



The Agency Endowment Fund

What is it?

An “Agency Endowment Fund” at the Community Foundation gives nonprofit organizations an endowed fund in their name that provides the organization an unrestricted and perpetual source of annual support. The Community Foundation provides investment management, fund reporting, planned giving assistance, and other technical aid to maintain the level of charitable distributions and to grow the endowment so that it can provide increasing amounts of annual support over time.

Uses and Purposes:

Agency endowment funds are established at community foundations across the United States to help nonprofit organizations preserve the future of their services and to protect vital community interests. These funds serve as a safeguard against changing economic conditions that can cause public support to decline. Agency endowment funds create a new source of annual income for nonprofits. As this endowment grows with new bequests and other gifts, so will the agencies long term sustainability.

The Community Foundation distributes 5% of the market value of its funds annually for unconditional use by the named agency, unless donors add restrictions.

Benefits:

1. Long-term Community Foundation staff commitment to provide planned giving marketing assistance and other technical support to your Board of Directors and senior staff, including cultivation and solicitation of the agency’s prospective donors
2. Professional investment of funds under the supervision of experts
3. Fund management, oversight and reporting handled cost-effectively at the Community Foundation so it does not divert staff or board resources of your nonprofit agency
4. Assurance to donors and beneficiaries that: a) the funds remain separate from operating funds; b) gifts will be safeguarded for the agency, and c) the money will stay in the community
5. No additional fees for annual legal work, audits, federal and state regulatory reports, donor reports, fund accounting, and meetings with prospective donors

Size:

There is no limit to the maximum size of agency endowment funds. The sum of \$1,000 minimum is required to start an endowment. The sum of \$5,000 must be attained within a 5-year period before distributions commence.

Cost:

The Community Foundation charges an annual contribution of 1.25% of the market value of all component funds to help us cover costs associated with the maintenance and advancement of your fund and our community services. Fees are charged by our money managers for investment services but these costs are deducted from the investments themselves and are closely monitored by the Foundation.

How to Set Up the Funds:

A simple agreement provided by the Community Foundation to be signed by authorized signatories on behalf of the agency and the Community Foundation.

Contact:

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