

Erie Community Foundation

# Agency Endowments

*Supporting nonprofits in perpetuity.*



**The Erie Community Foundation**

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The Erie  
Community  
Foundation

*Helping today... Shaping tomorrow.*

## Nonprofits need funds for current operations. They also need to plan for the future.



An Agency Endowment within The Erie Community Foundation helps local charities create a long-term source of

predictable income. The Foundation manages the assets and handles administrative aspects of the endowment which can include acceptance of complex gifts, such as securities and real estate.

There are over 70 different nonprofit organizations that have decided to transfer all, or part, of an existing endowment to a designated fund within The Erie Community Foundation. Being a part of a large asset pool helps the nonprofit organization benefit from The Foundation's investment experience and expertise; often at a reduced cost.

In accordance with FASB 136, all agency endowments are classified as Foundation liabilities. They remain a corresponding asset within the nonprofit organization. This type of fund is not for operating reserves, but for true endowments. Foundation staff can then be available to encourage additional gifts to the endowment. Establishing an agency endowment is:

**Flexible:** The fund can be permanently endowed, or it can be structured to make distributions of capital when necessary.

**Economical:** Even small nonprofit organizations can benefit from professional investment management, including diversification and lower investment fees.

**Efficient:** A fund can be established using a simple Fund Agreement. An agency endowment is a simple mechanism for accepting planned gifts, such as bequests and charitable trusts.

**Easy:** The organization is not responsible for investing the assets or for any recordkeeping.

### How to get started

- Think about the causes you care about.
- The nonprofit's board decides to create a new endowment or to consider The Erie Community Foundation as an option for an existing endowment.
- Your organization works with Foundation staff to complete a Fund Agreement.
- We set up a fund in the name of your organization.
- Your agency receives regular statements on the fund.
- You can add to the fund at any time. Donors may make large gifts directly to the fund, or the nonprofit may aggregate contributions before contributing them to the fund. The agency should then consider The Foundation as their part-time planned giving office. Foundation staff are available to discuss major or planned gifts with agency donor prospects. The endowment will also be listed in Foundation publications.
- Contact Michael L. Batchelor at (814) 454-0843.

*"The thing always happens that you believe in; and the belief in a thing makes it happen." —Frank Lloyd Wright*