

Endowment Funds ensure that your donations:

- ✓ Remain in the fund forever.
- ✓ Build a permanent fund at the Foundation.
- ✓ Grow as they are invested along with the rest of the endowed funds held by the Community Foundation to maximize returns.
- ✓ Provide grants for the charitable purpose stated in the fund agreement.
- ✓ Contribute to a better quality of life for our community in perpetuity.

Endowment Funds provide excellent benefits:

- ✓ A gift to the Community Foundation will simplify your charitable giving.
- ✓ The Foundation qualifies as a public charity under federal tax law.
- ✓ The Foundation has the responsibility to be aware of changing conditions in the community.
- ✓ A gift establishing a permanent fund with the Foundation will continue to benefit the community forever.
- ✓ The Foundation ensures the best use of each gift through the professional research of the staff and present judgment of the Foundation's Distribution Committee and the Board of Directors.
- ✓ Monies are used for the public interest, and all grants are publicly disclosed.
- ✓ Management and administration of your endowed fund.
- ✓ Grants can be made based on our spending policy allows donors to award 4.5% of a 3 year moving average of quarterly market values.

Endowment Funds allow us to serve you with our expertise:

- ✓ Gift processing, including tax-deductible receipt mailed to donor
- ✓ Donor list sent to fund advisor, if requested
- ✓ Invested with larger amounts of money, leveraging the return on investment
- ✓ A finger on the pulse of community to make you aware of current needs
- ✓ Professional staff keeping abreast of federal, state, and local regulations
- ✓ Annual audit to ensure transparency and accountability.
- ✓ Opportunities for friends and family to make memorial or honorary gifts to the endowment.
- ✓ We are your local charitable clearinghouse improving the quality of life in our community.
- ✓ Option to donate a variety of gifts in many ways including online via credit/debit cards.

Endowment Funds offer minimal fees with maximum simplicity:

- ✓ Annual Fee – Calculated quarterly, based on the average quarterly balance with 1.5% charged to fund, unless a scholarship recipient is chosen by the Foundation's scholarship process in which 2.0% is charged.
- ✓ Endowment Fund reports will be distributed after March 31, the end of our fiscal year. Any additional reports will be processed for \$5.00 per report requested.
- ✓ Foundation-addressed donation envelopes are available for \$0.05 each envelope.
- ✓ Out-of-pocket expenses incurred relevant to the administration of any fund will be charged to that fund.
- ✓ If unusual services are requested and rendered, the Foundation will process a mutually agreed upon fee.

Spending Policy

The objectives of the Board have been established in conjunction with a comprehensive review of the current and projected financial requirements. The objectives are:

1. To allocate total earnings from the Foundation's endowment portfolio between current spending and reinvestment for future earnings while providing a dependable growing stream of income to beneficiaries of Foundation grants. Achievement of these objectives will ensure that the Fund preserves the real purchasing power in perpetuity while providing ongoing operational support to designated charitable activities.
2. To apply a smoothing rule to mitigate the effects of short-term market volatility on spending. The following smoothing rule will be applied:
Foundation's spending policy is to spend 4.5% of a 3 year moving average of quarterly market values. In the early stages of fund accumulation, however, the Finance Committee may recommend and the Board may adopt an interim spending policy of 4.5% of a one year moving average of quarterly market values. This spending policy establishes the resources available for grant spending only. Operating expenses are outlined in the following paragraph. Amounts which remain unspent at the end of the year may be carried over for disbursement in the following years.
The Foundation will assess a 1/4 of one percent administrative fee, on a quarterly basis, to all endowed funds. If a scholarship fund recipient is chosen by a committee of the Foundation, then an additional 1/8 of one percent will also be charged quarterly. This fee is used to offset expenses associated with managing and administering all endowed funds.
3. The Finance Committee, with Board approval, reserves the right to take exception to the set Spending Policy in order to meet current conditions.
4. To control both administrative and investment cost.
5. To maximize return within reasonable and prudent levels of risk.
6. To maintain an appropriate asset allocation based on a total return policy that is compatible with a flexible spending policy, while still having the potential to produce positive real returns.

Time Horizon

The investment guidelines are based upon an investment horizon of greater than five years, so that interim fluctuations in market value should be viewed with appropriate perspective. Similarly, the Fund's Strategic Asset Allocation is based on this perspective.