



AGENCY ENDOWMENT FUND START-UP

We are delighted that the **NONPROFIT NAME** has chosen to establish an Agency endowment fund at the Community Foundation of North Florida! There are many benefits that accompany creating an endowment at CFNF such as having:

- an additional source of annual revenue from fund grant distributions
- a vehicle for your donors to leave your Agency endowment a Legacy Gift
- online access to view fund activity as needed
- expert professional investment management of the fund
- the benefit of CFNF fund holders receiving information about your organization
- ongoing direct support and resources from the Community Foundation

Creating the Agreement

When setting up an endowment, there are several things to consider for helping to ensure the fund will exist in perpetuity as well as provide as a significant source of additional revenue. Provided below are the basic steps to creating an Agency Endowment Fund Agreement.

1. Secure an Establishing Gift

- The minimum amount to establish an endowment fund at CFNF is \$10,000.

2. Name the Fund

- Nonprofit endowment funds must be created in the name of the nonprofit organization, and not that of an individual person. It is suggested that the fund name reflect the name the nonprofit organization is “doing business as.”

3. Identify Annual Fund Support

- Although the minimum amount to establish a fund at CFNF is \$10,000, we strongly encourage all fundholders to determine and establish a reliable source of annual giving to the fund.
- One option to consider for growing the fund would be to elect to forego annual grant distributions and instead roll the amount of those distributions back into the balance of the fund for continued growth.

4. Consider CFNF Fees

- CFNF prides itself in providing our fundholders personal service to help support the growth of their fund, the ability to promptly answer questions, and provide information as well as offer resources specific to the needs of an organization's endowment.
- The CFNF administrative fee for an Agency endowment fund with a balance under \$50,000 is the greater of 1.75% or \$175 annually. Annual fees for Agency funds with a balance greater than \$50,000 reduce to 1.5% annually.

5. Finalize the Agreement

- Once your organization is ready to move forward, please contact Sarah Stout, Director of Donor Relations at sstout@cfnf.org or (850) 222-2899 and she will work to prepare a fund agreement for your review and execution.

Managing the Fund

Below is basic information about fund management. Once the agency endowment agreement is finalized, CFNF will provide detailed information for managing the fund including, topics such as online fund access, resources for supporting endowment growth, strategies for promoting the endowment to your donors, and other helpful information.

DonorCentral

- CFNF uses DonorCentral, an online grant software program which allows fundholders to view activity and information about the fund. DonorCentral access is given to the Executive Director or President/CEO of the nonprofit organization and will be provided to any additional employees as directed by the organization.
- DonorCentral has two primary uses for an agency fundholder, access to quarterly fund statements as needed and the information for making annual grant distribution requests.

Annual Grant Distributions

- Annual grant distribution amounts are calculated at the end of each calendar year and available spending amounts are based on the CFNF board approved 4% spending policy. The spending policy is reviewed and approved on an annual basis. Agency funds must have a fund balance greater than \$10,000 in order to have an annual spendable balance.
- Agency fundholders are not required to take the available spending balance each year and again you may consider electing to forego an annual grant distribution and instead roll the amount of those distributions back into the balance of the fund for continued growth.

We're looking forward to assisting **NONPROFIT NAME** establish an endowment fund to help ensure your organization has long-term sustainability!