

Spencer County Community Foundation  
**Benefits of Agency Endowment**

Building an endowment is an increasingly common goal among charities of all sizes. Donors recognize that establishing an endowment marks a point of fiscal maturity in an agency, indicating that it is thinking strategically about its future and about its role in the community. Establishing an endowment at the Spencer County Community Foundation offers the following benefits:

**Low Cost** – There is no cost to establish your named endowment with the Community Foundation. The fee to administer an endowed fund is 1% for the first one million dollars of fund principal, 1/4 of 1% for the second and third million dollars of fund principal, and 1/10 of 1% for principal of four million dollars or more.

**Permanence** – Agency assets invested with the Foundation are held forever. Your donors can be sure that the endowment fund's principal will not be spent and can grow over time, providing a source of lasting support.

**Variance** – In accepting a contribution to any fund, the Foundation commits to the donor that the contribution will be protected for the charitable purpose originally intended. Variance power assures donors that if the charitable purpose of the contribution becomes impractical or impossible, the distributions will be directed to similar purposes in the community.

**Professional Management** – All funds of the Community Foundation are professionally managed according to national and state standards. Because contributions become assets of the Foundation, all governmental filings, tax preparation, and the annual audit are the responsibility of the Foundation. This management service can take significant pressure off your Board of Directors.

**Expertise** – Planned giving expertise is available for you and your donors. The Community Foundation can meet with your prospects and advisors at no cost.

**Accountability** – Agency funds benefit from the steady stewardship, integrity, and public accountability inherent in the structure of the Community Foundation.

**Investments** – Our investment objective is to maximize total return and minimize risk to produce a stable annual income for the donor organization while ensuring sufficient growth to maintain the endowment's purchasing power. Our investment returns are benchmarked against national indices and are reviewed by our Board quarterly with the assistance of a professional and independent financial consultant. By turning over the responsibility of investment to the Foundation, your organization's board is relieved of the necessity to monitor an investment committee.

**Benefits of Commingled Funds** – Agency endowments benefit significantly from the much larger pool of investment assets. The larger pool and lower investment fees ensure the greatest possible growth and income for each endowed fund.

**Donor Services** – Donors who care deeply about this county look to us for assistance because of our strong community connections and our depth of knowledge about nonprofits serving our community.

**Marketing Advantages** – When an agency places an endowment with us, its marketing effectiveness is multiplied. Our family of funds includes those established by individual donors who share a concern for our community's charitable needs. Through our newsletter, special events, and other activities we share information about needs with donors, complementing an agency's development efforts.

**Grants** – And finally, establishing a fund with the Community Foundation in no way limits your ability to apply for grants from other funds of the Foundation.

An endowment demonstrates that your organization has made a long-term commitment to your mission. When an organization — large or small — depends upon annual contributions, it can be very hard to sustain the quality services that our community needs and deserves. Establishing or adding to an endowment fund at the Foundation today ensures that our nonprofit sector will be strong tomorrow.

**SPENCER COUNTY  
COMMUNITY FOUNDATION**

*A member of the Community Foundation Alliance, Inc.*  
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