

Benefits of Building an Endowment Fund

For the Organization:

Financial

- *Pooled Funds* - Our large base of pooled funds minimizes risk, reduces investment charges and maximizes returns.
- *Protected Principal* - An endowment fund allows for both annual payouts and growth.
- *Flexible Contributions* - The Foundation can accept donations of almost any type which in turn, benefit your organization.

Management

- *Professional Investment Management* - Your funds are under the fiduciary care of our staff and Board of Directors.
- *Professional Accounting* - Relieves your need for internal accounting and reporting.
- *Independent Audits* - All funds are audited annually by an independent certified accountant.
- *IRS Compliance* - The Foundation files annual 990 tax forms and assumes responsibility for meeting the public support test and IRS compliance
- *Understandable Reporting* - You receive semi-annual Fund Status Reports.

Partnership

- *Partnering with the Community Foundation* - Organizations with endowment funds are valued participants and are included in materials promoting the Foundation.
- *Partnering with Other Organizations* - Currently over 100 non-profit agencies, school systems, and Churches have endowment funds with the Community Foundation.
- *Credibility* – Because of our reputation as a leader in community philanthropy, your partnership with the Community Foundation provides assurance to donors, especially when considering planned gifts.

For the Foundation

Fulfillment of Mission - Part of our mission is to strengthen the non-profit sector in Lorain County - thus improving the quality of life for our friends and neighbors.

Public Endorsement - Each organization further enhances the credibility and trustworthiness of the foundation.

Public Support Test - IRS Code requires that the community foundation be able to demonstrate, by means of new gifts, that the community wants and is making use of the resources of a public foundation.

Meeting Operational Expenses - The Foundation's current administrative fee is, by design, very low (1.25%) in order to make more dollars available to support charitable programs. While this fee alone does not completely defray the costs related to the fund, it does help the Foundation continue its services for non-profits.