

Agency Funds

Options & overview

By choosing to establish an agency fund at Austin Community Foundation, you help create meaningful change in Austin while gaining access to world-class investment services and support from an organization focused on fostering an ecosystem of philanthropy.

More than 70 local nonprofits depend on us to nurture and grow reserve funds or endowments. We can help you inform your supporters about how they can turn their passion for your work into significant gifts that ensure you continue serving Central Texans for years to come.

We offer three types of funds for nonprofits.

Endowment Fund: This fund is suitable for organizations that intend to preserve 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 four percent of the average trailing twenty quarters of the fund's market value.

Investment Fund: This fund is suitable for organizations that plan to maintain assets for at least three to five years and want flexibility. Fund assets beyond the annual spending amount may be accessed without having to demonstrate financial emergency or need. Due to the nature of the investment pools, please note that this fund is not intended for short-term investment.

Designated Fund: Unlike the funds above, which are created by a nonprofit organization, a designated fund is created by an individual donor to benefit a charity or charities. Upon setting up the fund, the donor decides when and how much is granted to the charity or charities.

Why open a fund with us?

- / World-class investment management** - Because our investment dollars are pooled, with current invested assets in our endowment pool at more than \$100 million, we have access to opportunities and expertise not available to smaller investors.
- / Ease of access** - You can access your nonprofit fund information 24/7 through our easy-to-use and secure online portal.
- / Donor services** - ACF provides prompt gift acknowledgment that meet IRS requirements, and acknowledgment cards can be sent for gifts made in honor/memory of a loved one.
- / Complex gifts** - ACF accepts stock, bequests, retirement funds, life insurance, real estate and other assets.

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Planned giving options for your donors

Bequests - A bequest includes specific language in an individual's will or living trust naming your fund at the Foundation as the recipient of a testamentary gift. Sample bequest language below:

I give, devise, and bequeath to Austin Community Foundation, a Texas nonprofit corporation (the "Foundation"), for the _____ Fund which has been established and funded at the Foundation; provided, however, that if the _____ Fund is not in existence at the time this bequest is to be funded, it is my desire that this bequest be used by the Foundation to fund charitable activities as similar as practical to those previously funded by the _____ Fund.

Retirement plan donations - Your fund can be named as a beneficiary of your donor's retirement funds, such as an IRA, 401k or 403b, while avoiding significant, often unanticipated, tax penalties.

Life insurance donations - Designate your fund as a beneficiary of the life insurance policy. Your donor may also transfer ownership of a paid-up policy to your fund, donate insurance policy dividends or choose to name your fund as a designated owner and beneficiary.

Trusts and other giving vehicles

A donor may work with a professional advisor to transfer assets to a **charitable remainder trust** (CRT) that provides a specified distribution percentage to one or more (income) beneficiaries for life, or a term of years, with the remainder interest paid to charity. There are two kinds of CRTs:

- / **Charitable remainder unitrust.** A CRUT requires annual revaluation of the trust assets – which typically changes the value of the unitrust payment – and allows donors to make additional gifts to the trust.
- / **Charitable remainder annuity trust.** The income beneficiary of a CRAT receives a fixed amount that is determined when the trust is established. A CRAT does not allow donors to make additional gifts to the trust.

A donor may also transfer assets to a **charitable lead trust** (CLT). A charity is the income or "lead" beneficiary for a lifetime or term of years, after which the remaining assets are distributed to the donor or other beneficiaries.

Types of accepted assets:

- / Bitcoin
- / Bonds
- / Business interests (non-publicly traded or closely held stock)
- / Cash
- / Estate assets
- / Life insurance policies
- / Mutual fund shares
- / Oil and gas, mineral or timber rights
- / Private securities
- / Publicly traded securities
- / Real property
- / Retirement assets
- / Tangible personal property
- / Trust assets

In the best interest of your donors, please contact the Foundation if they are making a planned gift to your fund and/or making a gift of an illiquid asset. Planned gifts are reviewed by ACF leadership and must meet the guidelines for our gift acceptance policy. We want to ensure your donor's wishes become a reality.

If your organization does not have a fund with the Austin Community Foundation, please contact us to discuss alternative options for partnering with you to support your donor's planned gift.

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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.