

NONPROFIT ORGANIZATION (AGENCY) FUNDS



By choosing to establish a nonprofit fund at Austin Community Foundation, you are helping to create meaningful change in Austin, while gaining access to world-class investment services and receiving support from an organization focused on fostering an ecosystem of philanthropy. We currently manage funds for over seventy nonprofits across Central Texas. We offer two types of funds for nonprofits: the Nonprofit Endowment Fund and the Nonprofit Investment Fund.

Non-Profit Endowment Fund

A Nonprofit Endowment Fund is suitable for organizations that intend to maintain assets in perpetuity, while providing annual support for programs and operations. The spending policy provides for a maximum amount available for granting each year and is calculated as 4% of the average trailing twenty quarters of the fund's market value.

Investment Fund

An Investment Fund is suitable for organizations that intend to maintain assets for 3-5+ years and want to have flexibility. Fund assets beyond the annual spending amount may be accessed without having to demonstrate financial emergency or need. Choose an investment option that meets your goals and time horizon.

Why Have a Fund With Us?

- World-class investment management - Because our investment dollars are pooled, with current invested assets more than \$100 million, we have access to opportunities and expertise not available to smaller investors. We work with DiMeo Schneider, a Chicago-based investment consulting firm that includes among its clients hospitals, universities, foundations and nonprofits. Our experienced investment committee oversees investment activity.
- Ease of access - You can access your nonprofit fund information 24/7 through our easy and secure online portal.
- Donor services - Prompt gift acknowledgment meeting IRS requirements, acknowledgment letters sent for gifts made in honor/memory of
- Ability to accept complex gifts - Stock, bequests, retirement funds, life insurance, real estate and other assets

Tiered Fees

The fees shown are annual percentages charged on the fund balance. The fee is assessed at the rate of 1/12 of the fee on the average market value of the fund each month.

Assets	Agency Fund Fees
Below \$1,000,000	0.85%
\$1,000,000 and up	0.75%
\$3,000,000 and up	0.50%
Fund minimum	\$5,000

Additional fees apply for gifts made with credit card.

Investment expenses average 0.25 - 0.8% depending on investment strategy and include the fee of our investment counsel, DiMeo Schneider & Associates.

The spending policy for endowed funds provides for a maximum available for granting and is calculated as 4% of the average trailing 20 quarters of the fund's market value.

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Frequently Asked Questions



Austin Community Foundation is proud to partner with nonprofit organizations to administer funds to support their missions. The purpose of this document is to answer questions our nonprofit partners (“agencies”) may have regarding accounting practices for their fund at the Foundation. As is always the case, you should consult your auditors to determine the best solution for your organization. We are happy to confer with your auditor about your fund.

Why do we have two funds for our Agency Fund?

Accounting standards require that the Foundation consider the source of donated charitable funds to a nonprofit’s fund. Donations to a nonprofit’s fund are made by either:

- The nonprofit agency itself (Agency Gifts) from its own funds or
- Donors who were solicited by the nonprofit to give to their fund or who gave directly to the fund (Donor Gifts).

From an accounting perspective, these two sources must remain separated.

Agency Gifts

When a nonprofit transfers assets to a community foundation and specifies itself as the beneficiary of the assets, the transaction is deemed reciprocal because by accepting the funds the Foundation agrees to make such distributions to the nonprofit at a future time. Such funds should be recognized as an asset by the nonprofit. The Foundation recognizes a corresponding liability for such funds.

Donor Gifts

When a nonprofit solicits gifts from donors for their fund at the Foundation, those gifts are not considered reciprocal transfers since they are made by the donor for the benefit of the nonprofit. These gifts are recorded by the Foundation to the nonprofit’s fund as gifts, not as a liability. The nonprofit does not record the gifts.

I don’t see two funds on my fund statement. Am I missing something?

Some nonprofits do not have separate funds if they have not made deposits from their agency and also received donations from individuals for their agency funds.

How can I tell the difference between my two funds? The Agency Gifts Fund and the Individual Gifts Fund have the same name.

Fund names with a “^” symbol are Agency Funds that should be recorded on an Agency’s books as an asset.

Are fees and investments affected by the split of the funds?

Because our fees and investments are assessed based on percentage of ownership in the investment pool, there is no cost difference with the additional fund. We consider both funds as one, but track them separately. Funds are linked together to reduce fees based on total assets for both funds.

How do I view my fund(s) online?

The authorized fund representative(s) for a nonprofit may easily view your fund balance(s) and activity online:

- On the Foundation’s website (www.Austincf.org) select “Fundholder Login” at the top of the page to log in to Donor Central.
- The fund name with “^” is the Agency Gifts Fund.
- To see all funds, click “View” and you will be directed to My Fund Summary Page.
- Select the fund you would like to view or simply select “All Funds” to create a consolidated view of the funds’ combined activities.

For more information: Kathy Fletcher, Executive Director, Highland Lakes Legacy Fund
kfletcher@austincf.org or 830.220.1100