

NONPROFIT FUNDS

Building endowment through a Nonprofit Fund helps your organization build long-term sustainability and demonstrate to the community that your work is here, for good, forever.

STARTING YOUR ENDOWMENT

Start your fund with \$10,000 or more (or “save” for one with a Build a Fund). Fund agreements can be as flexible or restrictive as you prefer.

It’s easy for you or your constituents to add to your fund by check, online at www.muskegonfoundation.org/give, or with a transfer of stock, their required minimum distribution from their IRA, real estate, or other assets.

GROWING YOUR FUND

You and your donors can add to the fund at any time, whether through annual gifts or special events. Your fund becomes a permanent resource to support your organization, and we work together to create a Fund Agreement in accordance with Community Foundation National Standards. We can help with complex or planned gifts, which are often the largest, freeing you up to do your good work.

When pooled with over \$200 million of other Community Foundation assets, your fund will enjoy a low fee structure, increased investment opportunities, and close attention from our advisors at Vanguard.

We invest for conservative growth so that grantmaking can steadily increase.

Our role is to increase community philanthropy and help build permanent resources to support your work. We provide fund development materials on our website and are available to speak to your board or donors about legacy giving.

USING YOUR FUND

The Community Foundation recommends an amount to grant from your fund each year, currently 4% of the average balance. This can be disbursed automatically or only when requested.

You can “save up” your annual spendable amount if you don’t need to withdraw it, accumulating a larger amount of available for future use. This can help with budgeting for capital projects, new programs, etc.

IMPACT MUSKEGON COUNTY. FOR GOOD. FOR EVER.

FAQs

- **What does it take to start a fund?** A fund agreement and \$10,000 will start a fund. Invite us to your next board meeting and we can go over that and answer your questions.
- **Who handles the investments?** The investment committee of our board meets quarterly to review our investment and spending policies and to monitor the performance of our independent investment advisors. Funds are invested through Vanguard.
- **What are your fees?** Nonprofit funds are charged an administrative fee of 1% of the fund balance annually. Vanguard investment fees, some of the lowest in the financial services industry, are netted out of the investment return applied to the funds.
- **How do you report fund activity to us?** You can login the Fundholder Portal - a secure portion of our website - to monitor fund activity 24/7. You can view current and past gifts and distributions, as well as download quarterly statements that show fund balances, fees, and investment returns.
- **Are there tax benefits to giving to an endowment fund?** We are an IRS-recognized 501(c)(3) organization, so gifts to your fund held here enjoy maximum tax deductibility.
- **Are there other benefits?** We think so! You'll have opportunity to network with our donors and other organizations at our events. We also periodically invite fundholders to join us for free webinars and workshops designed to strengthen philanthropy in Muskegon County. We value the relationships we have with our fundholders - we hope you'll join us!

TOP 5 REASONS TO START A NONPROFIT ENDOWMENT FUND:

1. Endowment funds can stabilize today's budget as well as provide future sustainability for your organization. It's a long-term investment.
2. Endowment is powerful: a \$50,000 gift 20 years ago would today be worth more than twice the initial gift (\$109k) AND have paid you back more than the initial gift (\$64k). Time becomes your fund-raiser!
3. Many donors prefer to give legacy gifts to endowment funds. By creating a fund, you set your organization up to receive significant estate gifts.
4. Many of your savvy donors want to help build long-term strength in addition to meeting today's needs. An endowment fund gives you a platform on which to engage them in a conversation about your future, and it gives them one more tool to help you.
5. You're sending a signal to your constituents and the community that you're here for good, forever.