



Creating a WCCF Endowment Fund Q & A

What is an endowment fund?

An **endowment fund** is an investment fund established with a foundation that makes consistent withdrawals from invested capital in perpetuity. Income earned from investing the principal is used for a specific charitable purpose such as: **the Arts, Education, Family and Children Services, Leadership Development, Animal Protection, Health, Environmental Concerns, Natural Resources, Parks, Recreation, Preservation of Local Heritage, Workforce Development, Senior Services and Youth Development.**

What Types of Endowment Funds are Possible?

Community Needs Funds: These funds are established with the idea that the Wyandot County Community Foundation will monitor the charitable needs of the community and allocate resources through a grant selection process.

Designated Funds:

Investment earnings from these funds support one or more specific charitable organizations as directed by the donor. The Fund will be operated as a permanent endowment and the investment earnings will be regularly distributed to the organization specified when the fund is created.

Donor Advised Funds: This type of fund allows the donor(s) to select charitable organization(s) that reflect their beliefs and values to receive annual distributions. Advisors to the fund are determined by the donor.

Organization Endowment Funds: A nonprofit organization or governmental entity may choose to establish an endowment fund or may decide to place its own endowment fund under the auspice of the Wyandot County Community Foundation. The investment earnings can then be regularly returned to the agency or reinvested in the principal to build assets for the future.

Field of Interest Funds. You target your gift to a specific cause (the environment, youth programs the arts) or a geographical area (town, township) that you feel strongly about, yet it does not restrict grants to any one particular organization, Your gifts stays flexible enough to meet community needs in your interest area, even as needs change over time.

Scholarship Funds: Special funds are designated to provide opportunities to help people of all ages continue their education.

What is the minimum gift needed to start a fund?

Scholarship funds require a minimum gift of \$25,000. A gift of \$10,000 is required for all other fund types. Funding options include cash, IRA distributions, appreciated securities, other investments, real estate or life insurance.

Can an endowment fund be written now, and be funded at the time of my death?

Yes, An endowment that meets your philanthropic wishes may be written now and funded from your estate at the time of death. A simple bequest from your will is needed to make that happen.

How can I begin an endowment if I do not have the minimum initial gift?

With an initial gift of \$1000 a **Seed Fund** may be established. We understand the desire to start a fund, but need more time to come up with the capital. Donors in the seed fund program have three years to raise sufficient funds to reach full endowment. The **Seed Fund** can be used to establish any type of endowment fund.

What is the spending policy? Distributions are calculated at the rate of 3.80% on the 5 year market value for all funds except Organization Endowment Funds are calculate at a spending rate of 4.45%

What administrative fees are charged? The management fee is 0.95%. for all funds except the Organization Endowment Fund which is 0.50%