



Outcomes from endowment gifts

An initial \$4M endowment target (equal to Summit Educational Foundation) has been set:

- \$3M Permanent Endowment to provide a sustainable \$150k/year grant giving level
- \$1M Term Endowment to mitigate the impact of school budget shocks

Permanent endowment income available for spending is 5%, determined once a year based on a 12 quarter rolling average of the Permanent Endowment market value as of June 30 of that year.

Endowment pledge funding

An endowment pledge may be funded over up to 5 years. Examples are as follows:

Pledge Size	annual payments
\$ 1,000,000	\$ 200,000
\$ 500,000	\$ 100,000
\$ 400,000	\$ 80,000
\$ 300,000	\$ 60,000
\$ 250,000	\$ 50,000
\$ 200,000	\$ 40,000
\$ 100,000	\$ 20,000
\$ 75,000	\$ 15,000
\$ 50,000	\$ 10,000
\$ 20,000	\$ 4,000

A \$20,000 pledge is the minimum level required for a named endowment gift. Once fully funded, a Permanent Endowment pledge is estimated to provide \$1,000 a year in perpetuity, enough to fund two \$500 teacher grants a year. About 25% of grants are in this range. Grants at this level can have a significant impact on student well-being, promoting reading and literacy and comfortable learning environment year over year. Examples of past grants in this range include:

- Wellness programs
 - District-Wide GoZen Anxiety Busting Program for K-5
 - WAS-ECLC (Education Careers, Lifelong, Community) of Chatham Friendship Program
 - CHS Wellness Programs such as Fidget Cubes in the Classroom
- Literacy Initiatives
 - WAS Reading across all Genres,

- WAS Engaging Students with Big Books
 - SBS Elephant and Piggy Challenge
- Classroom of the Future Experience
 - Special Education classroom's Safety Rocking Chairs and inflatables
 - LAF Q-Ball Classroom Microphone

A \$50,000 Permanent Endowment pledge, once fully funded, is estimated to provide \$2,500 a year in perpetuity, enough to fund a \$2,500 teacher grant. About 60% of grants are in the 0-\$2,500 range. Grants at this level can fund needed equipment and furniture to support technology, classroom of the future furniture, the performing arts and student well-being that can be used over many years. Examples of grants in this range include:

- CHS Choirs and Chamber Orchestra's Study and Performance of the Mozart Requiem
- Classroom of the Future
- K-3 Kinesthetic Pedal Desk
- CMS Counseling Office and Classroom Furniture for the Brain
- K-3 Classroom Mobile Furniture Tables & Chairs to create Learning Spaces
- CHS Health & Wellbeing Classroom's Alternate Seating Options for Health Stressed Out Students
- CHS Environmental Science Aquaponics System

A \$100,000 Permanent Endowment pledge, once fully funded, is estimated to provide \$5,000 a year in perpetuity. About 90% of grants range from \$0-5,000, offering students innovative ways to engage in and out of the classroom. Examples of grants in this range include:

- WAS K-3 Quiet Recess Zone for students who prefer less physical activities
- STEM large format printers
- CHS Geometry Classroom Sphero Robots to solve real-life math problems through coding
- CMS Next Generation Interactive Flat Panel SMART Board Display

A \$200,000 Permanent Endowment pledge, once fully funded, is estimated to provide \$10,000 a year in perpetuity, enough to fund a \$10,000 superintendent or principal level grant. These grants typically impact many classrooms and a large percentage of students. Examples include:

- LAF Minds in Motion for students to be active while involved in small groups and independent learning
- CMS Read & Ride Classroom available for Independent Reading
- Mobile Smartboards to enhance effectiveness of learning in PE in CMS and CHS
- Kindergarten furniture to foster small, collaborative group learning
- District-wide Future-Focused Education Series for students and parents

A \$300,000 Permanent Endowment pledge, once fully funded, is estimated to provide \$15,000 a year in perpetuity, enough to fund three \$10,000 superintendent or principal level grants every two years. These grants typically impact many classrooms and a large percentage of students, as described above.

A \$500,000 Permanent Endowment pledge, once fully funded, is estimated to provide \$25,000 a year in perpetuity, enough to fund even the most significant grant. In addition to the above examples, this funded a collaborative K-12 district art show. This level gift would increase annual grant capability by 25%. This type of grant could also ensure hiring or retention of a part-time teacher or aide within the district.

A \$1,000,000 Permanent Endowment pledge, once fully funded, is estimated to provide \$50,000 a year in perpetuity, enough to increase the grants funded in a typical year by 50%.

Alternately, it could fully fund the target Term Endowment, which would mitigate the impact of a school budget shock in the event of a significant cut in NJ State Aid or other event. Currently, the School District of the Chathams receives about \$2,000,000 in NJ State Aid per year. In 2010, State Aid was cut by \$2,600,000. A \$1,000,000 cut in State Aid is equivalent to about 15 teachers.

A \$2,000,000 Permanent Endowment pledge, once fully funded, will provide \$100,000 a year in perpetuity, enough to employ an experienced teacher (including benefits) or to double the level of grants made to the district in a typical year.

Grant process

A rigorous process ensures that donor funds are spent wisely: Grants are developed by SDOC teachers and administrators following CEF guidelines. Once grants are approved by CEF's Board of Trustees and by the Board of Education, the funds are paid by CEF to SDOC. SDOC periodically reviews individual grant accounts and returns any unused grant funds to CEF. All grant recipients are required to submit a Final Grant Report, showing the expenditure of funds and describing the grant project outcomes, including any material improvements in teaching or learning that were gained. SDOC accounts are audited annually by an independent auditor.

Summary

Endowment giving is encouraged in amounts large and small. Bequests and planned giving such as charitable lead trusts and charitable remainder trusts are received with thanks. Endowment gifts of \$20k or more can establish a named endowment, with pledged donations spread over a period of up to five years.