



Fund & Fee Policy

The directors of the Foundation may accept gifts as per the Gift Acceptance Policy. Gifts of any amount may be made to an existing fund. New funds may be established with a minimum of \$5,000 with the exception that new scholarship funds will be established with a minimum of \$25,000. The Foundation allows a three (3) year grace period to bring a fund to the minimum balance. Extensions to this grace period may be made with board of directors' approval.

Donors may designate a contribution be made to any of the following types of funds:

- a. Unrestricted Funds. Gifts to these funds help the Foundation help our community. The Foundation makes distributions to support effective work of charitable organizations throughout the area we serve. Within this category donors may wish to establish named funds, with a minimum donation of \$5,000. An annual fee of 2% of fund assets will be charged for operating expenses, including administering competitive community grants. The minimum annual fee is \$200.00.
- b. Field of Interest Funds. These funds support a charitable purpose designated by the fund's donor or donors. Distributions are determined by the Foundation consistent with the fund's purposes. Where appropriate, the Foundation may create an advisory committee to make recommendations for distributions. Named funds may be established with a minimum donation of \$5,000. An annual fee of 2% of fund assets will be charged for operating expenses, including administering competitive community grants. The minimum annual fee is \$200.00.
- c. Designated Funds. These funds support a charitable organization designated by the fund's donor or donors. Distributions generally are determined by applying the Foundation's spending policy to the assets held in the fund. Funds may be established with a minimum donation of \$5,000. A fee of 2% will be charged for operating expenses. The minimum annual fee is \$150.00.
- d. Agency Endowments. These funds are created by charitable organizations that designate themselves as the fund's beneficiary. Distributions generally are determined by applying the Foundation's spending policy to the assets held in the fund. Funds may be established with a minimum donation of \$5,000. An annual fee of 2% of fund assets will be charged for operating expenses. The minimum annual fee is \$150.00.
- e. Scholarship Endowment Funds. These funds provide financial assistance to students at schools, colleges, and universities. Scholarship funds can also support vocational training and assistance in paying for special courses. Donors recommend eligibility criteria. The minimum fund balance for scholarship funds is \$25,000. These funds carry a high workload that is reflected in the fee structure: annual fee of 2% of the fund assets. The minimum annual fee is \$500.00.
- f. Donor Advised Funds. Donors recommend grants to charitable organizations, subject to the Foundation's Donor Advised Funds Policy. Funds may be established with a

minimum donation of \$5,000. An annual fee of 2% of the fund assets will be charged for operating expenses. The minimum annual fee is \$200.00.

- g. Special Project Funds. The primary purpose of the Community Foundation is to build endowment funds to secure the future of charitable giving. The Board of Directors are aware, however, that there is sometimes a short-term need for funding to carry out a program or project which will be of long-term benefit to Owen County. In such cases, the Community Foundation has the ability to establish Special Project Funds as a service to the community. The Board of Directors must first agree that the project serves a charitable purpose and meets the criteria of the Community Foundation. A fee of 2% will be charged per gift, with a minimum annual fee of \$200. The fund must maintain a minimum balance of \$200 to cover the annual fee.
- h. Operating Fund. Contributions to this fund are made to support the operations of the Foundation and its community activities. Income from this fund in excess of current needs of the Foundation may be allowed to accrue as earnings to increase the fund balance or may be used to augment the income from the Unrestricted Endowment Fund. The principal and income of this fund may be used to defray current operating expenses at the discretion of the Board of Directors. No management fee will be charged this fund.
- i. Operating Fund Endowment. The Board has designated a special endowment, the Visionary Fund, to provide operating funds to the organization. The Operating Fund Endowment will not be assessed an administrative fee but will make an annual inter-fund grant of 5% of the fund's endowed balance payable to the Operating Fund.
- j. Other Types of Funds. As provisions are allowed by the IRS for other types of funds to be established and managed, the Board reserves the right to consider establishment of any type of fund that meets the stated purpose of the Foundation and effectively meets donor wishes and/or community needs.

Fees on all funds will be collected quarterly in arrears based on the average daily balance of the fund for the quarter. Fees on other funds not shown above will be as follows:

- a. Any trust for which the Foundation serves as trustee will be charged a fee of .5%.
- b. The Community Fund Endowment will be charged a fee of 3%.
- c. All Pass-Through Funds will be charged a fee of 2% per gift, with a minimum annual fee of \$200.00. If an endowed fund receives a pass-through gift, a 2% fee is assessed on the gift.

*Adopted by the Board of Directors April 17, 2006
Revised by the Board of Directors on June 6, 2006
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Revised and Recommended for Approval by the Finance Committee May 13, 2021
Revised by the Board of Directors on May 18, 2021
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