

## **Community Foundation Nonprofit Organization Endowment Fund Guidelines**

### **Establishing a Fund**

The minimum amount to establish a nonprofit organization endowment fund at the Foundation is \$25,000. Additional contributions to the fund may be made by the nonprofit organization at any time. Acceptance of any non-cash contribution is subject to the Foundation's Gift Acceptance Policies and Guidelines. In addition, if any assets contributed to the fund were previously received by the nonprofit organization as donor-restricted gifts, such assets will be added to the fund only if such donor-imposed restrictions are specifically approved and accepted by the Foundation, in which case the Foundation will establish and account for a separate sub-fund within the fund to hold and administer such assets.

### **Tax Status of Funds**

Nonprofit organization endowment funds established at the Foundation are component funds of the Foundation, a 501(c)(3) public charity.

### **Variance Power**

All nonprofit organization endowment funds established at the Foundation are subject to the Foundation's "variance power," as set forth in its bylaws. The variance power gives the Foundation the authority to modify any donor recommendation or condition on distributions from a fund for any specified charitable purpose or to any specified organization, if in the sole judgment of the Foundation, such recommendation or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by the Foundation.

### **Restrictions on Distributions**

Nonprofit organization endowment funds are established solely to support the operations of the nonprofit organization establishing the fund. It is the intent of the Foundation and the nonprofit organization that the principal of the fund will be preserved in perpetuity. An annual distribution from the fund will be made to the nonprofit organization, the amount of which may be specified by the nonprofit organization at the time of establishing the fund. The nonprofit organization may specify either that the Foundation distribute a specified percentage of the fund's value, or that the Foundation distribute up to a specified percentage of the fund's value, in such amount as the nonprofit organization may direct in writing. In the latter case, the writing from the nonprofit organization must be signed by both the Executive Director/Chief Executive Officer of the nonprofit organization and the Chair of the Board of the nonprofit organization. For distribution purposes, the value of the fund is determined in accordance with the Foundation's valuation policies and procedures in effect from time to time.

Distributions from nonprofit organization endowment funds will be made only if they are consistent with the Foundation's charitable purposes and satisfy community needs identified by the Foundation as benefitting the public good.

### **Management and Investment of Assets**

Nonprofit organization endowment funds at the Foundation are the property of the Foundation, and are administered by the Foundation in accordance with these Guidelines and applicable laws, including the Internal Revenue Code and Colorado's Uniform Prudent Management of Institutional Funds Act, all as amended from time to time. The Foundation invests the assets in its nonprofit organization endowment funds in accordance with the Foundation's investment policies, as

amended from time to time. A nonprofit organization establishing a nonprofit organization endowment fund may choose to have the fund invested using the Foundation's asset allocation, or may choose its own allocation among the Foundation's pool of investments. For investment purposes, the Foundation may commingle the assets of a nonprofit organization endowment fund with those of other Foundation funds, so long as it maintains separate accounting records with respect to each fund. The Foundation may, in its sole discretion, delegate to its committees, officers, employees or agents authority with respect to investment of its funds. In addition, the Foundation may contract with and pay compensation to independent investment professionals, banks or trust companies.

**Fees**

Nonprofit organization endowment funds established at the Foundation are subject to administrative and investment fees. The current fee for standard administration of funds is as follows:

Less than \$1,000,000	1.00%
\$1,000,000 or more	.50%

The Foundation reserves the right to change its fee structure at any time. The Foundation may also pay or reimburse itself for all direct expenses it incurs in administering a nonprofit organization endowment fund. In addition, if the Foundation and the nonprofit organization agree, the Foundation may provide additional services with respect to the fund in exchange for an additional fee.

**Reports**

The Foundation will provide to the nonprofit organization quarterly reports showing the then-current balance in the fund and listing all contributions to the fund, distributions from the fund, fees charged to the fund, and net investment gains (losses) allocated to the fund during the period covered by the report.

**Please sign below to indicate that you have read and agree to these Guidelines.**

\_\_\_\_\_  
**Name of Nonprofit Organization**

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** Executive Director/CEO

**Date:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** Chair of the Board

**Date:** \_\_\_\_\_