



## Agency Endowed Match Opportunity 2021-2022

**In honor of our fifth anniversary, The Foundation for Delaware County invites Delaware County nonprofit organizations to establish a permanently endowed fund at the foundation. As an incentive, from now until June 2022, we will offer a 1:5 match for all new endowments with a minimum of \$25k – up to \$100k.**

### Why are we doing this?

**It's our MISSION!** The Foundation for Delaware County (TFDC) exists to create a permanent source of community capital benefiting the residents of Delaware County in perpetuity.

**A healthy and vibrant charitable sector is critical to keeping our community strong.** Beyond grant-making, we support local organizations with training, networking opportunities, and specialized endowment fund management. As part of that focus, TFDC wants to encourage nonprofit organizations in Delaware County to establish and build endowment funds that support their long-term sustainability.

Our goal is to invite nonprofits to learn more about endowments, determine whether they are ready to establish one and if so, to consider partnering with us and receive the benefits of working with their community foundation. As always, we will manage the administration of the fund, the agency will benefit from our prudent investment strategies, and we will be available to consult with members of the organization to help them succeed in establishing and growing their endowment.

To learn more, read on.

### Why Establish an Agency Endowed Fund at the Foundation?

Establishing an agency endowment fund with us is a simple and efficient way to build an ongoing source of income for your nonprofit organization. This partnership allows you to focus on building the endowment to support and further your mission without the burdens of managing one.

Nonprofit endowment funds invest in the mission and the future of the organization by providing general operating support, stability during cyclical income variances, and income for areas of high importance to the organization. Funds are invested for long-term growth and eventually give back more than is put into them.

The fund can be established with a strict distribution policy to protect longevity; one that allows for an emergency distribution with board approval.

Nonprofit agencies that build an endowment with us benefit from distinct advantages over agencies that are building endowments elsewhere. Many investment managers require high minimums, often upwards of \$1 million, to manage a fund. At TFDC, you can begin to plan for the future NOW with a minimum contribution of only \$10,000. (You'll need \$25,000 to qualify for the match.)

Other benefits include:

- Reduced overhead and administrative costs. The foundation handles all gift processing, record keeping, tax reporting, administrative services, and audits.
- Professional investment management of the endowment, overseen by our Investment Committee and consultants.
- Competitive investment and administrative fees through economies of scale, due to the size and breadth of the Community Foundation.
- Public visibility of your organization's endowment through our community report, newly re-designed website, and social media.
- Easy acceptance of all types of gifts including cash, marketable securities, real estate, private business interests, insurance and other complex or non-cash assets.
- Technical assistance with major and planned gifts that benefit the endowment.

## How Endowment Increases Donor Satisfaction

Giving to an agency's endowment fund creates the opportunity for donors to leave a lasting legacy of support. A nonprofit organization with an endowment is sending a message to its donors that the organization will be here fulfilling its mission for decades to come.

An endowment fund at the community foundation gives donors peace of mind that investments are well managed. Donors interested in supporting endowment appreciate the difference in working with the community foundation, whose mission is to support the community today and establish a civic endowment to last in perpetuity, as the investment manager.

Donors want to see their contributions benefit your nonprofit and grow over time. The Foundation for Delaware County helps you and your donors by:

- Developing and monitoring an investment program guided by an expert volunteer committee and professional investment counsel.
- Assisting agencies in the marketing of planned gift opportunities and in helping donors achieve their philanthropic goals.
- Providing support to a donor's professional advisor to facilitate gift planning.

## Terms of the Match

Beginning July 1, 2021, the foundation will offer a 1:5 match to establish an agency endowed fund with the foundation, budgeting \$100,000 to match up to \$500,000 deposited by participating nonprofit organizations. For example:

- If one organization deposits \$500,000 it will receive a \$100,000 match.
- If five organizations each deposit \$100,000, they will receive a \$20,000 match per organization.

The minimum amount required to qualify for the match is \$25,000. The fund must be established during the foundation's 5<sup>th</sup> Anniversary year between July 1,2021 and June 30,2022 with at least \$10,000. The agency has until December 31, 2022 to raise the \$25,000 minimum required to receive the match.

TFDC will match the dollars in the fund as soon as it reaches \$25,000. If additional deposits are made during the established time-period for the match program, the foundation will match the additional dollars at the end of the month during which the deposit was made.

All nonprofit organizations that meet the criteria are invited to establish a fund. Once the foundation distributes the \$100,000 in matching funds to participating organizations, any additional match requests will be reviewed by the foundation board to determine further action. The match opportunity will end on June 30, 2022.

## Fund Distribution and Fees

As a permanently endowed fund, the agency will be provided with a fund statement at the end of the fiscal year and informed of the amount they are eligible to draw down. This amount will be based on the spending policy of the foundation. Agencies are invited to make the withdrawal, or they can choose to keep the funds in the endowment to enhance growth.

Agencies must have a minimum of \$25,000 in the endowed fund to qualify for the draw-down. A 1% annual administrative fee will be charged, billed monthly, along with the standard investment fee.

**Other Distributions:** In transferring its property to a fund at the foundation, the Agency intends to create a permanent endowment from which, as stated above, they are eligible to draw down once a year. However, distributions in excess of the foundation's spending policy may be made in a given year as determined by the governing board of the foundation.

Recommendations for such distributions must be requested through a resolution approved by 75% of the Agency's board. The Foundation retains variance power, but approval of such distributions will not be unreasonably withheld.

## Agency Qualifications

Participating nonprofits must meet all the requirements necessary to receive a grant from the foundation:

- Applicant must be a tax-exempt organization under any part of section 501(c)(3) of the Internal Revenue Code.
- Grassroots organizations, collaboratives, or coalitions may apply under the auspices of a tax-exempt fiscal sponsor.
- Agency must be headquartered in Delaware County.

In addition, the foundation will look for strong and experienced management. An active and diverse board is important to raising and utilizing endowments. Financial stability, accountability, a broad base of donor support, and a sound spending policy can maximize the benefits of an endowment.

Experienced fundraising staff, volunteers, and a donor base that is committed to the organization's mission and to providing long-term support will also help in raising funds for the endowment.

## At a Glance: Services Offered to Participating Agencies by the Foundation

- **Assessment and Fit – TFDC will:**
  - Work with organization’s leaders to determine readiness for planned giving program and for creating an endowment fund at the foundation
  - Establish Agency Endowed Fund when ready – agency selects fund name and description
  - Provide assistance with initial planning for endowment building and establishing planned giving goals
  
- **Fund Management Services:**
  - Secure online giving and personalized acknowledgments
  - Professional investment management currently provided by PFM Asset Management LLC\*
  - Planned giving and donation assistance with complex assets
  - Online access to fund information
  - Monthly fund report
  - Annual check-in meeting with Board and senior staff (investment report, etc.)
  
- **Communications Support:**
  - Promotion of agency featured throughout our marketing channels, including fund listing and logo on foundation website
  - Sample materials and messaging for agency to share with prospective donors, assistance with site visit opportunities
  
- **Administrative Activity:**
  - Gift processing, legal, tax filings, reporting, accounting and audit
  - 24-hour on-line access to fund information
  - Processing of complicated gifts
  
- **Planned Giving/Endowment Fundraising – TFDC will:**
  - Consult, provide guidance and suggest resources for campaign planning & fundraising.
  - Assist with developing strategies for outreach to prospects and professional advisors.
  
- **Other capacity building opportunities** are available through the foundation’s Center for Nonprofit Excellence as well as the annual impact grantmaking program.

**Interested? Please contact Ellen Grill [egrill@delcofoundation.org](mailto:egrill@delcofoundation.org) for more information.**

*\* The investment committee meets at least quarterly with PFM for review. Our portfolio split is 67% equities, 25% fixed income and 8% alternatives. Since inception 1/1/2017, the portfolio has returned 11.8%, beating the benchmark of 10.4%. These returns are as of 6/30/21. All of our equities are in ESG rated funds and 25% of our fixed income portfolio just transitioned to ESG rated funds.*