



# GUIDE TO GIVING



NORTHERN ILLINOIS UNIVERSITY FOUNDATION



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NIU FOUNDATION



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**Northern Illinois University has designated the NIU Foundation as the charitable organization to receive and manage all gifts on its behalf.**

# INVEST IN OPPORTUNITY

Across campus and around the globe, Huskies are changing the world through their energy, hard work, and gifts to others.

Private support will help make NIU a first-choice destination for talented, determined young people who come with grit, imagination, and a hunger for learning.

Gifts to the NIU Foundation help the University remain one of the most recognized in the country for its combined emphasis on research and social mobility. This combination of opportunity and innovation maximizes NIU's long-term positive impact on our graduates, their families, our communities, and our regional economy.

Generosity from donors also supports world-class faculty and programs that foster innovation, ignite the spirit of entrepreneurship, and challenge students to think beyond the boundaries of their disciplines.

In short, donors empower NIU students to achieve their full potential.

With your help, we can continue to make an NIU education accessible to every qualified student who is willing to dream big and work hard.

The following pages outline the many ways you can support Northern Illinois University with a gift to the NIU Foundation.

## **NIU FOUNDATION MISSION**

To energize and connect the private sector with the NIU community to secure and steward resources that support the future and growth of NIU.

# AREAS OF IMPACT

## THE NORTHERN FUND: STRATEGIC PRIORITIES

Gifts to the Northern Fund are a vote of confidence in the University, its leadership, and its life-changing work. These gifts are a flexible and powerful form of private support in that they provide resources that can be directed to the University's highest needs, most urgent priorities, and areas of greatest opportunity. This funding gives NIU the flexibility to navigate and evolve in today's rapidly changing world.

The Northern Fund ensures that NIU can provide a world-class education, including internship experiences, state-of-the-art technology, cutting-edge curricula, and vital scholarships.

## SCHOLARSHIPS

Students are the heart of Northern Illinois University. Scholarships help make NIU a top choice by allowing the University to incentivize students from throughout the state and beyond. A scholarship is often the difference between a student attending or not attending college, especially for those who are first-generation or first in their family to attend college. Once these bright, talented students come to NIU, scholarship support keeps them in school as we transform them into proud Huskie alumni.

In fact, nine out of ten NIU Foundation scholarship recipients graduate.

The return on scholarship investments is manifold.

Not only do these funds give students a chance to achieve their dreams, recruitment scholarships drive enrollment and provide additional revenue for the University to continue its mission.

## OTHER PROGRAMS AND INITIATIVES

The best way to make a donation to benefit a specific college or program is to discuss your wishes with an NIU Foundation staff member. A member of the team can help you find where your philanthropic goals intersect with the needs of the University.

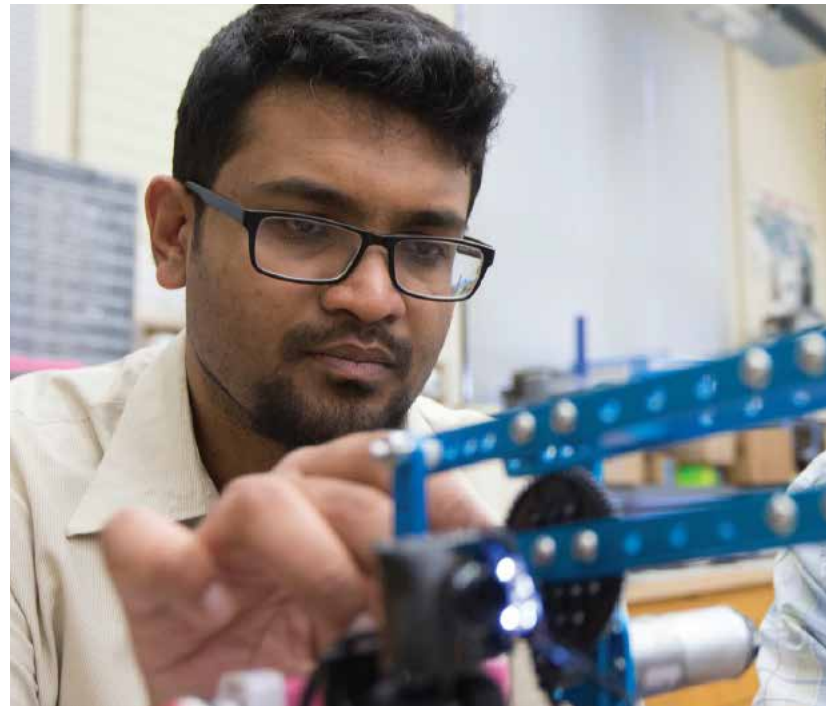


# WAYS TO GIVE

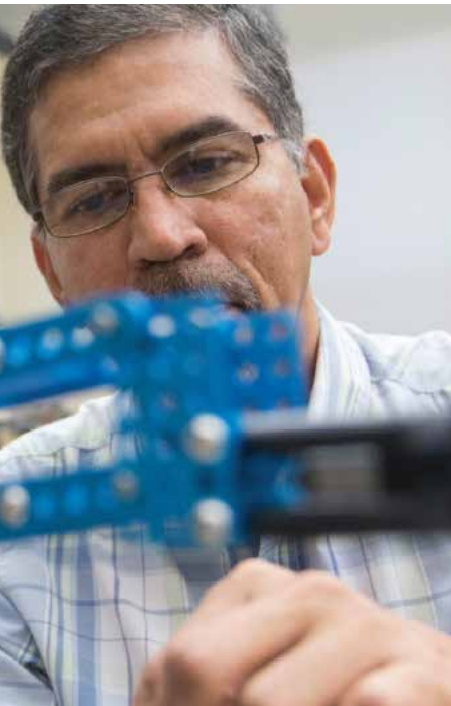
## OUTRIGHT GIFTS

One of the most simple and direct ways to make an impact at NIU is to make an outright gift through the NIU

Foundation. Outright gifts include cash (credit card and check), securities (stocks and bonds), real estate, tangible personal property, matching gifts and gifts-in-kind.







## **ESTABLISHING A NAMED FUND WITH THE NIU FOUNDATION**

Many donors choose to create a fund in their name or in honor of someone special. These named funds can be endowed or expendable, and an NIU Foundation representative will work with you to create a gift agreement. All funds are administered by the NIU Foundation in accordance with all applicable federal and state laws and NIU Foundation Board policies.



**Creating life-changing opportunities for our hardworking, dedicated faculty and students is our highest priority.**

**“The trustees of endowed institutions are the guardians of the future against the claims of the present. Their task is to preserve equity among generations.”**

**– James Tobin, Nobel Prize winning economist, Yale University**



# WAYS TO GIVE (CONT.)

## ENDOWMENTS

An endowment is a source of opportunity for generations of students who will one day impact our world in ways we have yet to imagine. An endowment gift provides this ongoing support because the gift itself is invested, and a portion of the earnings is used to fund scholarships or other priorities in perpetuity.

The NIU Foundation endowment provides a strategic base of funding to sustain excellence at NIU.

## MANAGEMENT OF THE ENDOWMENT PORTFOLIO

The long-term goal of managing an endowment is to balance spending and investment decisions. This helps to ensure that endowment gifts will provide support far into the future.

The NIU Foundation Endowment Fund is overseen by members of the NIU Foundation Board of Directors, all of whom are generous donors themselves. The Board's Investment Committee is comprised of talented investment professionals who generously volunteer their knowledge and expertise.

The Investment Committee conducts a thorough process to select and engage an independent consultant. This consultant assists in setting and executing the investment policy, which aims to meet the following objectives:

- Attain the highest possible total rate of return, commensurate with an appropriate degree of risk;
- Provide for growth of the market value of the principal to protect against inflation; and
- Generate cash flow to fund scholarships and other priorities.

All gifts to establish an endowment are immediately managed and invested when received. The fund will participate in the endowment earnings pool on the first day of the next calendar month. The endowment management cycle follows the fiscal year of July 1 - June 30.

# PROVIDING FOR SPENDING

An endowment gift is strategically invested in a broadly diversified portfolio to provide a cash flow that funds spending allocations, grows the principal value, and protects the fund from erosion due to inflation.

The portfolio strategy is designed to yield the best return with an acceptable level of risk.

The NIU Foundation pools endowed funds for efficient and effective investment. However, each endowment fund will retain its own identity and receive a proportionate share of the investment earnings. An administrative fee is charged to each participating endowment fund. This is currently set at 2% of market value, annually.

Investment earnings provide funds for spending allocations. Each year, the NIU Foundation Board of Directors approves the endowment management policy that sets the rate of spending.

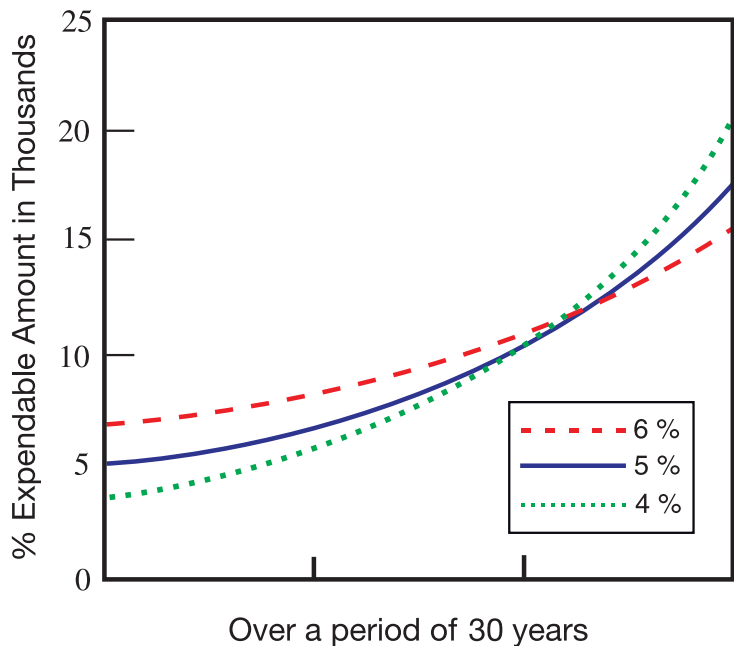
Currently the policy provides annual spending for:

- One percent of the market value to be invested in the University’s comprehensive fundraising campaign, a key strategic University priority for which the endowment plays an important role; and,
- Four percent of the three-year moving average of the market value at June 30 each year for scholarships and programs.

The remaining earnings are retained in principal to build the value of the fund over time to keep up with erosion in value caused by inflation.

There may be times when a specific endowed fund does not have investment earnings to provide a spending allocation. The NIU Foundation Endowment Management Policy does not provide for spending from the original gift value when this occurs. You may wish to consider providing an expendable gift to ensure the fund’s impact during these times.

## IMPACT OF SPENDING RATES OVER TIME COMPARING DIFFERENT SPENDING FORMULAS





## TIMING OF AWARDS

At each fiscal year end on June 30, the portfolio will be valued and spending allocations will be determined. These allocations will be available on July 1 of the following calendar year.

To begin the impact of your gift during the first year that your fund is invested in the endowment portfolio, you may choose to make an expendable gift.

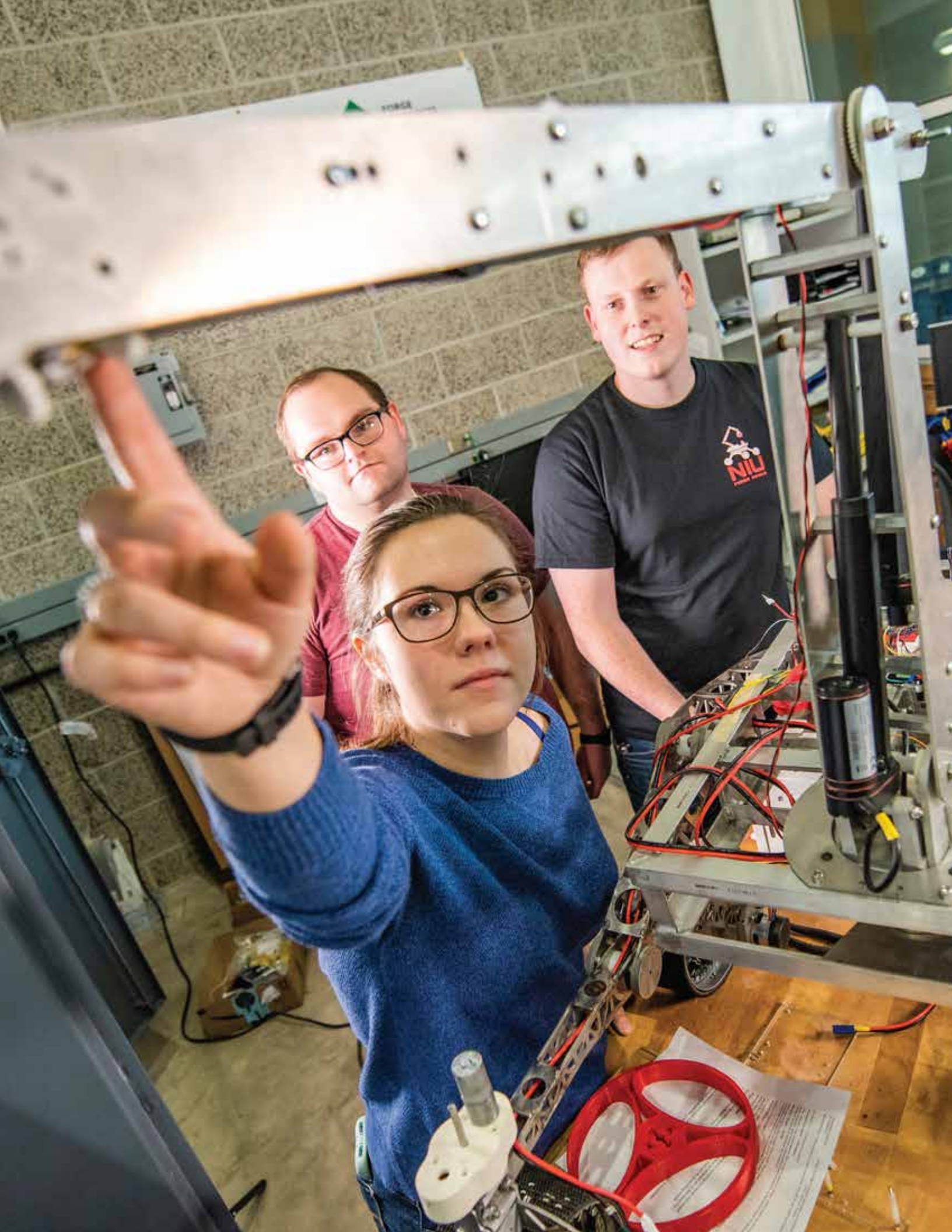
### EXAMPLE:

In August, a donor provides a generous gift to establish an endowment for general scholarships. The fund will participate in the endowment earnings pool on the first day of the next calendar month.

When the fiscal year ends on June 30, the portfolio will be valued. After the NIU Foundation receives the investment returns, spending allocations are determined and will be available on July 1 of the following calendar year.

Since this donor would like to see a scholarship awarded before the allocation is available, he or she makes an expendable gift of \$1,000 to begin awarding the scholarship.

New expendable allocations are made available on July 1. Units across campus assist in getting these funds awarded to support their intended beneficiaries. There may be years when the funds remain unspent. If at June 30 there is more than one year of unspent funds and a balance over \$1,000, the unspent allocations are, by policy, reinvested to build the principal of the endowment. This helps grow future expendable allocations and award funds during years when the capital markets do not provide earnings to support spending.



## **YOUR ENDOWMENT AGREEMENT**

To ensure donors' intentions of providing support in the best interest of NIU and its students, the following provisions are incorporated into every endowment agreement. For your convenience, a summary of these terms and conditions is provided below.

## **MANAGEMENT OF THE FUND AS AN ENDOWMENT**

The assets of the fund may be consolidated or pooled for investment purposes with the general endowment or other assets of the NIU Foundation. The fund will be developed, managed, invested, and distributed in accordance with applicable laws, and the policies, terms, and conditions as established by the NIU Foundation Board of Directors. Reasonable fees associated with securing, raising, investing, and administering the fund will be charged to the fund.

## **FUTURE CHANGED CIRCUMSTANCES**

Your endowment fund's goal is to provide support for NIU and its deserving students in perpetuity, which is a very long time, indeed. At the same time, we know the world will continue to change, and the University and its programs will continue to evolve to meet changing needs. There are times when it is no longer possible or practical to carry out the original purpose of a fund (e.g., a program or career field that becomes obsolete).

In these instances, the NIU Foundation Board of Directors will ensure your gift continues to make the meaningful impact you intend, far into the future.





## **GROWING-TO-ENDOWED FUNDS**

A growing-to-endowed fund allows you to build a named fund to endowment level over time through additional giving. Contributions to your growing-to-endowed fund can also be made by other donors. Once your fund reaches the minimum endowment funding level, it will become endowed.

To reach endowment level, your growing-to-endowed fund would need to reach one of the following funding levels:

- \$25,000 for endowments for strategic priorities or general scholarships.
- \$50,000 for endowments designated for other use.

Together, you and an NIU Foundation staff member will establish a payment schedule for your growing-to-endowed fund that will be outlined in your gift agreement.





## **NAMED EXPENDABLE FUNDS**

Creating a named expendable fund is an excellent way to establish immediate support for scholarships, faculty, or a specific program. A gift for a named expendable fund is not invested as part of the NIU Foundation endowment pool but is instead managed and distributed to support an immediate need. Additional contributions can be made to the fund at any time. Many donors begin giving through a named expendable fund with a plan to endow their support over time.

## **HOW TO ESTABLISH A NAMED EXPENDABLE FUND**

Your named expendable fund can be created with an outright gift or with a pledge for a minimum of \$10,000. You and an NIU Foundation staff member will establish a payment schedule for your named fund that will be outlined in your gift agreement.

# PLANNED GIFTS

## BEQUESTS

Bequests are gifts that you make to the NIU Foundation in your will or trust. A charitable bequest can be a percentage of your estate, a specific dollar amount, or a specific item(s).

## LIFE INCOME GIFTS

### CHARITABLE GIFT ANNUITY

If you are over age 50, a Charitable Gift Annuity (CGA) allows you to receive fixed payments, as well as an income tax deduction. This gift may be funded with appreciated assets or cash. Payments can begin immediately or be deferred. Deferred CGAs provide higher rates.

### CHARITABLE REMAINDER TRUST

A Charitable Remainder Trust allows you to receive payments and an income tax deduction. You can receive payments for your lifetime or for a period of years. When the trust matures, the remainder benefits NIU through the NIU Foundation. The trust can be funded with appreciated assets or cash.

### CHARITABLE LEAD TRUST

A Charitable Lead Trust provides annual income distributions to the NIU Foundation for a fixed number of years. At the end of the period, the assets of the trust return to you or transfer to your heirs, depending on the type of lead trust you establish. The trust can be funded during your lifetime to provide you with an income tax deduction.

## BENEFICIARY DESIGNATIONS

### IRAS

You can name the NIU Foundation as beneficiary of your IRA or other retirement plan assets.\* These assets are the most tax-efficient way to make a gift. These gifts could be subject to income taxes and estate taxes when individuals are named as beneficiaries.

### LIFE INSURANCE POLICIES

You can name the NIU Foundation as beneficiary of your life insurance policy.\* If you no longer need the protection provided from these policies (such as a mortgage policy, child's education, or a policy provided by employers), they are effective and easy ways to make a gift to the NIU Foundation.

*\*Naming the NIU Foundation beneficiary of the above assets is as simple as contacting your retirement plan administrator, insurance company, or financial institution for a change-of-beneficiary form. Identify the percentage you want to give to the NIU Foundation and return the completed form to the plan administrator, insurance company, or financial institution.*





## FUNDING THE FUTURE

NIU alumni and friends understand the vital role private support plays in the life of Northern Illinois University and the profound impact it has on our students.

Each year, thousands of these donors become philanthropic leaders by providing gifts to support NIU students and to help create a transformational learning environment.

One of the University's most powerful sources of funding comes from unrestricted gifts.

This support allows the NIU Foundation to seize emerging and existing opportunities to help support the University. Unrestricted funding also supports the increasingly important mission of private fundraising through the NIU Foundation.

Public universities like NIU employ a variety of methods to secure vital unrestricted funds. These methods include placing priority on unrestricted solicitations, using operating monies available to the University, assigning a modest portion of the endowment for unrestricted use, and designating a portion of each gift as unrestricted.

The unrestricted portion of each gift helps position the NIU Foundation to be the strategic partner that NIU needs and deserves. This portion is determined as follows:

- When a donor makes a gift to support student scholarships or a specific campus program or initiative, 95% of the gift will support student scholarships or the specific campus program or initiative. Five percent of these restricted gifts will support The Northern Fund — a pool of unrestricted support.
- When a donor makes an unrestricted gift, 100% goes directly to the Northern Fund.

The NIU Foundation pledges to its donors, and those who benefit from their generosity, to be a vigilant steward of donor gifts; to be judicious and efficient as we spend funds for development purposes; and to be transparent and ethical in the methods we employ to raise funds to support our students, faculty, and programs.

A photograph of several statues on pedestals, silhouetted against a warm, orange sunset sky. The statues are classical in style, with some holding objects. The scene is peaceful and evokes a sense of history and tradition.

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# MAKING YOUR GIFT TO

## PAYMENT METHODS

You can make your gift via credit card, check, money order, or through publicly traded stock, closely held securities, mutual fund shares, gift in kind/tangible personal property, equipment, art, books, etc., items that are “related use,” and real estate.

### ONLINE

The NIU Foundation giving page is convenient and secure. You can make a one-time gift or set up recurring payments. Payroll deduction forms for NIU faculty and staff are also available online. Visit [www.niufoundation.org](http://www.niufoundation.org).

### MAIL

Forms to make a one-time credit card or check gift are available at [www.niufoundation.org](http://www.niufoundation.org). Please make checks payable to “The NIU Foundation” and send your completed form to:

The NIU Foundation  
PO Box 746  
DeKalb, IL 60115

### PHONE

Call 1-877-GIV-2-NIU (1-877-448-2648) and a friendly representative will process your credit card gift.

### IN PERSON

Visit the NIU Foundation Office at  
Altgeld Hall 134,  
Northern Illinois University,  
DeKalb, IL 60115.



# THE NIU FOUNDATION

## MINIMUM FUNDING LEVELS

### ENDOWMENTS

- Strategic Priorities and General Scholarship: \$25,000+
- Scholarships with one restriction on student selection (e.g. academic merit, financial need, specific major of study): \$50,000+
- A growing-to-endowed fund option is available that allows three to five years to build up to the minimum funding levels of \$25,000 and \$50,000.

### ACADEMIC ENDOWMENT MINIMUM LEVELS

Dean's Chair: \$2 Million

Faculty Chair: \$1 Million

Professorship: \$500,000

Lectureship: \$100,000

### NAMED FUNDS

\$10,000+



# NIU FOUNDATION

## **CONTACT US**

The NIU Foundation, PO Box 746, DeKalb, IL 60115

1-877-GIV-2-NIU (1-877-448-2648)

[www.niufoundation.org](http://www.niufoundation.org)