

Commonly Asked Questions Regarding Endowment Gifts to the Ponce de Leon Inlet Light Station

What is an endowed gift?

An endowed gift is a gift that the PILH Endowment Fund holds in perpetuity. The gift is invested and only a portion of its average annual investment return is used for restoration and artifact purchase. To guard against the eroding consequences of inflation, the remaining investment return is added to the principle. The goal is to ensure that the principal maintains its value over time. Thus a donor who creates an endowed gift today can be confident that it will grow and continue to support PILH in the years to come.

How are Endowments Managed?

The PILH Endowment is managed by the PILH Endowment Fund Committee. We will strive to preserve both the capital and the purchasing power of the Endowment. Our approach, in terms of investing strategy, spending policy and performance benchmarks is reviewed quarterly to ensure that the Endowment continues to grow.

What types of assets can be used to fund an Endowed Gift?

A cash gift is the easiest and most direct way to create an endowment with the PILH Endowment Fund. Endowments can also be established with gifts of appreciated securities that are publicly traded including mutual funds and stock from closely-held corporations. Donors have funded their endowments with gifts of real estate. It is even possible for a donor to create an endowment through a future gift from his or her estate.

Are there any tax savings from an Endowment Gift?

An Endowment gift offers both state and federal tax benefits to the donor. Depending on the type of asset given and the type of gift arrangement selected, it is possible for a donor to enjoy savings on income taxes (including capital gains) and even transfer taxes. The income tax savings can be immediate.

Can special arrangements be made for Endowment Fund Gifts?

In addition to creating endowed funds through outright gifts, the PILH Endowment Fund offers a full range of planned gift opportunities. These opportunities include bequests, charitable remainder trusts, charitable gift annuities, remainder interests, and charitable lead trusts. These gift plans allow donors to enjoy tax savings while turning appreciated assets into income for themselves or others.

The appropriate arrangement for each donor varies according to the donor's age, the type of asset being used to fund the endowment, and the donor's own financial needs and goals. Planned giving professionals are available to discuss the many methods and benefits of gift giving.