



# CHARLEVOIX COUNTY COMMUNITY FOUNDATION

## A Fund to Support Your Organization's Mission

### Purpose and Practice

An organizational fund is established by the organization to provide unrestricted operational support for the organization's mission. Depending on your organization's goals and support from your board members, you may choose an endowed or non-endowed fund to best suit your organization's needs.

### General Features

- The recommended amount to establish either type of organizational fund is \$25,000. This amount is based on experience: an organizational fund is not for every organization and some organizational funds serve their organization better than others. An organizational endowment may be established with \$10,000, but distributions to the organization will not be made until the principal reaches \$25,000. The organization will have three years from the date the fund agreement is signed to grow the principal. If the organization does not reach that minimum in the time allotted, the Community Foundation will return the principal of the fund to the organization and close the endowment.
- The Community Foundation charges this type of fund a fee of 1% up to \$1 million to provide for grant-making, investment management, individual fund accounting, donor acknowledgement, and reporting. Funds over \$1 million are charged 1% on \$1 million and 0.5% on dollars above that amount.
- So that you may acknowledge donors to the fund, the Community Foundation will notify you when gifts are received. If you make an appeal to grow the fund, please include the Community Foundation on your mailing list.

### How an Organizational Endowment Works

- If the goal is to grow a permanent fund that will support operating expenses into the future, endowment may be a good choice.
- An endowment may be established by your organization with a \$10,000 initial gift.
- An endowment will benefit from the Community Foundation's investment pool with growth over time.
- Once the endowment meets the minimum for distributions, the Community Foundation will offer some or all of the available distribution to support its mission each year based on the C3F spending policy, which offers guidance on prudent annual spending that still allows for long-term growth.

### How an Organizational Fund Works

- If the goal is to benefit from the partnership and investment growth offered by the Community Foundation or your board is uncomfortable restricting resources, a non-endowed fund may be best.
- A non-endowed fund may be established by your organization with \$10,000.
- The fund balance above \$5,000 is available for your organization's mission at any time. If the fund balance falls below \$5,000, the Community Foundation will offer the organization the option of growing the Fund within three months or closing the fund with a check to the organization.

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