



## **NON-ENDOWED (Unrestricted) Funds**

### Fee Structure & Information Summary Sheet

**Non-Permanence.** A non-endowed fund is an unrestricted fund that does not earn dividends and gains from investment. When you establish a non-endowed fund, the gift assets are held as unrestricted monies, in compliance with federal UPMIFA regulations. All gifts donated to a non-endowed fund are made to the Solano Community Foundation (SCF). Contributions may be made at any time to a non-endowed fund. All donations received are acknowledged in writing by SCF. To establish a non-endowed fund, the recommended minimum gift amount is \$500.00. The Donor/Fundholder may recommend grants from the fund balance. SCF Board approval is required to make grant disbursements.

**Pooled Funds.** Non-endowed fund assets (fund balance plus gifts received) of funds are pooled and held in a money market account, according to Foundation policy. They do not earn any interest or dividends for the Fundholder, and are monies held are readily available for grantmaking. Fund activity is individually tracked and reported to Fundholders quarterly.

**Eligible Grantees.** Only 501c (3) public charities may be recommended as grant recipients. Requesting or using funds to fulfill memberships or pledges, to pay for attendance or for admission to events or social functions, or for anything that provides benefits to the Donor, advisors, or related parties is prohibited. Donor funds may not be used to make grants directly to individuals or grants to organizations for the benefit of specified individuals.

**Community Development Fees.** Community Development Fees (a.k.a. administrative fees) are paid from each fund held, to the foundation annually (depending on the existing fund balance) to help cover administrative and managerial costs. These fees are used by the Foundation for program support and operating expenses. Fee amounts for non-endowed funds may vary from year-to-year, depending on the total giving amount, or frequency of gift activity.

**Fee Structure.** In accordance with the Policy on SCF Fee Structure for Funds and Services, all non-endowed funds pay an annual minimum fee of \$500.00 in January of each year. For funds with little or no gift activity, this is the total annual fee. For those funds receiving a total amount of contributions greater than \$10,000.00 in one calendar year, the fee amount is calculated as 5% of total gifts received.

Any fees owed in excess of the \$500.00 minimum amount, are collected December 31st. The additional fee amount is determined by totaling the amount of gifts received during the year, and multiplying that total by 5%. When the calculated amount exceeds \$500.00, only the difference is collected. The fund balance may drop to zero at any time, but only for those funds that have “seasonal” or event-driven contribution schedules. All other non-endowed funds must maintain a minimum fund balance equal to, or greater than \$500.00 throughout the year.

#### **Fee Examples.**

1. A non-endowed fund begins the year with an existing balance of \$15,385.00 and pays the minimum annual fee of \$500.00 in January. If no gifts are received during the year, there is no additional fee.

2. A non-endowed fund begins the year with an existing balance of \$800.00 and pays the minimum annual fee of \$500.00 in January. During the year \$12,000.00 in total gifts are made to the fund. The difference between fees paid and fees owed is \$100.00 (5% of \$12,000.00 = \$600.00) and is collected December 31st. There are no hidden or embedded fees, and no additional costs.

**Donor Services & Reporting.** Each fund established is customized to the Donor's wishes and charitable intent. The Foundation staff and Board members are available to Donors for advice about grantmaking, to answer investment questions, to structure or restructure funds, and to address related matters. All Donor/Fundholders receive a monthly or quarterly fund statement. SCF manages and is responsible for all funds held. This includes administrative and accounting procedures, and IRS reporting requirements.