

Triangle Education Foundation Chapter Endowment Fund Program

Tax-Deductible way to financially support your chapter

In an effort to address individual chapter needs, the Triangle Education Foundation has developed the Chapter Endowment Fund Program. This program was originally developed by members of local chapters wishing to support the educational and leadership needs of their local chapter. The Chapter Endowment Fund Program is looking to extend this service to all our chapters. The program will give potential donors the opportunity to make a significant gift to the educational programs of your chapter and a charitable tax deduction on your Federal income forms subject to the Federal Tax laws.

Your chapter can now establish its own Chapter Endowment Fund (CEF) with the Triangle Education Foundation. All gifts to the CEF will be held by the Foundation as restricted gifts for the benefit of your chapter for any of the following educational purposes:

1. Scholarship grants to members of your chapter.
2. Educational grants to cover portions of the registration travel and accommodation expenses of members of your chapter attending leadership conferences of Triangle or another accredited leadership development program.
3. Grants for educational resources in your fraternity structure, such as desks, bookcases, books, computers and software in the educational areas and for the construction, renovation, maintenance and equipment of Designated Educational Areas of your chapter home.
4. Educational grants to cover portions of the registration, travel and accommodation expenses of members of your chapter attending professional society meetings and education events.
5. Educational grants to underwrite portions of your chapter's Leadership Advantage session.
6. Educational grants to cover portions of the registration, travel, accommodations, supplies and equipment for academic competitions in which the chapter is participating.

Assets held by your CEF within the Foundation an individual account must reach \$25,000 in principal balance within three years from the date a fund agreement is executed.

If you are interested in creating a CEF for your chapter's benefit, please contact the Triangle Education Foundation, 120 S. Center Street, Plainfield, IN 46168.

This exciting program provides opportunities to fund the educational purposes of your chapter and the educational and leadership needs of its undergraduate brothers. The Foundation Directors and staff look forward to hearing from you.



Triangle Education Foundation Chapter Endowment Fund Program FAQ's

1. How much money is provided to the CHAPTER?

The fund will pay out 5% of the 12 quarter rolling average of the fund balance as of June 30 of each year to the chapter in a given year. For every \$10,000 in the fund, approximately \$500 will be available for the chapter's educational and leadership needs.

2. What is a Chapter Endowment Fund (CEF)?

An accumulation of tax-deductible gifts, of at least \$25,000, designated to support educational and leadership programs for a specific chapter.

3. What can CEF support (not an all inclusive list)?

- a. Scholarships
- b. Fellowships
- c. Grants
- d. Portions of leadership program expenses
- e. Computers & software
- f. Study chairs & desks
- g. Books & libraries
- h. Scholarship rooms & files
- i. Construction, renovation and upkeep of Designated Educational Areas of the chapter house.

4. Can a chapter have more than one fund?

Yes. Some of our chapters already have more than one fund and this is a good way to remember special brothers in your chapter by naming a fund after them.

5. Who funds a CEF?

Alumni, friends and parents of the undergraduate chapter.

6. Who determines what projects the CEF will fund?

A committee of local alumni advisors and undergraduates submits proposals to the Foundation for final approval and funding. Final approval must remain with the Foundation Board as required by IRS regulations.

7. Does a CEF receive investment earnings?

YES. The CEF is credited annually with a proportional share of the Foundation's investment earnings.



8. Does the Foundation receive any distribution from the CEF to cover the costs and help support the general purposes of the national organization?

Yes, the CEF is charged a 2% service fee on June 30 of each year to cover basic administrative functions and expenses.

9. What happens to a CEF if the chapter is closed?

If a chapter is closed the CEF will remain as a fund of the Foundation for 10 years after the chapter closes. A group of alumni from the chapter may submit a request to extend the life of the fund to the Board of Directors. If/when the chapter is re-established; the balance in the CEF will again be made available to the chapter. When the chapter is not active, the earnings of the CEF will be deposited into its account and the alumni (Board of Directors) may elect to utilize its fund disbursements for the benefit of other Triangle chapters or members.

10. What are the uses of the CEF for construction and renovation of chapter houses?

Educational equipment, educational areas, grants and the overhead for the educational areas of the chapter house.

11. What is the minimum gift size to a CEF?

No minimum.

12. Can the CEF be named?

YES! A CEF is an excellent way to recognize a generous donor, dedicated alumnus, key faculty advisor or dedicated brother who has passed. The CEF can be named at any time by the advisory committee. Once the CEF is named, it will not be able to be changed.

13. What is the minimum fund size?

To maintain a CEF the balance must reach \$25,000 within three years from the date of the establishment of the fund. If not reached in a three-year period, funds may be expended for an educational grant to the chapter. Any fund to not reach \$25,000 within three years and have a balance after two additional years will be transferred to the Foundation's unrestricted endowment. The Board of Directors may extend the three-year period for up to an additional two years (five years total) if there is a reasonable possibility that the \$25,000 level can be reached.

14. What are the advantages of a CEF?

- a. No need to set up a local 501 (c) 3
- b. Professional consulting on fund raising plan is available
- c. Funds segregated by chapter
- d. Funds professionally invested and managed
- e. Local alumni and undergraduate committee recommends use of funds



- f. Established gift acceptance policies
- g. All tax filings done by Foundation
- h. Proper acknowledgement and stewardship of all gifts
- i. Ability to accept various forms of gifts, including appreciated property and planned giving vehicles
- j. Yearly audit performed by Certified Public Accountant
- k. Giving history and pledges maintained for each donor
- l. Long term strategy developed

15. What are the disadvantages of a CEF?

- a. Fund must reach \$25,000 within 36 months and must be maintained above this level
- b. Funds must be used for educational and leadership efforts
- c. Due to IRS regulations, the Foundation must reserve the right to reject any grant request

16. How does my chapter establish a CEF?

- a. Send a letter to the Foundation stating the name of the local alumni advisory committee and the chapter it will benefit.
- b. Execute Chapter Endowment Fund Agreement between the Triangle Education Foundation and the local advisory committee or donor(s).

