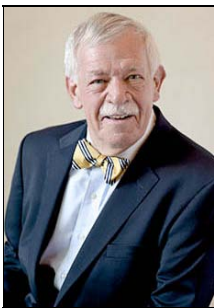




**First Things First**



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[www.fundraisingcounsel.com](http://www.fundraisingcounsel.com)



from the coastal-desk of  
**David T. Shufflebarger** | Senior Partner

## Fake News on Endowments

O.K., so it's not really fake news. But most folks keeping up on current events over the last year would think colleges are hoarding millions and even billions of dollars that could be used to help students and their families offset the increasing cost to attend.

Although that is not the case, Congress put a tax on about 30 of the largest private college endowments as part of its tax reform legislation.

So, you better have the financial literacy to explain the situation to donors concerned about the issue and possibly reluctant to make gifts to endowment. Here are some of the facts you will need to do so:

- An endowment is not just a pot of money set aside for use however an institution chooses. That total endowment number typically is made up of hundreds to thousands of individual funds established by donors who, in most cases, restricted the use of the income for specific purposes. While those restrictions include scholarships, they also include support for faculty positions and specific programs. Thus, the institution is not free to spend from those non-scholarship funds for student financial aid.
- Endowment funds come in different flavors. There are:
  1. **True endowments** where a donor specified that the gift be held in perpetuity and invested with only a portion of the income available for expenditure.
  2. **Term endowments** are just like true endowments, except the donor establishes them for a term of years after which the fund is no longer endowed.
  3. **Quasi-endowments** where the Board has decided that unrestricted gifts or miscellaneous revenue be treated as endowments but has reserved the right to change that restriction. These are often funds from estate gifts.

All three flavors can be unrestricted or restricted, and most are the latter.

**[But remember...there's more...](#)**

## Best of the Web:

### ***Social Media and Nonprofits***

The recently published **2018 Global NGO Technology Report** includes a survey of more than 5,300 NGOs across 164 countries. In its third year of publication, the report reveals how organizations - large and small - use multi-channel communications ranging from websites, email, online fundraising, social media, and mobile technology like smartphones and tablets.

The top take-away?

**A full 95% of the organizations believe social media is effective in raising awareness for their nonprofit organizations, but only 32% say they have put a social media strategy in place!** This finding clearly marks failed opportunities for non-profits to earn a place in the win column, especially when it comes to marketing strategy and donor visibility.

The Global NGO Technology Report complements the **Global Trends in Giving Report**. Both reports come from Nonprofit Tech for Good; check out their website and other reporting data [here](#).



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### **David King on BusinessX Radio**

Our President & CEO **David King** had an insightful conversation with **High Velocity Radio** hosts about how to strategically set a donor board up for success, pitfalls to avoid when planning a fundraising budget, and just how Alexander Haas helps "transform institutions that transform lives."

[Listen & learn something new today....](#)



We'd Like You to *Know...*

## Transforming Institutions

Welcome New & Returning Client Partners



**Austin Peay State University** in Clarksville, TN is a returning Client Partner. We have been retained to conduct a Campaign Strategy Study.



**Dalton State College** in Dalton, GA is a returning Client Partner. We will continue to provide Campaign Counsel.



**Husky Swimming Foundation** in Boise, ID is a new Client Partner. We have been retained to conduct a Leadership Interview Study.

[Take a look at our past and present Higher Education Client Partners.](#)

## Our Transformational Fundraising Services

You're just a jump away from learning about all the fundraising aids Alexander Haas has in its vault of Transformational Services.

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