

NONPROFIT ENDOWMENT FUNDS

For a nonprofit organization looking for ways to stabilize its future income and operating funds, establishing an endowment is one way to do that. The Greater White Bear Lake Community Foundation can help you manage and securely invest those funds.

The Greater White Bear Lake Community Foundation can be a great help in setting up your organization's endowment. Classified for tax purposes as a public charity rather than a private foundation, community foundations exist to manage funds permanently endowed by donors for the benefit of a specific charitable cause or the general welfare of the community.

A nonprofit endowment fund is one that is created for the express purpose of providing a source of permanent, ongoing support to a specific nonprofit organization. The endowments are usually open-ended so once they are established other donors may make contributions to the fund. A nonprofit endowment is the perfect vehicle to accept charitable bequests.

Why would a nonprofit organization start or place its endowment fund in a community foundation? Although the answer varies from organization to organization, probably the strongest reason is a community foundation provides a natural setting for permanent gifts.

OTHER BENEFITS MOST OFTEN CITED ARE:

- DONOR VISIBILITY AND CONFIDENCE
- INDEPENDENT AND PROFESSIONAL INVESTMENT MANAGEMENT
- PLANNED GIVING VEHICLE

Establishing an endowment fund with the Greater White Bear Lake Community Foundation is a simple and efficient way for a nonprofit organization to manage its assets and offers donors assurance they are providing lasting support for the organization. An organization's fund becomes part of the Greater White Bear Lake Community Foundation's family and benefits from a diverse investment portfolio managed by a committed group of local investment professionals.

The minimum contribution to start an endowed fund is \$10,000. The nonprofit organization receives annual distributions for unrestricted use and has access to all funds at any time. The organization and donors may add to the fund at any time through cash or stock donations or through bequests. Technically, the fund is owned by the community foundation on behalf of the nonprofit organization.

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WHO MANAGES THE ENDOWMENT FUND?

The Board of Directors of the Greater White Bear Lake Community Foundation, working in conjunction with its Investment Committee, manages the foundation's endowed assets. The Investment Committee is a team of prominent local community leaders with financial and investment expertise. The Investment Committee follows an Investment Policy approved by the Board of Directors.

WHAT ELSE DOES THE FOUNDATION PROVIDE?

The foundation handles all of the administrative details of investment management, donor acknowledgements, and quarterly reports of fund performance and activity. Also, because the fund's financial activities are consolidated with other funds of the foundation there is no need for them to be included on the organization's tax return or on other required filings.

Additionally, because the organization will be listed among all the foundation's funds on the foundation's web site and in its annual report, and because the foundation will have donors who structure their giving through the foundation, the nonprofit will receive new visibility and may get donations from new donors.



FOR INFORMATION on establishing a Nonprofit Endowment Fund
with the Greater White Bear Lake Community Foundation,
contact Jackie Reis, jackier@greaterwblfoundation.org, or call (651) 408-5412.