

AGENCY PARTNER PROGRAM



Benefits for Agency Partners

The Community Foundation of the Ozarks addresses the needs of nonprofits through the Agency Partners Program.

Any nonprofit, church, school or government entity that establishes a fund with the CFO is considered an agency partner. Participating agencies have the peace of mind knowing their charitable resources are being managed in a sound and responsible manner by an experienced Investment Advisory Board, as well as a dedicated staff and Board of Directors committed to working for the benefit of our communities.

The Agency Partner Program provides the following services to members who establish a fund with the CFO:

- Investment management
- Board development
- Professional development and educational seminars on a variety of pertinent topics
- Access to the CFO's charitable gift annuity program
- Access to fund information online via Fund Manager
- Automatic delivery of tax acknowledgement letters to donors
- Acceptance of a wide variety of donor gifts
- Advice on planned giving
- Information on grant opportunities

Agencies that choose to partner with the CFO will know they are engaged in a regional effort to enrich and better the lives of people and communities throughout the Ozarks.

AGENCY PARTNER PROGRAM

Agency Partner Fund Types



Capacity Funds: \$2,500 to open 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. Capacity funds are completely liquid and can be withdrawn by the organization at any time.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assets during a campaign, the money can be invested in a money market account or in the diversified fund and later withdrawn when the project or purpose of the campaign has been completed.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. Capacity funds can eventually become endowed.
- **Earning:** Capacity funds have two investment options: cash or diversified. The cash option is FDIC insured and has a smaller return. The diversified option is subject to market risk, but the historical average return is more than 7% annually.
- **Accessibility:** Capacity-building funds keep assets fluid rather than tying them up in an endowed fund, which has a spending policy.

As stated in the fund agreement, all funds with the CFO are subject to the administrative fee of the CFO. The administrative fee for capacity funds held in cash is typically 1% annually based on the fund's balance with the fee assessed quarterly; however, the CFO can lower the rate in times of lower market performance. The current administrative fee for capacity funds held

in diversified that are not established with an affiliate foundation is 1% annually based on the fund's balance; fee assessed quarterly. Funds established with affiliate foundations have an administrative fee 1.15%. The fees paid for management stay local and are ultimately reinvested in the community.

Endowment Funds: \$10,000 to open, principal is restricted

Endowment funds also are managed by the CFO. This type of fund provides permanent long-term funding for an organization. The endowments 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 return on the diversified investment is more than 7% annually. The current administrative fee for endowments not established with an affiliate foundation is 1% annually based on the fund's balance; fee assessed quarterly. Funds established with affiliate foundations have an administrative fee 1.15%. 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%.

AGENCY PARTNER PROGRAM

Endowment Fund FAQ



What is an endowment fund?

An endowment is a permanent fund that provides income each year to support your organization's mission. Endowment funds are professionally managed to ensure the funds remain strong over time. Currently, endowment funds pay out 4% of the average fund balance. For example, a \$100,000 fund provides about \$4,000 of support each year.

Why is an endowment important?

An endowment provides essential stability and is a permanent source of funding. It facilitates strategic use of funds and allows the organization to plan on the income from one year to the next. An endowment fund presents an excellent option for donors who want to make legacy or planned gifts. Board members and donors appreciate the fact that endowments provide sustainable and guaranteed sources of income.

What form can an endowment gift take?

Endowment gifts take many forms. The CFO provides professional gift planning assistance and facilitates gifts of all types, including:

- Cash
- Gifts of non-cash assets such as stock and real estate
- Gifts through wills or trusts
- Gifts of retirement plan assets
- Gifts of life insurance

What is a named fund?

A named fund is a permanent endowment that honors an individual or family and benefits the organization the donor cares about most. Named funds are created with a gift of at least \$10,000. The gift may be current or deferred, as in the case of a gift made through a will. Each year, the charitable organization receives income from the named fund.

What is a bequest?

A bequest is a gift made in a will or trust. Because a bequest is flexible and revocable, it is the most common type of donor legacy gift. With a gift made from a will to an endowment fund, a donor can continue to support the organization mission far into the future.

Are endowment funds restricted in purpose?

Most endowment funds provide unrestricted support to advance the mission of a nonprofit organization. It also is possible to establish a fund to support a specific purpose within an organization. Individuals and families often create funds named to honor an individual and to support a program of special importance to them.

AGENCY PARTNER PROGRAM

Guidelines for Agency Partner Funds



The Community Foundation of the Ozarks welcomes funds established by nonprofit agencies in central and southern Missouri. To ensure that such funds comply with both the mission of the CFO and the requirements of the IRS, the following guidelines have been established.

Distributions from 501(c)3 Agency Funds

As a verified 501(c)3 nonprofit organization, you may choose to make distributions from your CFO-held funds as you see fit. Your organization is fiscally responsible for distributions from your fund. Distribution requests can be made by email, fax or written request. Distributions must be made by the approved agency contact for the organization.

Email requests: mschuchmann@cfozarks.org

Fax: (417) 864-8344

Written request: Community Foundation of the Ozarks, Attn: Millie Schuchmann
P.O. Box 8960 · Springfield, MO 65801

Capacity funds are not meant to be used as checking accounts. A nonprofit organization should maintain a separate checking account for operating expenses, day-to-day transactions and frequent needs. A capacity fund is meant to help a nonprofit work toward a specific goal, raise capital and build interest on reserve funds.

To view the fund activity, use Fund Manager to view the gifts and distributions from your agency funds.

Adding Assets into your Agency Funds

There are a few ways to add assets to your agency fund:

- Checks can be mailed to the CFO. Checks may be written out to your agency's name, to the name of your fund, or to "Community Foundation of the Ozarks." Please include the fund that will receive the gift either in the memo line of the check or in a note mailed with it. Please do not endorse the check.
Mail to: Community Foundation of the Ozarks,
Attn: Finance Department
P.O. Box 8960 · Springfield, MO 65801
- Credit card gifts may be received through the CFO into your agency fund. Donors may make gifts at www.cfozarks.org/donate. Donors indicate the fund name in the credit card donation process online. We can create a direct link to your fund's page upon request.
- A wire transfer or stock gifts may be made into your agency fund.
- For stock or wire transfer instructions, please contact Millie Schuchmann, Philanthropic Services Manager, at mschuchmann@cfozarks.org or (417) 864-6199.

With all gifts that are made directly from a donor into a fund at the CFO, a gift acknowledgement will be sent to the donor. Credit card gift acknowledgements are provided via email immediately after the gift; all other gift acknowledgements are made by mail.



AGENCY PARTNER PROGRAM

Fund Contribution Instructions



All gifts that are made directly from a donor into a fund at the Community Foundation of the Ozarks will receive a gift acknowledgement. Credit card gift acknowledgements are provided via email immediately after the gift; all other gift acknowledgements are made by mail. To view transfers made into or out of your fund (either by your organization or by other donors), use your Fund Manager login to view the gifts and distributions from your agency funds.

To Contribute via Check

- Make check payable to “Community Foundation of the Ozarks” or “CFO”
- Memo line should include the name of the fund you are contributing to
- Mail check to the CFO at: Community Foundation of the Ozarks, P.O. Box 8960, Springfield, MO, 65801

To Contribute via Credit Card

- Credit card gifts may be received through the Community Foundation website: cfozarks.org/donate
- Use the search bar to look up the name of the fund; click on the name of the fund to begin the donation process

To Contribute via Wire Transfer/ACH

- Bank: Guaranty Bank
- Bank address: 2144 E. Republic Road, Springfield, MO 65807
- Organization name on account: Community Foundation of the Ozarks, Electronic Transfer Account
- Bank routing details (ABA): 086519421
- Account number: 7900068617
- Phone: (417) 885-0556

To Contribute via Transfer of Stocks or Securities

- Financial Institution: Edward Jones
- Registration: Community Foundation of the Ozarks
- DTC: 0057
- Account number: 631-04176-1-0
- Agent: Marty Diebold
- Phone: (417) 882-2040
- Please notify the CFO finance staff before authorizing the transfer

For More Information

Please contact **Millie Schuchmann**, Philanthropic Services Manager, at mschuchmann@cfozarks.org or (417) 864-6199.

AGENCY PARTNER PROGRAM

Gifts, Distributions & Fund Manager

How to make a gift to your fund

Charitable contributions can be made to the fund in a variety of ways:

- Checks
- Cash
- Wire transfers
- Stock/appreciated securities
- Real estate
- IRA charitable rollover
- Estate planning options

To contribute via check

- Make check payable to “Community Foundation of the Ozarks” or “CFO”
- Memo line should include the name of the fund you are contributing to
- Mail check to the CFO at: Community Foundation of the Ozarks, P.O. Box 8960, Springfield, MO, 65801

Cash gifts can also be mailed to the CFO with the name of the fund noted. For all other gifts, please contact the CFO for guidance and directions.

Accessing Fund Manager

Fund Manager is a web-based service for fund advisors, nonprofit agency partners and affiliate community foundations. With information updated daily, it enables you to view your fund balances, gifts to your funds, and completed and pending grants from your funds. Fund advisors can make grant recommendations online at any time. Log on at cfozarks.org/fundmanager or through the link on the CFO’s website. Need access to Fund Manager? Contact **Millie Schuchmann**, Philanthropic Services Manager, at mschuchmann@cfozarks.org or (417) 864-6199.

How to request a distribution

The CFO can make distributions back to your organization at any time. Submit the request via email, letter, or fax to your CFO contact.

- **Email requests:** mschuchmann@cfozarks.org
- **Fax:** (417) 864-8344
- **Written request:** Community Foundation of the Ozarks, Attn: Millie Schuchmann
P.O. Box 8960 · Springfield, MO 65801

Guidelines for distributions

- CFO can pay vendor invoices from your fund that supports your charitable program. CFO can make direct payment from your fund to a vendor which has invoiced your organization. The items or services purchased must reflect your program’s charitable purpose. To have these invoices paid, please submit copies and instructions to your CFO contact.
- CFO can make distributions from your fund to organizations classified by the IRS as 501(c)3 organizations, recognized houses of worship, schools or incorporated government entities.
- If you have questions about these guidelines, please ask your CFO contact.

AGENCY PARTNER PROGRAM

Designated & Agency Partner Funds



The Community Foundation of the Ozarks holds two types of funds that directly benefit nonprofit agencies—designated and agency partner funds—each with their own reporting requirements.

Designated Funds

Designated funds are established by individual donors (third parties), not the agency itself, to benefit one or more nonprofit agencies; therefore the agency does not receive a financial statement for these funds as the agency does not own the monies in the fund. Such funds are **not governed** by the accounting standards codification cited below.

Agency Partner Funds

An agency partner fund is established by an agency that transfers certain assets to the CFO and designates itself as the beneficiary of the fund. This type of fund **is governed** by Accounting Standards Codification 958-605-25 (Not-for-Profit Entities, Revenue Recognition)—see sidebar. Please note that an agency partner fund agreement includes standard language which distinguishes the CFO from a financial institution.

How should the agency show agency partner funds in its financial statements?

The agency should recognize the Accounting Standards Codification 958-605-25 (Not-for-Profit Entities, Revenue Recognition) for its “XYZ Fund” on its statement of financial position. Please consult your accountant and/or refer to the Financial Accounting Standards Board directive No.136.

ACCOUNTING STANDARDS CODIFICATION 958-605-25

(NOT-FOR-PROFIT ENTITIES, REVENUE
RECOGNITION)

This standard applies to accounting for assets transferred to a fund in a community foundation by not-for-profit organizations. Under ACCOUNTING STANDARDS CODIFICATION 958-605-25 (NOT-FOR-PROFIT ENTITIES, REVENUE RECOGNITION), when a not-for-profit transfers a portion of its own assets to a fund in a community foundation, the not-for-profit continues to report those assets as its own, with the offsetting activity reported in net assets. The community foundation also reports the asset, and the offsetting entry is classified as a liability to the not-for-profit organization. When a private individual establishes an endowment fund in a community foundation to benefit a nonprofit organization, ACCOUNTING STANDARDS CODIFICATION 958-605-25 (NOT-FOR-PROFIT ENTITIES, REVENUE RECOGNITION) specifies that the assets in the endowment be reported only in the books of the foundation. An endowment fund in a community foundation that contains a mixture of assets transferred from the not-for-profit organization and gifted by private individuals must treat each type of transaction separately as specified above.

This disclosure statement is intended to provide basic information regarding the establishment of designated and agency funds. The CFO is not in the business of rendering legal, accounting or financial advice. Please consult your attorney, accountant or financial advisor for more information.