Establishing an agency endowment fund is a simple and efficient way to build income for your nonprofit organization. Your donors can be sure they are providing a source of lasting support. Your fund becomes part of the Community Foundation’s pool of endowed assets. Thus, the Community Foundation’s economies of scale provide your organization the benefits of a diverse investment portfolio that typically come only with large funds.

We can help you develop planned giving programs to assist your donors with bequest giving, gifts of stock or other assets which will benefit your fund and add to the long-term growth of your organization.

How it works

- Your board determines how much you would like to invest long-term\(^1\).
- You work with us to complete the simple, one-page fund agreement (sample on back).
- We set up the fund in the name of your nonprofit organization.
- Your organization receives quarterly statements on fund activity.
- Your organization and your donors may add to the fund anytime.
- Every spring you receive a letter letting you know what spending allocation you have available\(^2\).
- We handle all the administrative details—including investment management, donor acknowledgements, and quarterly reports which gives you more time to concentrate on your mission.

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1. Minimum to establish an agency endowment fund is $10,000. May be established with $5,000 and given three years to reach $10,000. No allocations will be made from the fund until fund reaches $10,000 in gifts.
2. Based on the Community Foundation’s spending policy as in effect from time to time and market conditions permitting.
SAMPLE

AGREEMENT TO ESTABLISH THE

[NAME OF THE FUND]

I / We will soon/hereby deliver a check for $[AMOUNT] [or the property described in Exhibit A] payable to the Petoskey-Harbor Springs Area Community Foundation (“the Foundation”), a Michigan not-for-profit corporation. This is a gift for the purposes enumerated and set forth in the Articles of Incorporation establishing the Foundation and is to be administered by you subject to all of the terms and conditions contained in your Articles of Incorporation and By-Laws establishing and governing the Foundation and any amendments or additions thereto, including presumption of donor intent and variance from Donor’s directions.

Through this gift it is the intention of the governing board of the [NAME OF THE ORGANIZATION], (“the Organization”) to create the [NAME OF THE FUND] (“the Fund”) of the Foundation. The Fund is open-ended and assets can be added at any time upon acceptance by the Foundation, and it is hoped that other individuals, organizations and businesses will also add to the Fund, thereby showing support for the Organization.

The governing board of the Organization reserves the right to recommend to the Trustees of the Foundation as to the distribution of net income from the Fund according to the spending policy of the Foundation as in effect from time to time. The Organization may also request that all or a portion of the net income be reinvested in the Fund. The recommendation to the Trustees of the Foundation as to distributions from the Fund shall be in writing. In the event of the dissolution of the Organization, the Foundation shall make distributions of net income from the Fund for such purposes or to such organizations as, in the opinion of the Board of Trustees of the Foundation, most nearly meet the purpose of the Organization.

All gifts to the Foundation for the purpose of the Fund shall be irrevocable once accepted by the Foundation. The Board of Trustees of the Foundation shall have the power, cy pres, to modify any condition or restriction on the distribution of assets for any specified organization if, in its sole judgment, those restrictions become, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served by the Foundation.

The Foundation may commingle the assets of the Fund with the assets of other Foundation funds, provided however, that the separate identity of each fund will be maintained. The Fund will be the property of the Foundation and will not be deemed a separate trust fund held by it in a trustee capacity.

The Fund shall share a fair portion of the total investment and administrative costs of the Foundation. Those costs will at all times be reasonable, will be in accordance with the current fee schedule applicable to funds of this type, and will not exceed usual and customary rates. Any cost to the Foundation in accepting, transferring, or managing property donated to the Foundation for the Fund shall be paid from the Fund.

MY SIGNATURE INDICATES ACCEPTANCE of the terms and conditions of the agreement.

[ORGANIZATION] __________________________________________ Date

WE HEREBY ACKNOWLEDGE RECEIPT OF THE ABOVE GIFT, and agree to administer the same under the provisions of the Articles of Incorporation and By-Laws establishing and governing the Foundation, as amended.

PETOSKEY-HARBOR SPRINGS AREA COMMUNITY FOUNDATION

_________________________ ___________________________
Executive Director Date

To learn more, please contact us:

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