



## B'nai Mitzvah Endowment program—FAQs

### To whom can I donate the money?

The Foundation can make a grant to any other 501(C)(3) non-profit organization. Our bylaws limit us to making grants to organizations that support Jewish ideals, but is not restricted to Jewish organizations.

### How much money will be available to donate each year?

Beginning the second January that the fund is held at the Foundation, grant money will be made available for distribution. Annually, the Foundation determines the amount of money available from Endowments using a formula that takes into account market growth or loss and the balance in the fund. This can be anywhere from 3-7% of the value of the Endowment, with the average being 5%. At the beginning of each year, Endowment owners will be informed of the money available for distribution, and can be distributed anytime during that calendar year. For example, on average a \$10,000 endowment fund will create a \$500 distribution in the first year.

### Can parents help pay for the program?

It's important to the Foundation and our donor that the students have some ownership of their Endowment Fund. To us, that means using some of their own money to fund the program. It's okay if parents would like to help provide a portion of the cost, but the majority should come from the student's own money.

### What if I can't afford the full \$2500?

We recommend the Friends and Family Plan. Students can join together to help co-fund the Endowment. Each person would then serve on an advisory board for the fund, helping to decide on the distributions for each year. Students can start a fund with friends, siblings, or other family members.

### What are the tax benefits for participating?

The Foundation is a 501(c)(3) nonprofit organization. Anyone who contributes to the Foundation can claim the donation as a tax deduction on his or her income tax returns. Because most minors don't file income taxes, parents might want to make the contribution from their own accounts and be reimbursed by their child. Any additional money added to the fund in future years may also be tax deductible, depending on the tax laws at the time of donation. These statements should be evaluated by a tax professional for application to individual circumstances.

### What if I don't distribute all of the money I can in one year?

Money that is not distributed is reinvested into the Endowment to help grow the fund. Whether or not distributions are made each year are at the complete discretion of the Fund owner.

### What happens if I don't want an Endowment Fund any more?

Endowment Funds are permanent, and the money in the Endowment is non-refundable. If you decide that you no longer want to manage your fund, you may grant your fund to the Jewish Community Foundation of the West to manage according to the bylaws of the Foundation.

### How do I start?

Just get in touch with the Foundation at (916) 441-1613 or [director@jcfwest.org](mailto:director@jcfwest.org). We'll walk you through the paperwork and help you understand your role in the process. Once your \$2500 has been deposited with the Foundation, the matching funds will be moved into your endowment at the next transfer date. (*See the Grants Calendar at [www.jcfwest.org](http://www.jcfwest.org) for specific dates.*)