



Designated Funds

Designated Funds are permanently endowed funds that support one or more specific charitable organizations of the donor's choice in perpetuity.

Below are answers to frequently asked questions about Designated Funds.

Q. How do I establish a Designated Fund?

A. Funds can be established easily and quickly. The Foundation assists donors and their financial advisors with the fund-establishment process. Once the details have been discussed with the Foundation, simply sign a fund agreement letter and transfer the assets to establish the fund.

Q. Is there a required minimum balance?

A. It is not economical for the Community Foundation to administer funds with a long-term balance less than \$10,000. That balance may be reached over several years with a fundraising/donation plan approved by the Foundation.

Q. How are the funds invested?

A. Our funds are professionally invested under the supervision of expert community volunteers. Funds are pooled and invested with other assets of the Foundation for fuller diversification, with each fund accruing its own share of the earnings. Each fund is accounted for separately. Donors may choose from a selection of portfolios and will receive quarterly financial statements.

Q. What are the administrative fees?

A. The fee for permanently endowed funds is currently 1% of the principal annually applied to a 13-quarter rolling average of that principal (with a minimum annual fee of \$125), in addition to the expenses of the fund's investment.

Q. What do the fees cover?

A. The fees cover all administrative tasks assumed by the Foundation. Tasks include recordkeeping, investment, filing all required reports, monitoring the charitable status of recipients of such grants, and the provision of tax receipts for gifts to the fund.

Q. Can a Designated Fund become obsolete?

A. Funds will never become obsolete. If a charity is no longer operating, its assigned distribution can be spread across other charities supported by the fund or the Foundation can assign it to a charity doing similar work.