



community  
foundation

# Organization Funds

Build capacity and provide long-term support for your nonprofit



Organization Funds offer a simple and efficient way for your nonprofit to build capacity and provide long-term support for your mission, helping you Impact Today and Transform Tomorrow!

## How Does it Work?

- 1 You make a gift to the community foundation to establish your fund.
  - 2 We set up two accounts- one for long-term support, and the other for instant access, giving you the utmost flexibility for your organization's needs.
  - 3 We grow your fund by investing the assets for long-term growth.
  - 4 You request money when you need it, and we mail you a check.
- Minimum to Establish Fund: \$10,000
  - Spendable: Varies- See FAQ
  - Administrative Fee: 1% based on a daily average of the fund balance

## Consider an Organization Fund if You:

- Are a 501(c)(3) nonprofit organization or a church
- Want to provide your organization with a permanent source of revenue for financial sustainability
- Need a simple and efficient way to manage an endowment so that you can focus on your mission and day to day operations
- Want more giving options for your donors who wish to include you in their estate gift.

CONTACT US AND WE WILL CONNECT YOU WITH YOUR LOCAL FOUNDATION

785.823.1800 • [foundationservices@gscf.org](mailto:foundationservices@gscf.org)

# Frequently Asked Questions: Organization Funds

## Is there a minimum to start the fund?

A fund can be established with any size gift, but it must reach the minimum required fund balance before any grants can be made from the fund. You have five years to reach the required minimum.

## How is the administrative fee charged?

An annual administrative fee is charged to the fund based on the current fee schedule. This fee is charged at the beginning of the new fiscal year (July 1) and will show up on your September quarterly statement. The minimum annual fee is \$250.

## How much money can I request from my fund every year?

Organization funds are comprised of 2-3 separately managed accounts- an "endowed," "non-endowed," and "restricted." The "non-endowed" account has no restrictions, and the "endowed" and "restricted" accounts are restricted to the current spending policy, or 5% of a 16-quarter rolling average.

## How can I access money from my fund?

All money must be requested by the organization through our online donor portal or organization fund recommendation form. Money from the "non-endowed" account may be requested at anytime.

Money from the "endowed" and "restricted" accounts must be requested August 1-June 30, and be invested at the Foundation for at least 4 quarters. Money not requested from these accounts by June 30 will be reinvested into the principal of the account.

## How many times may I request money from my fund?

You may request money from you fund as many times as you would like (\$250 min. per request).

## What can I use the money for?

Money from organization funds can be used for anything that supports your organization and mission.

## How can I check my fund activity?

You can check your fund activity anytime through our online donor portal. Our office also sends out quarterly fund statements outlining the fund balance, available to spend, market activity, and donations.

## What types of gifts can be donated to my fund besides cash?

We can accept many different types of noncash gifts including retirement plans, stocks, cryptocurrency, life insurance, grain, livestock, closely held stock, real estate and tangible personal property.

## How are my funds invested?

Your funds are invested for long-term growth through a balanced portfolio consisting of 75% equities and 25% fixed income and cash. The foundation's finance committee oversees the investments and uses a passive approach by using low-cost Vanguard index funds. See chart below to see how your fund can grow!

You may also choose to invest your funds in one of our socially responsible investment (SRI) pool(s) or continue to use your own outside fund manager. If you choose to use your own fund manager, there is a minimum fund balance requirement.



(Assumes 5% annual payout, with a 1% administrative fee and an 8.5% rate of return)

# Organization Fund: Mechanics Deep Dive

## Why are there multiple accounts in my fund?

Due to financial accounting standard FAS 136, all organization funds are comprised of at least two separately maintained accounts- a non-endowed account, and an endowed account. Each account has its own spending policy and gifts are placed in the funds based on who made the gift- the donor or nonprofit. Here's how it works:

## How Does it Work?

- 1 You make a gift to the community foundation to establish your fund.
- 2 We set up two accounts- one for long-term support, and the other for instant access, giving you the utmost flexibility for your organization's needs. A third "restricted" account can also be set up upon request for money that your organization wants to permanently restrict in an endowment.



**A \$10,000 balance must be maintained between all accounts in order to request money.**

Note: All accounts are invested in the same investment portfolio.

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