



Independent Catholic Foundation
For The Diocese of Altoona-Johnstown
320 Frankstown Road, Altoona, PA 16602

Foundation Welcomes

New Trustees

The Board of Trustees at their June meeting welcomed three new trustees. **Jim Carrieri** is a Eucharistic minister and member of the finance committee at St. Therese in Altoona. He retired as Vice-President and Sales manager from McClanahan Corporation after 38 years of service. **Peter Delricco**, a member of Church of the Good Shepherd in State College is retired after many years at HRB Systems (currently Raytheon) where he served as Program Manager for defiance contracts. Additionally he helped start the SPE Federal Credit Union, and has been involved since its inception 33 years ago, currently serving as Chairman of the Board. **Tim Holtz**, is a member of St. Augustine, Dysart. Tim has been a Financial Advisor since 1985 at NEXT Financial. He currently is an advisor to his personal clients and helps manage 30 other advisors. The Board also expressed gratitude to **Roy Holtz** (Tim's brother) as he left the board because his term had expired. Roy is now volunteering his time as Chairman of the Board of Trustees of his high school alma mater, Bishop Carroll Catholic High School.

"...as investors we do not control the markets, nor do we control the economy. What we do control is our portfolios and how we allocate the assets for the long term, not a month, or a quarter or even a year."

Trustee Monica Garver, August, 2011

Board of Trustees - July 1, 2011 to June 30, 2012

John H. "Jack" Anderson (Term Expires 2014)
Our Lady of Mercy Chapel, Cresson

Vincent J. Barbera, Esq. (Term Expires 2013)
St. Peter, Somerset
Vice President

James R. Carrieri (Term Expires 2014)
St. Therese, Altoona

Peter Delricco (Term Expires 2014)
Church of the Good Shepherd, St. College

Hampton H. "Hap" Durbin (Term Expires 2014)
St. Therese of the Child Jesus, Altoona

Michael A. Fiore (Term Expires 2012)
St. Michael, Hollidaysburg

Monica M. Garver (Term Expires 2013)
Resurrection, Johnstown

Rocco D. Gillott (Term Expires 2013)
Blessed Kateri Tekakwitha, Spring Mills

Rita Halverson (Term Expires 2014)
St. Peter, Somerset

William M. Hiergeist (Ex-Officio)
St. Matthew, Tyrone

Tim Holtz (Term Expires 2014)
St. Augustine, Dysart

Anthony J. Kamnikar (Term Expires 2013)
St. John Gualbert, Johnstown
Treasurer

Thomas J. Kristofco (Term Expires 2013)
St. Michael, Hollidaysburg
President

Dino Persio, Esq. (Term Expires 2012)
Holy Name, Ebensburg

Joe Scialabba (Term Expires 2012)
Most Holy Trinity, Huntingdon

Serena Stevens (Term Expires 2012)
St. John the Evangelist, Lakemont
Secretary

Thomas J. Taricani (Term Expires 2014)
Our Lady of Victory, State College
Immediate Past President

John J. Wolf (Term Expires 2013)
St. Therese of the Child Jesus, Altoona

Laura Zimmerman (Term Expires 2013)
Our Lady of Victory, State College

If you have questions about remembering a parish in your gift planning, please consult your attorney or financial planner. Of course, this planning is best accomplished when it includes family members and your Pastor. Additionally, one of our Trustees may be a resource also. Our Trustees include Attorneys, Certified Financial Planners, CPAs, Realtors, Bankers and successful business owners.

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 18 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 held by the Foundation can not be attached for the 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. Executive Director, Bill Hiergeist can be reached at the Foundation office. All inquiries are held in the strictest confidence.

Bill Hiergeist, Executive Director • (814) 201-2080 • (fax) (814) 201-2092 • Director@icfdaj.org

320 Frankstown Road, Altoona, PA 16602

Please visit our updated web-site. You will learn much about our Foundation by visiting:

www.independentcatholicfoundation.org –OR– www.icfdaj.org.

(Both will take you to the same site)

FOCUS

The Independent Catholic Foundation For The Diocese of Altoona-Johnstown

Vol. 11 No. 2

Fall 2011

A MESSAGE FROM **THE PRESIDENT OF THE FOUNDATION** *and its Executive Director*

We welcome you to our periodic update from the Independent Catholic Foundation. As we greet the early days of fall, we wanted to provide information and perhaps some “thought starters”; information on recent success and accomplishments and some ideas on how you may help your favorite ministry or catholic school. It has been an exciting six months since we last visited via our newsletter. Among other things, we welcomed three new trustees, completed our annual distribution and closed the books on another successful fiscal year.

Another area of “excitement” has been the recent turmoil in the stock market. The Finance committee has been meeting regularly and monitoring the portfolio. The Foundation has benefited from the hard work of the Trustees, Finance Committee, portfolio managers and independent advisors. The value of the portfolio has grown 18.2% in fiscal year 2010-2011 (year ending June 30). We continue to apply a conservative asset management approach to the portfolio in an effort to grow Foundation funds, while at the same time, minimize the risk of loss.

The future looks bright and exciting for the Foundation. As the Foundation continues to grow, so does our support for our Diocesan church and its ministries. Please pray for the continued success

of the Foundation and ask God to continue to smile on our efforts and the people of His Diocesan church. Several Trustees had lunch with Bishop Mark to discuss the Foundation and to convey our support and prayers as he begins his journey as Diocesan shepherd.

If you have any questions, or would like to explore ways the Foundation may assist you, please contact the Foundation or any Trustee. We hope you enjoy this edition of FOCUS.

Thomas J. Kristofco, President
Bill Hiergeist, Executive Director

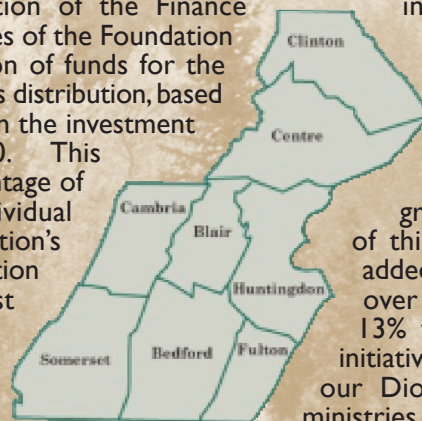
Contributions Increase over the last fiscal year - Thanks!

For the fiscal year that ended this past June 30, the Foundation received over \$1.6 million dollars in contributions. We arrived at this total through the establishment of 14 new endowments and contributions to existing endowments ranging from \$10.00 to \$465,000.00. Among the hundreds of individual gifts, there were nine that equaled or exceeded \$50,000.00. Some of these gifts were made through a bequest (a person's will).

Over \$5.5 million have been contributed to new or existing endowments during the past 5 years. Contributions to an existing endowment can be made in any amount at any time. For a complete list and description of each endowment, please visit our web site.

Over \$470,000 returned to Diocesan Ministries

Acting on the recommendation of the Finance Committee the Board of Trustees of the Foundation announced a 4 1/8% distribution of funds for the fiscal year that ended June 30. This distribution, based on a percentage of the monies in the investment portfolio, totaled \$478,455.00. This amount is calculated as a percentage of the total value of over 175 individual funds that comprise the Foundation's endowment assets. This distribution represents a \$65,000 or almost 16% increase over last year's distribution. The valuation for this calculation was over \$15.9 million, also a significant



increase. Once again the independent catholic and diocesan schools and their students were the main recipients of the funding. Bishop Guilfoyle Catholic High School, Bishop McCort Catholic High School and Bishop Carroll Catholic High School together with the various parish grade and middle schools received over 44% of this total. When college scholarships are added in, the funding for educational pursuits is over half of the total funds distributed. Over 13% was returned to the parishes for their initiatives. Additionally, support was provided for our Diocesan seminarians and other diocesan ministries.

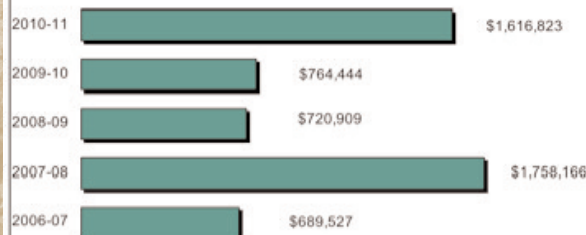
Penn State Catholic Campus Ministry

At the September meeting of the Board of Trustees of the Foundation, there was a unanimous vote to accept several new endowments. One is the new Penn State Catholic Campus Ministry. This permanent, restricted endowment was created at the behest of the Diocese of Altoona-Johnstown and the Catholic Campus Ministry itself. The annual distributions from the endowment will be used for the benefit of Catholic students at the Penn State University Park campus and will support student activities, Catholic religious

education and the evangelization of students. Some of these activities will take place at the soon to open Suzanne Pohland Paterno Catholic Student Faith Center. The center is overseen by Benedictine Father Matthew T. Laffey, director of Catholic Campus Ministry at Penn State. The Foundation is accepting donations to support this endowment; information can be found at the Foundation office.

Please note that this endowment is not affiliated with, nor administered by Penn State University.

5 Year Contribution History



High School Scholarships



Currently the Independent Catholic Foundation administers 50 scholarships that benefit three of the catholic high schools located within our Diocese. These represent the greatest number of endowments of any type held by the Foundation. Some were started long ago at the beginning of the Foundation and some have been newly established. This past fiscal-year there have been four new high-school scholarship endowments created; three to benefit Bishop McCort Catholic HS, and one that benefits Bishop Guilfoyle Catholic HS. Currently there are no endowments that

support St. Joseph's Academy, although those discussions are underway. This year's distribution has provided over \$134,000 in financial aid to three schools. Most scholarships were created to honor a family, family member or teacher and are named accordingly; three of the newly created scholarships celebrate the 50th anniversary of graduation. Each scholarship is structured so financial support will be provided forever. With the independent status of all Diocesan high-schools, this support is now more important than ever. Information on establishing a new scholarship or how to contribute to an existing one is available at the Foundation office. For a complete list of all endowments, please visit our web site at www.icfdaj.org.



School Choice

State legislators are back in Harrisburg after their summer recess. As they return to business, school choice is expected to be a top priority throughout the fall. The Diocese of Altoona-Johnstown, in partnership with the Pennsylvania Catholic Conference (the public affairs arm of Pennsylvania's Catholic Bishops and Dioceses) has been advocating for school choice legislation that includes both vouchers and increased funding for the Educational Improvement Tax Credit (EITC). Vouchers would allow low income parents who meet eligibility requirements to send their child to the school of their choice -- public or private. Increased EITC funding would provide more opportunities for middle-income families.

The time has come for school choice in Pennsylvania. All children deserve to be educated in an environment that best suits their needs, and all tax-paying parents deserve to be able to provide educational options for their child. Better educated children become better educated citizens, which makes for a stronger community.



As the school choice debate continues, it is critical that supporters make their voices heard. If lawmakers fail to act on school choice this fall, the opportunity may not present itself again for some time. All supporters of Catholic education are urged to contact their state senator and representative and tell them to vote for school choice legislation that includes vouchers and increased EITC funding. Residents can call, write, e-mail or visit their legislators. Supporters can also visit the PCC's website at www.pacatholic.org to learn more about school choice and become members of ACE-PA, or Advocates for Catholic Education in Pennsylvania. The network allows advocates to send an e-mail directly to their state legislators.

The Foundation is not affiliated with either School Choice, PCC or the EITC programs but they are presented to inform our readers about these important catholic initiatives.

Bishop Guilfoyle High School Class of 1961 Scholarship Established

The members of the 1961 graduating class of Bishop Guilfoyle HS (now known as Bishop Guilfoyle Catholic High School) have created a scholarship. The Fund shall be utilized to provide a permanent endowment with distributions being used to provide assistance to students entering or continuing to attend Bishop Guilfoyle Catholic High School. The scholarship stipulates that the recipients of this scholarship shall demonstrate financial need, be members of a Catholic parish and be academically strong. Scholarships may be the total amount equal to the academic cost per pupil as authorized by the school financial assistance process. Recipients of the scholarship will be chosen by the school and given in honor of The Bishop Guilfoyle Class of 1961. This scholarship was created through many generous donations from members of the class participating in the 50th class reunion and through solicitations. The class chose to create a permanent endowment fund to provide an everlasting sign of their dedication to their alma mater and desire to help students receive the same superior education they received. "Hopefully this will start a tradition, that on the 50th anniversary of graduation, each class will establish the same type of scholarship" commented one of the class members. The same type of scholarship was established by the class of 1960 as part of their reunion activities. The fund was structured so that scholarships will be offered in perpetuity. With the addition of this new endowment, the Foundation now administers 178 different endowments. Information on this scholarship, including how to contribute to it, may be obtained at the Independent Catholic Foundation at (814) 201-2080 or via e-mail at Director@icfdaj.org.

Time is Running Out

Avoid Paying Income Tax on Your IRA Distributions

Until the end of 2011, IRA owner's have a historic opportunity to avoid paying income tax on their qualified IRA distributions. This can be accomplished by making a distribution to the Foundation, which is committed to continuing the Lord's work within the Diocese of Altoona-Johnstown.

On December 17, 2010 the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 became law. Among other provisions, the law provided for the extension of a valuable tax incentive - the ability to make a direct transfer of up to \$100,000 from an IRA to charity through the end of 2011.

This allows IRA owners and beneficiaries over the age of 70½ to satisfy their charitable intentions by making distributions from an IRA directly to charity without having the IRA distribution included in their income. This offers

an extremely tax-efficient way of making a lifetime charitable gift. Given the recent declines in the stock market, individuals who in the past might have made gifts of appreciated securities now have an alternate way to make a tax-efficient gift to charity.

Not only do these funds benefit your chosen endowment, but they also provide a valuable benefit to the person making the gift. Individuals who are not dependent on their IRA distributions for lifestyle needs are often frustrated by the annual IRS required minimum distributions. These distributions increase an individual's taxable income on their income tax return, resulting in an increased tax burden and the possible loss of other valuable tax incentives.

To qualify, the distribution from a traditional IRA or Roth IRA must be considered a "Qualified Charitable Distribution" (QCD). The QCD

counts as part of the IRA owner's minimum required distribution, but is not includible in income. An income tax charitable deduction cannot be taken for the QCD. To qualify as a QCD, the IRA trustee must make the distribution directly to the qualified charity. Any distributions, including any RMDs, which the IRA owner actually receives cannot qualify as QCDs.

This article is intended to provide general information regarding charitable distributions from IRAs to charity. Please consult with your accountant to determine how your gifts to the Foundation would affect your specific tax situation.

*This article was provided by
Mr. Stephen D. Nieli, CFA;
Portfolio Officer, BNY-Mellon*



The Gift Annuity

Many opportunities exist to support your parish, a catholic school or your favorite ministry. Most people are acquainted with the concept of a will or a bequest. The beneficiary receives a sum of money, or there is a scholarship or endowment created when a person dies. With permanent endowments there will be annual payments made to the beneficiary from the earnings of the original funds; these payments last forever. There is another planned giving method that benefits both the donor and the beneficiary; the charitable gift annuity. The donor gives either cash or marketable securities to the Foundation and in return, the Foundation promises to pay a fixed rate of return to the donor for the balance of that donor's life. The rate you earn is determined when the gift is made and will never change. The rate of return is a percentage of the gift you make. The older you are, the higher rate of return (see chart). Upon the donor's death, the residual in the fund is used to create a permanent endowment or

scholarship that is designated by the donor, and will benefit the parish, school or ministry with annual payments. There are usually tax advantages to the gift annuity such as immediate tax deduction and portions of the income are tax free. Information is available at the Foundation office.

Age	Rate	Age	Rate
57	4.6	74	6.3
58-59	4.7	75	6.5
60	4.8	76	6.6
61	4.9	77	6.8
62	5.0	78	7.0
63	5.1	79	7.3
64	5.2	80	7.5
65	5.3	81	7.7
66	5.4	82	7.8
67	5.5	83	8.0
68	5.6	84	8.2
69	5.7	85	8.4
70	5.8	86	8.6
71	5.9	87	8.9
72	6.0	88	9.2
73	6.2	89	9.5
		90+	9.8

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. Recipients must be approved by the Board of Trustees and must align with the teachings of the Catholic Church. These are a very attractive alternative to a private family foundation. 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 have the same percentage distribution. Principal cannot be distributed, except as required by law. The Foundation is advised each year who will be the beneficiary of the annual distribution and the Foundation mails the checks to them.

Provisional or Temporary Endowment: An Endowment is created that allows the interest (annually) and up to and including the 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 for different administrative fees.

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

**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.**