

Agency Endowment Funds

Interested in sustainability, not just viability?



An Agency Endowment Fund is an important way to realize that vision.

5 Reasons to join
our growing family
of endowed
nonprofits

1. Provides a great platform for legacy donors.
2. Facilitate even the most complex planned gifts.
3. Receive personal and professional investment management.
4. Set your organization up for perpetual gifts.
5. Diversify your organization's income.

Get in touch now for information

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Guidelines for Endowment

General Information

Endowment funds allow your donors to personally receive a tax deduction, and at the same time benefit your organization in perpetuity. The endowment fund will carry the name of your organization. All grants from the fund are made in the name of the fund. A nonprofit endowment gives the donor confidence that a gift will be well managed financially, with consistent concern for the growth of principal and the generation of income for the agency's use. For example, a nonprofit agency saving \$3,000.00 per year and compounding at 10% over the course of 30 years will have an endowment fund of well over half a million dollars.

The *Peninsula Community Foundation of Virginia* becomes an ideal partner with not-for-profit organizations. Our Foundation brings to the partnership a number of important assets, including professional financial management, civic oversight through our governing board, and a staff with abundant practical skills.

Development of Agency Endowment Funds

The Foundation sends the agency a quarterly report outlining the Fund's investment performance, grants paid, and earnings available for grant distribution. This information is also available electronically through our secure partner portal. On a regular basis - annually, semiannually, or quarterly - the agency may receive income from the endowment for its unrestricted use. Or the agency may choose to allow all the assets to grow to a prescribed level.

We will help you structure a basic plan for endowment building, review marketing materials, respond to inquiries, and evaluate progress with agency board and staff. To build an effective partnership with the community foundation, an organization's leadership must understand:

1. Investment objectives: The responsibility for investing an agency endowment rests with the Peninsula Community Foundation of Virginia, Inc. The Foundation staff will work alongside the agency appointed endowment committee to ensure that the foundation's investment objectives match the agency's financial needs.
2. The Foundation will inform the agency of all contributions so that proper acknowledgement can be made

Spending Policy Goals

1. Preserve and build the assets of an endowment fund and protect the purchasing power of the original gift.
2. Maintain reasonable inflation adjusted spending into the future.
3. Provide for sufficient asset growth after spending to preserve the inflation adjusted value of the assets.

A Spending Policy will be designed to allow the funds to be invested on a "total return" basis to maintain and, if possible, increase the purchasing power of the funds, while at the same time providing a relatively steady and predictable level of funding for grantees.

Tax Considerations

The tax laws passed by Congress make charitable giving attractive for many people. Contributions to an agency endowment fund at the Peninsula Community Foundation gives your donor an income tax deduction in the year they make the contribution. Contributions of appreciated property can be deducted at their full fair market value. Appreciated assets given to a fund at the Foundation are free of capital gains taxes. No tax is owed on the growth of assets in your fund.