

ENDOWED VS. UNENDOWED FUNDS

	Unendowed	Endowed
Purpose	<p>To allow the donor to create a non-permanent fund that can be used to address a charitable purpose of limited duration or for a donor-specified period of time. In addition, some donors establish such funds to 'get their feet wet' regarding personal philanthropy, later choosing to establish endowed funds to perpetuate their charitable legacy.</p> <p><i>Unendowed funds may be converted to endowed funds at any time, if the donor so chooses. Minimums for endowed funds must be met.</i></p>	<p>To allow the donor to create his or her charitable legacy by setting up a permanent fund that will make grants per the donor's original intent in perpetuity.</p> <p><i>A donor may decide to establish an unendowed fund at the same time, or later. Some donors choose to make one gift, establishing an unendowed fund for more or less immediate use, while building an endowed fund for later grantmaking.</i></p>
Minimum to establish	\$10,000 (can be done over a two-year period)	\$25,000 (can be done over a four-year period)
When grantmaking can begin	<p>Once the dollar minimum is met, the fund is eligible to issue grants after one full calendar quarter. (Grants may be issued sooner, but a process fee of 10% of each grant will be charged.)</p> <p>Minimum grant is \$250; there is no maximum. Grants may be made once each quarter</p> <p><i>The IRS does not permit grants from any type of fund to satisfy personal pledges of the donor or any other party.</i></p>	<p>Once the dollar minimum is met, the fund is eligible to issue grants after one full calendar year. Minimum grant is \$250. The amount available for grants is determined by a spending policy. Currently this policy allows maximum expenditure of 4% of the rolling average of the previous 12 quarters. Grants may be made once each quarter.</p> <p><i>The IRS does not permit grants from any type of fund to satisfy personal pledges of the donor or any other party.</i></p>
Fees	<p>No fee is charged for unendowed funds <i>if they are placed within a money market account</i>. The interest earned on such funds is retained by the CF toward administrative costs of processing the funds and the grants. If placed with pooled funds, the CF assesses an annual administrative contribution of the greater of \$500 or 1.75% of market value. A pro rata share of the contribution will be charged quarterly based upon the market value of the fund on the first business day of the quarter.</p>	<p>The Community Foundation assesses an annual administrative contribution of the greater of \$500 or 1.75% of market value. A pro rata share of the contribution will be charged quarterly based upon the market value of the fund on the first business day of the quarter. The contribution helps defray the costs of administering the funds and the grants made from them.</p>
Growth of the fund's assets	<p>Unendowed funds can be placed either in a money market account, or pooled with other funds, by the choice of the donor.</p>	<p>Once an endowed fund reaches the \$25,000 minimum, it is pooled with other such funds and shares proportionately in gains/losses.</p>