

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 70 nonprofits across Central Texas. We offer two types of funds for nonprofits: the Nonprofit Endowment Fund and the Nonprofit Investment Fund.

Nonprofit 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 Fiducient Advisors, 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 advisor, Fiducient Advisors.

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.

AGENCY FUNDS

Accounting Considerations

Austin Community Foundation is proud to partner with nonprofit organizations to administer funds that support their missions. There are some important accounting practices to consider when establishing your fund. Understanding these practices can help you determine how your gifts should flow into your fund.

Accounting standards require that the Foundation consider the source of donated charitable funds to a nonprofit's fund. There are two types of gifts that can be given to an Agency Fund.

Agency Gifts

Agency gifts are granted from the agency itself. 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. Agencies can accept and issue a tax receipt for donor gifts, then regrant them to ACF. These gifts are considered agency gifts because they are accepted and recognized gifts to the agency.

Donor Gifts

Donor gifts are solicited by the agency but given directly to the fund at ACF. When a nonprofit solicits gifts from donors for their fund at the Foundation, these 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.

If you choose to accept both agency and donor gifts into your fund, ACF will establish two funds to account for them separately.

- / ACF fees are asset-based. There is no cost difference to support two funds versus one. Funds are linked together to reduce fees based on total assets for both funds.
- / Investments are assessed based on percentage of ownership in the investment pool. We consider both funds as one, and having two funds does not impact your investments.
- / You can view your funds separately or jointly on the ACF donor portal. The two funds share the same name and a “^” symbol at the end of the fund name represents agency gifts that should be recorded on an agency's books as an asset.

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

The ACF team is available to support your team and auditors to accurately account for your agency fund assets.



For more information, contact:

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