



Types of Agency Partner Funds

Whether your nonprofit needs to build capacity or plan for long-term stability, the CFO has charitable fund options to meet your goals.

NON-ENDOWED CAPACITY FUNDS

\$2,500 minimum to open a new fund, \$1,000 minimum to maintain

Agency Partners are in the unique position of partnering with the Community Foundation of the Ozarks by establishing a capacity fund. These organizational funds are not permanent funds but rather allow the agency flexibility in distributions. Non-endowed funds are completely liquid and can be withdrawn by the organization at any time. The primary reasons to consider such a fund are:

- **Capital campaigns:** As your organization raises assets during a campaign, the money can be invested in a money market account or in the diversified fund and later withdrawn when the project or purpose of the campaign has been completed.
- **Reserve:** Organizations may have reserve funds that they do not need to immediately access. Letting these funds grow in a capacity fund, while having total access to all or part of the money at any time, is a plus. Non-endowed capacity funds can eventually become endowed.
- **Earning:** Non-endowed funds have four different investment pool options. Visit cfozarks.org/what-we-do/fund-management to find the most recent performance history reports, rates, administrative and investment fees for each fund type, investment policy, FAQs and investment management updates and outlook.
- **Accessibility:** Capacity funds keep assets fluid rather than tying them up in an endowed fund, which has a spending policy.

ENDOWMENTS

\$10,000 to open, principal is restricted

Endowments also are managed by the CFO. This type of fund provides permanent long-term funding for an organization. Endowed funds are invested and intended to help sustain an organization for years. The historic contributions to the fund are never spent and remains endowed. The historical average annual return on the Diversified/Growth Pool is about 7%. The current administrative fee for endowments is 1.15% annually based on the fund's balance; fee assessed quarterly. The CFO's Investment Advisory Board sets an annual spending policy that determines how much of the fund can be withdrawn in a given fiscal year. Currently, the spending policy is 4%.

QUASI-ENDOWMENT

\$2,500 to open new fund, \$1,000 minimum to maintain

Organizations may establish a quasi-endowment for unrestricted purposes or for a specific purpose provided the terms are broadly defined. A quasi-endowment fund is a fund that functions like a permanent endowment fund but is not legally restricted in the same way. Quasi-endowments are invested funds that can be used to support an organization. A spendable amount is calculated each year for use by the organization which is 4% of the three-year average balance in the fund. However, the principal can be liquidated, unlike a permanent endowment, with approval by the organization's board. The organization maintains the asset value, but the CFO manages the fund. Quasi-endowments may be invested in the Diversified/Growth or ESG Aware pools.

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