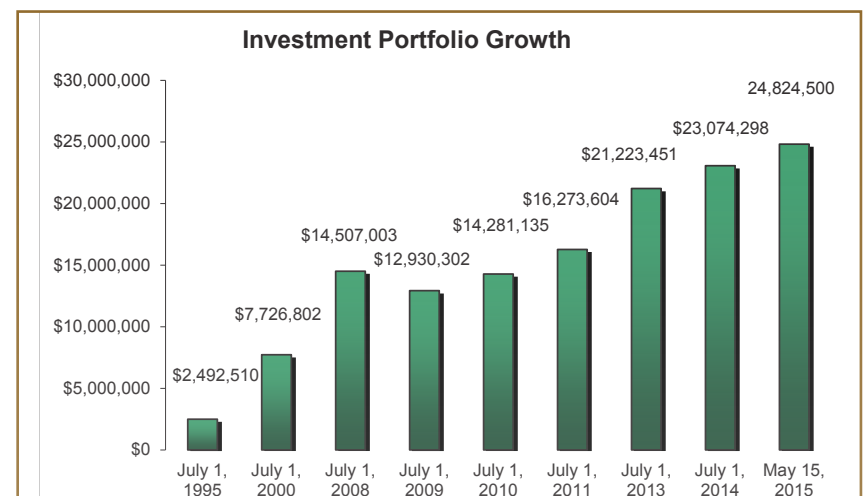
Past President Vince Barbera delivering a check to Fr. Daniel O'Neill pastor of St. Peter Parish, Somerset

A sampling of their comments:

- “A feasibility study for the parish worship sites”
- “Refurbishing our stained glass windows”
- “A pilgrimage to the Basilica in Baltimore for our confirmation candidates”
- “Help pay for our new organ for the church”
- “We’re going to rehabilitate and restore our outdoor Stations of the Cross”
- “We’re going to upgrade our sound system and this will sure help”
- “I have so many things in mind; I need to ask for the help of the Finance council”
- “This will help pay for upgrades to the Church’s heating plant”
- “We’ve been wanting to add a railing on the alter steps, this will help”

FOUNDATION CONTINUES TO ACHIEVE TREMENDOUS GROWTH

Citing several years of record contributions and above average market returns, the Foundation is celebrating a milestone; reaching almost \$25 million of assets under management. “We continue to add endowments at about one per month, and of course with the endowments comes the money” noted Bill Hiergeist, Executive Director. “We are flattered that more people are coming to us when they want to remember their faith in estate planning and philanthropic activities” Hiergeist continued. Last fiscal year (ending June 30, 2014) there was a record setting almost \$2 million in contributions and as of May 30 of this fiscal year the Foundation has received over \$1.4 million in contributions to new and existing endowments. Several endowments held by the Foundation have been named as beneficiary of estate gifts, the receipt of which will soon substantially increase assets and thus support for the affected endowments.

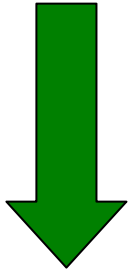


A NOTE TO PASTORS

The Independent Catholic Foundation is guided by 18 lay men and women. By June 2016 we will have 4 Trustees retire from the board because of term limits. We are looking for lay individuals who you think would be able to contribute to our good works. Many Trustees have supported the Foundation financially but there is no obligation to do so; all Trustees do support us with their prayers and involvement. They would be asked to

attend 4 Trustee meetings per year, usually held in Altoona. They are also required to be practicing Catholics and active members of their parish. We have committees that guide our finances, marketing, communication and outreach efforts. If you know someone who you think would be a good candidate, please let us know. We are especially interested in candidates from counties other than Blair, Centre and Cambria.

Foundation Lowers Fees



It is a standard and common practice for foundations to charge a fee to manage the assets under management. This is a necessity so the foundation can carry on its mission and have the necessary funds to pay for expenses it incurs. These expenses include the everyday costs of rent, office expenses, postage, fundraising expenses, and of course employee expenses. Since the Foundation was founded 25 years ago, the fees have been 1 ¼% per year, assessed at 1/12 of that per month. This fee is equal to, or less than peer institutions. Beginning with the

last quarter of this fiscal year (April-June 30, 2015), and going forward, the fees were lowered to 1% per year. This change was recommended by the Finance Committee and unanimously approved by the full board at their April meeting. “This 20% reduction in fees will mean each endowment grows faster and thus will have more funds to support its respective ministry” commented Finance chair Tony Kaminkar; “I’m happy that our success has allowed us to do this”, he continued.

Donor advised funds:

These are individual endowments created with provisions for the person(s) or family who created the endowment to determine where the annual distribution goes. The recipient or beneficiary may change each year, or there may be multiple beneficiaries with each distribution. A donor advised fund offers the opportunity to easily create a low cost, flexible method for charitable giving as an alternative to direct giving or the costly and cumbersome private family foundation. Donors receive maximum tax advantages with the administrative duties and expenses passed on to the holder of the endowment (ie: Independent Catholic Foundation), and the donor may remain anonymous if they choose to do so. Beneficiaries of the annual distribution must be approved by the Board of Trustees and must align with the teachings of the Catholic Church. The Foundation Gift Acceptance Committee encourages contributions of \$25,000 or more to begin a donor-advised fund, but will consider minimum gift/pledge levels of \$10,000 with limits to the number of beneficiaries required annually.

Types of Donor-Advised Funds

Permanent Endowment:

These are permanently restricted with an annual distribution as determined by the Trustees; all endowments within the Foundation have the same percentage distribution. Principal cannot be distributed, except as required by law. The Foundation is advised by the benefactor each year who the beneficiary of the annual distribution will be and the Foundation mails out the checks.

Provisional or Temporary Endowment:

An Endowment is created that allows the interest (annually) and up to and including 50% of the original principal to be distributed. This has all of the tax and expense advantages to the donor as a permanent endowment. There are stipulations in place for minimum distributions and timing of same. Additionally, there may be provisions made for different administrative fees.

The details of each situation may vary. For more information, please contact the Foundation office.

Bishop Guilfoyle

Class of 1978 Scholarship

In the summer 2013 edition of this newsletter, we announced the Bishop Guilfoyle Class of 1978 scholarship. This scholarship benefits a graduating 8th grader from a catholic elementary school in Blair County who will attend BGCHS; the scholarship provides \$500 to an incoming freshman. We celebrated the classes' generous initiative because of the fact they created this scholarship sooner after graduation than any other class of any of the Diocesan Catholic High Schools. They have continued to add additional funds to the scholarship endowment. In the photo class members and others are shown at their “Zumbathon” held last winter to raise additional funds for the scholarship. The class hopes to raise additional funds so they can add an additional scholarship. Nominations for this scholarship are submitted by the elementary schools and the winner is chosen by the scholarship selection process at BG. The selection criteria states “the candidate shall exemplify Christian spirituality and service, academic proficiency and personal accountability”. Additional donations can be sent to the Foundation office earmarked for “BG Class of 1978 scholarship”



“Planned Giving is the only way people can support their favorite cause that brings them tremendous satisfaction yet has no impact on their lifestyle other than improve it.”

– Wayne Olson

FOUNDATION SEEKING SCHOLARSHIP APPLICATIONS

The Foundation is seeking applicants for the 2015 Welge Scholarship. This scholarship provides financial assistance to worthy parishioners who are entering their junior or senior year of college and are a member in good standing of a Roman Catholic Parish in Blair County excluding Tyrone. The Welge Endowment Scholarship was established in 1995 to honor Adelaide G. (Heverly) Welge. Information and applications are available at www.icfdaj.org. Applications should also be available at the offices of our Blair County parishes; the application needs to be signed by the applicant's pastor. Questions should be directed to the Foundation office at 201-2080 or via e-mail at Bill@icfdaj.org. Deadline for submission is June 7th.

ANNUAL AUDIT

The Foundation's annual audit for fiscal year 2013-2014 was completed by the accounting firm of Young, Oaks, Brown & Company. It was presented as a "clean audit with no comments". Please visit our web-site at www.icfdaj.org to view their report. If you have any questions, please contact the Foundation office at (814) 201-2080 or via E-mail at Director@icfdaj.org

Please Note

In all instances it is advisable to speak with legal counsel, a Financial advisor and/or a tax consultant. No information contained in this newsletter or on the Foundation website should be considered legal advice.

THE STATE OF PA HAS MADE YOUR WILL FOR YOU!

There is no law that says you have to have a will or estate plans. But every state has laws already in place that dictate the distribution of your assets if you die without written instructions. Will your loved ones receive what you hope they will? Additionally, there are extra costs incurred by your estate if you die without written instructions. Please see our web-site at www.icfdaj.org and visit the "Planned Giving" pages under "Giving Opportunities" from the home page. If you would like information mailed to you, please fill out the coupon below. You will receive the information in the mail, no one will call you unless you request a personal phone call. Our address is found below.

Please send me information • Estate Planning & Wills

Name _____

Address _____

City, State and Zip Code

Separate from, but committed to, *the Diocesan Church*

The Foundation is an independent entity – legally separate from the Diocese of Altoona-Johnstown – committed to the long-term strength and viability of Catholic institutions within the eight-county diocese. The Foundation is overseen by a board of trustees comprised of 17 lay men and women. The Diocese (as a legal entity) and the Diocesan Bishop have no role in the management of the Foundation, which is a 501(c)(3) nonprofit organization [a public charity]. Endowment funds are owned by the Foundation and can not be attached for Diocesan operating funds or any needs of the Diocese.

For more information:

Individuals, businesses, organizations or parishes are welcome to inquire about the Independent Catholic Foundation by contacting any Trustee or our office. The Executive Director can be reached at the Foundation office.

Please visit our web-site at www.icfdaj.org

All inquires are held in the strictest confidence.

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