

# THE INDEPENDENT CATHOLIC FOUNDATION

*For The Diocese of Altoona-Johnstown*

VOL. 13 NO. 1

Summer 2013

## Greetings from the President and the Executive Director

We welcome you to this update of the Independent Catholic Foundation. We are happy to have this opportunity to share news about our good works, discuss our successes and provide ideas regarding how to support your favorite ministry or parish. This has been an exciting time since our last newsletter. We've moved the Foundation office, established many new endowments, received over \$1.2 million in contributions and reached the milestone of \$20 million in our in-

vestment portfolio. Additionally, we have had the opportunity to visit many parishes. The investment return for calendar year 2012 was over 10% and continues to show strong growth in 2013. We have been truly blessed. In our last newsletter we announced the \$500.00 "matching grant" initiative and we are pleased that several parishes have taken advantage of it. It is still available and has been expanded to any Catholic Elementary School. We also announced a grant

program for the Catholic High Schools. We hope you will enjoy this edition of the FOCUS and that it will serve as a "thought starter" for ideas on estate planning. Please feel free to contact the Foundation office or any Trustee with questions or to explore how we may assist you.

*Vincent J. Barbera, Esq., President*  
*Bill Hiergeist, Executive Director.*

### FOUNDATION

#### *Honor Society*

The Foundation is continuing to promote an honor society within the Foundation named the **Saint Simon Society**. This society will recognize an individual for whom a contribution to the Foundation has been made in the amount of \$1,000.00. This

contribution can be made by an individual, their family or a group of friends or employees. Membership can be funded over two years with membership beginning when fully funded. The honoree can be living or deceased, and of course someone can join in their own name. Named after Saint Simon of Cyrene who helped Christ carry his cross on the way to Calvary, membership will help the Foundation in two ways. One half of the contribution will

be put into the general fund for current use, with the second half being put into an endowment that will support the Foundation forever. Recognition will include a member listing on separate page on the Foundation web-site and a mass will be offered annually for members' intentions or for their remembrance, in the case of a deceased member. The mass will be offered annually in May, in which the feast day of Saint Simon is celebrated.

### HAZENSTAB ENDOWMENT

*Created For*

#### **ST. JOHN THE EVANGELIST** (LAKEMONT)

The John and Kathleen Hazenstab Endowment for St. John's was recently created to benefit the school and parish. The endowment was funded by some of the children of John and Kathleen who were life-time members of the parish. All of their children were graduates of St. John's Elementary School and Bishop Guilfoyle High School, a fact that made John and Kathleen especially proud. This is a permanent endowment with the annual distribution of earnings divided between the parish and school. Anyone may contribute to this new endowment at any time,

in any amount. The participating siblings thought this was a great way to honor their Dad and Mom and permanently support something that was so important to their parents. This new endowment brings to over 200 the number of endowments managed by the Foundation. This has been a very busy year for the Foundation with 11 new endowments being added since July 1. These new endowments benefit two of the Catholic High schools, three of the Catholic Elementary Schools, several parishes for maintenance and other parishes for their general needs.



Shown reviewing the completed paperwork are the participating Hazenstab siblings.

(L to R): Mary Jane (Hazenstab) Wyland, Jack and Dennis Hazenstab and Judy (Hazenstab) Hiergeist



## BISHOP MARK BARTCHAK SCHOLARSHIP *Created for* ST. JOSEPH'S ACADEMY

The Advancement office and the Board of Trustees at Saint Joseph Catholic Academy in Boalsburg recently announced the creation of a scholarship endowment for students at the Academy. It will be in honor of Bishop Mark and named the **"Bishop Mark Bartchak Scholarship Endowment for Saint Joseph Academy"**. This permanently endowed scholarship is being funded with 100% participation of faculty and staff from the school. They felt it was a fitting way to thank the Bishop for his support and guidance. Bishop Mark who has received all of his formal education in Catholic schools, from elementary school to his post graduate studies has long supported Catholic education and understands its unique value. This scholarship endowment is managed by the Independent Catholic Foundation. This is the first endowed scholarship at the Academy, and it joins the approximately 50 other scholarships managed by the Independent Catholic Foundation that benefit the Diocesan Catholic High Schools. With the other 200 endowments held by the Foundation, their combined value is over \$20 million. The awarding of the scholarship will be managed by the Academy and will be determined through their financial aid and scholarship process and will be awarded to a student who exemplifies the mission of St. Joseph's. Additional contributions to this fund are welcome and can be made at any time, in any amount. They can be sent to the Academy at 901 Boalsburg Pike, Boalsburg, PA 16827 and reference "Bartchak Endowment". Additions to this fund will increase the amount and number of scholarships available. Information on this scholarship is available through the Development Department at St. Joseph's Academy. Information on the Independent Catholic Foundation is at [www.icfdaj.org](http://www.icfdaj.org).



## BISHOP GUILFOYLE *Class of 1978* ESTABLISHES SCHOLARSHIP

BG's Class of 1978 has done something "ahead of its time". Several scholarships from the graduating classes of Bishop McCort and Bishop Guilfoyle High Schools (actually Altoona Catholic and Johnstown Catholic) have been created to celebrate their respective 50 year milestone of graduation. The BG Class of '78 is doing the same thing only 15 years early! The class members involved thought this was a great way to honor their school and help provide the same opportunity for a great education that they had received. The class members even held a "Zumbathon" as a fund raiser. This endowment was written so that a \$500.00 scholarship will be given each year to an incoming freshman who has graduated from a Blair County Catholic Elementary School. They also structured the finances so that it will begin with the 2013-14 academic year. Additional contributions to this endowment can be made at any time, in any amount through the Foundation.



### FOUNDATION SEEKING *Scholarship Applications*

The Foundation is seeking applicants for the 2013 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](http://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](mailto:Bill@icfdaj.org). Deadline for submission is June 7th.

### 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.



## AN INTERVIEW

## With the EXECUTIVE DIRECTOR

It has been almost 5 years since Bill Hiergeist became Executive Director of the Foundation. Recently he was interviewed for this edition of the FOCUS regarding the differences now vs. 2008.

**Q: Is the job what you thought it would be?**

A: It's better! I've been able to visit the parishes, talk with the pastors and in many cases committee members; making some great new friends. Our Trustees, both past and present have been extremely helpful and supportive. They have been able to open some doors for me to help advance our good works. It has provided me the opportunity to grow professionally and in my faith. I'm in the office a lot, but hopefully with some small changes we are making, I'll be able to spend more time out visiting individuals and parishes. I think we've made some progress "spreading our Gospel" and letting people know who we are and what we do. I am extremely proud of the work we do.

**Q: Describe the differences now vs. 2008?**

A: The most significant difference is the size of our investment portfolio and what that means. When I started in 2008, because of the decline in the stock market, the portfolio had fallen to just over \$11 million. Now we are over \$20 million which represents a 75% increase. This astounding growth is due to improved market performance and over \$5 million in contributions. Because our income is derived from a small fee to the portfolio, this has given us some breathing room. For example, it has allowed us to offer the "Matching Grant" initiative and offer discretionary support to the Catholic High Schools and other ministries.



Executive Director Bill Hiergeist

**Q: Can you offer something now that you could not before?**

A: A new initiative for us is being able to offer "Donor Advised Funds". (See related article on page 2) Additionally, we instituted the Saint Simon Society, which is used to honor a loved one.

**Q: How many endowments are there?**

A: Currently there are 201 endowments, with several more in the process of being finalized. This represents a 47% increase in number over the past 6 years.

**Q: A follow up to "how many endowments", is why do people create an endowment?**

A: For two main reasons: to honor a loved one and/or support a favorite ministry. At a milestone in someone's life, be it when they pass, reach a significant anniversary, or other occasion, family or friends will create an endowment for the benefit of that person's favorite parish, ministry or passion such as scholarships. (see related article on page 1). For a person or family to be remembered because someone created an endowment in their name which provides an income stream forever to their favorite cause, is a powerful expression of love. For example every year the "Smith Endowment" provides a scholarship to their favorite Catholic School.

**Q: Describe the process for the annual distribution of your funds.**

A: After the close of our fiscal year on June 30 of each year, we calculate the average value of each endowment for the past six, six month periods (on June and December 30th). We multiply a percentage against those values, usually around 4%, and offer that amount back to the beneficiary named when the endowment was created. Our Finance Committee recommends the exact percentage to our Board of Trustees for approval. This percentage is applied equally to all endowments whether they are valued at \$1,000 or \$1 Million.

**Q: As a follow up to the previous question, typically how much is available.**

A: Over the past 5 years we have made available over \$2.4 million to the various beneficiaries named in the individual endowments. That's \$2.4 million being offered to various ministries, 98% of which are in the Diocese of Altoona-Johnstown. This year we expect to offer over \$700,000 which will set a new record. Three million dollars given to our lo-

cal ministries in a relatively short period of time is pretty amazing!

**Q: Another follow up question, where do most of the funds go?**

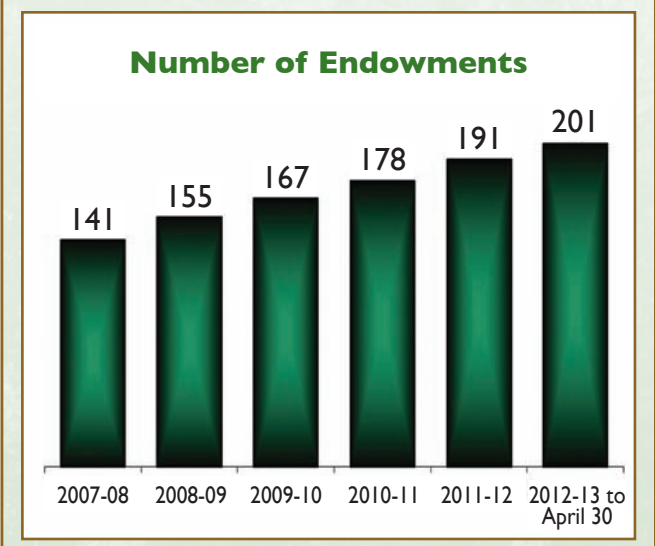
A: Over half of the funds are designated for educational pursuits. By this I mean, scholarships and support for the independent Catholic High Schools, support for the Diocesan Elementary Schools and a couple of endowments that offer college scholarships for parishioners. This high percentage for education happened not by design, but by peoples' interest in education when they funded the endowments.

**Q: What's next for the Foundation?**

As more people realize the Foundation has become the place for people who want to permanently and financially support a favorite Catholic cause we will continue to enjoy this amazing growth.

### *Number of endowments continues to grow*

During the past several years the number of endowments held by the Foundation has enjoyed steady growth. So far this fiscal year the Foundation has added 10 new endowments which brings the total number to 201. Some of our new endowments benefit parishes or a parish school, several parish cemeteries and Bishop McCort and Bishop Guilfoyle Catholic High Schools. This growth represents a 42% increase in the number of endowments during the past six years. Information on how to establish a new endowment is available on our web-site or at the Foundation office.



## FOUNDATION OFFICE *Moves*

Citing growth and the need for more and efficient space, the Foundation relocated its office. "This new space offers more room, the privacy needed when talking to donors and space for additional personnel as our growth continues" noted Executive Director Bill Hiergeist. The Foundation had been renting a suite from a local law firm, and now is enjoying a space all its own. Visitors are always welcome.



**To know even one life has  
breathed easier because you  
have lived. This is to have  
succeeded.**

*– Ralph Waldo Emerson*

### *Disclaimer*

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.

## CREATE A *Legacy* IN YOUR FAMILY'S NAME

In Pennsylvania, everyone already has a will! The state has very specific instructions on how your estate will be divided. If you want to make other plans, you must have a written estate plan that designates how your assets are divided.

Of all the gifts you could offer a Catholic cause, one of the most meaningful, and one of the easiest to make, is a bequest. A bequest is a gift you pass to your favorite ministry through your will. You first decide what ministry you want to support. For example, your parish, a scholarship to a catholic school, or a catholic ministry such as Catholic Charities or St. Vincent DePaul. Then you name that ministry in your estate plans and specify the Independent Catholic Foundation as a depository to create a permanent endowment. There are several ways to do this and each is slightly different and has different advantages:

**Specific bequest:** This kind of bequest specifies an exact dollar amount or specific asset from your estate, such as stocks or bonds be used to create an endowment in your family's name.

**Residuary bequest:** This bequest directs that either all or a percentage of your estate's residue, what's left after the other terms of your will have been satisfied, is used to create a permanent endowment.

**Percentage bequest:** A bequest may be expressed as a percentage of your estate. Your wishes are guaranteed regardless of whether your estate grows larger or smaller; and these funds are used to create a permanent endowment.

All estate planning is best accomplished with the help of your attorney, your banker or financial planner and the involvement of your family. The Foundation can also help determine areas of need within our Diocesan church or your particular parish.

**The world needs dreamers and the world needs doers.  
But above all, the world needs dreamers who do.**

*– Sarah Ban Breathnach*

### **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. Executive Director, Bill Hiergeist can be reached at the Foundation office. For a list of current Trustees, please visit our web-site. All inquiries are held in the strictest confidence.

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