



# THE COMMUNITY FOUNDATION

## ORGANIZATION ENDOWMENTS AT ROCHESTER AREA COMMUNITY FOUNDATION

Organizations that establish endowments at Rochester Area Community Foundation enjoy the advantages of complete investment management, administrative support, gift processing, public relations and publicity, and access to planned giving opportunities. The suggested minimum to create a fund is \$25,000. A fund may be started with an initial gift of \$10,000 or more if the organization has a working plan to increase the fund to \$25,000 within five years.

- **Investments** are diversified and managed using a total return concept, which produces a stable annual income for the organization's operations while ensuring sufficient growth to maintain the endowment's purchasing power. (Payouts are usually sent annually to the organization; other arrangements may be made.) Our investment returns are benchmarked against national indices. As of March 31, 2008, our 5-year average annual total return net of fees was 11.4% for funds invested for long-term growth, ahead of our benchmark index at 11.2%. Several different asset allocations may be requested. A chart of our most recent investment performance is enclosed.
- **Administrative support** includes annual auditing, bookkeeping, preparing and filing of federal and state information returns, legal oversight, board liability insurance, and all reporting. Current fees start at 1.0% of the market value of the endowment annually and are computed and charged quarterly. Fees may be increased at times of active fundraising\*. Extraordinary direct costs (e.g., brochures, consultants, special legal opinions) are billed to the fund.
- Our **gift processing** supports gifts of cash, public stock, bonds, retirement plans, insurance, and mutual funds, plus gifts of real estate, closely held stock, and other property (subject to a review of the property's marketability). Donors receive prompt, legally appropriate receipts for their gifts. The organization receives notification of these gifts and also receives quarterly financial reports, as well as access to online viewing of fund activity, which is especially valuable during periods of active fundraising\*. When gifts are to come directly to the Community Foundation, a prior review of publicity and other fundraising\* or communication material is required.
- In the area of **public relations**, our newsletter and biennial report regularly report on funds that receive outside contributions, including organization endowments. Organization funds are described on our website, [www.racf.org](http://www.racf.org), with instructions on how to donate to the fund and with links to your organization's website. Arrangements may be made to link directly to the site from your website.
- **Planned giving** support includes access to our pooled life income fund and charitable gift annuity programs; processing of life insurance policy premiums; planning for charitable remainder trusts and distributions from qualified plans; and referral to professional estate planners (where appropriate).

Under generally accepted accounting principles, your endowment fund at the Community Foundation can enjoy all of these benefits while remaining an asset of your organization.

Your fund may be maintained by the Community Foundation as a permanent endowment that forever provides a stream of income to your group or agency. If withdrawals from principal are to be permitted, guidelines must be established in the fund agreement at the time the fund is established. Thank you for considering the Community Foundation as a partner in supporting your future programs.

*\*All fundraising activities must follow the Community Foundation's fundraising guidelines, which are available upon request.*