

THE CATHOLIC FOUNDATION IN THE ARCHDIOCESE OF DUBUQUE

— Sustaining a Vibrant Catholic Faith —



How CFAD Connects Material and Spiritual Resources for a Vibrant Catholic Faith in the Archdiocese of Dubuque Area

A White Paper on Your Foundation for Our Catholic Community

While the Catholic Foundation in the Archdiocese of Dubuque (CFAD) incorporated in 2011, people continue to learn about it each day and naturally have questions. Most of them revolve around three main themes: 1) our purpose, 2) giving opportunities and 3) fund management and operations.

CFAD Purpose

CFAD's mission is to sustain a vibrant Catholic faith in the Archdiocese of Dubuque through professional financial planning. We assist donors who wish to provide for the long-term needs of Catholic organizations, and mainly those in the geography of the 30-county Archdiocese of Dubuque.

We uphold and enhance the evangelization, spiritual, educational and social service ministries of Catholic organizations through legacy giving and charitable investment services. Our vision is to endow financial support for our Catholic community. With CFAD, you are specifically helping drive the mission of the Catholic organization you choose to support as well as the larger mission of sustaining the faith.

CFAD Giving Opportunities

CFAD has two primary ways to express your values through giving, endowments and donor advised funds (DAFs).

Endowments give a charitable donation eternal life. When a fund is set up as an endowment, the gift is invested for an infinite time horizon. Over time, the initial gift will grow, and from that growth, the Catholic organization(s) designated to benefit from the fund will receive regular distributions now and in the future. While it is true that Catholic organizations need money now to operate today, endowments make transformative change last through sustaining the future.



DAFs are charitable giving accounts established by an individual, family or company that CFAD then invests and from which the donors make charitable giving recommendations to one or more Catholic organizations they want to support. Donors receive tax benefits when contributing to a DAF and can use them for their regular giving now and/or in the future.

When donors set up a fund, they advise as to which organization(s) will benefit from the fund as well as the purpose for which the funds are to be used. Since CFAD is an independent foundation incorporated as a public charity, donations are protected from being used for other purposes. You direct how you want your fund to be used — whether it be for your church or another Catholic organization. The Archdiocese of Dubuque does not control your fund, nor does it own it.

Establishing an endowment or DAF can be done through traditional gifts of cash or other assets and through planned gifts. CFAD accepts and processes most types of gifts in addition to cash and securities, including real estate, grain, trusts or other appreciated assets. We work with Catholic organizations and individual donors on transferring these kinds of gifts to a CFAD fund as well as on helping them with planned giving.



Planned giving is a special type of donation that designates now how one would like part or all of his or her assets to be donated at a later time, most often at the time of the donor's death. Planned giving gives the donor an opportunity to provide a meaningful gift to one or more organizations that embody the values of the donor. Planned gifts can be designated to go toward or establish an endowment so that this legacy gift continues to offer benefits in perpetuity.

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Planned gifts can be in many forms and most often are made through wills or trusts. CFAD can discuss various tools and provide general information to you. We do not provide tax, legal or financial services, and so encourage you to take the information you learn from CFAD to your personal financial advisor for information specific to your situation.

Donating to an existing fund or establishing a new one with CFAD supports the universality of the Catholic Church through a foundation with the vision to endow financial support for our Catholic community.



CFAD Fund Management & Operations

CFAD's 13-member board of directors from throughout the northeast Iowa area and representing a variety of professional fields manages the organization. CFAD's executive director oversees day-to-day operations. Sub-committees of the board and an investment consulting firm that specializes in nonprofits round out the partnerships working in the best interest of the mission and the people who support it.

CFAD takes very seriously the intent of donors and the required laws related to investing these donations, including regularly reviewing the needed investment policy and having a diversified portfolio to minimize risk and maximize return. Taking the long view, CFAD's investment policy is to maximize returns while considering liquidity needs and other factors, such as inflation. Additionally, CFAD engages in Catholic socially responsible investing. This typically comes with extra cost; with CFAD, funds are pooled with multiple other CFAD accounts, which minimizes fees.





Because we offer many services for our donor and organization clients that require administrative, compliance and investment expertise and management, CFAD charges a small fee on the investments. CFAD's outside investment fees are comparable to others. Our overall expense-to-asset ratio, which includes consulting and administration fees, is lower than most alternatives. Plus, your account is leveraged with hundreds of other accounts in the millions of dollars, offering CFAD more opportunities in which to invest at a lower cost. Funds are comingled for reporting purposes and leveraging investments only. Individual accounts transform those organizations they help, and combined together, create significant opportunity in sustaining a vibrant Catholic faith.

For parishes and their related cemeteries in the Archdiocese, it is helpful to know how funds with CFAD affect something called "taxa," or the amount churches pay for the support services they receive from the Archdiocese, such as human resources, faith formation, IT, education and pastoral care. All CFAD investments are excluded from the taxa formula, which states that when determining parish income, 20 percent of year-end balances of all investments held outside of the Archdiocese is added. Additionally, bequests to CFAD designated for your parish are not taxed. They are if they are held directly with your parish (unless they are for education purposes, which are not subject to taxa).

CFAD, a 501(c)(3), nonprofit, charitable organization, manages more than 200 funds with over \$100 million in assets, all benefiting entities within the Archdiocese of Dubuque. CFAD is in the top quarter of the 181 Catholic foundations in the U.S. as far as assets under management. Just like any foundation, our reputation and future are based on your trust. Our track record speaks for itself. It is in our mission, it is in our bylaws and we are bound by a higher power to follow our mission.