



Agency

Fund Guide

How an Agency Fund Works

The Foundation makes it easy to establish an Agency Fund that allows your organization to steward operating reserves or endowments expertly, while not allocating valuable staff time away from your mission. Here's a snapshot of how it works.

Give – Make a contribution of \$10,000 or more to open a non-endowed fund, or \$50,000 to open an endowed fund.

Grow – Invest the fund using diversified pools managed by specialized investment managers.

Connect – Enjoy the offerings of the Foundation to support the capacity of your organization.

Grant – Request grants from the fund or set up annual distributions.

How to Reach Us:

You may call the Foundation's main line (919.474.8370) at any time and ask to speak with your fund liaison. This individual's name appears at the top of all fund statements.

To learn more, or reach individual staff members, visit:

www.trianglecf.org/the-foundation/staff

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TRIANGLE COMMUNITY FOUNDATION

Triangle Community Foundation is building a stronger Triangle for all. By working with dedicated donors and strong nonprofits, we are able to guide gifts in a strategic way to fill in gaps, reduce inequities, and solve the region's most pressing challenges.

We work tirelessly in the Triangle region of North Carolina to help build a more vibrant community for everyone. By taking a broad view, we are uniquely positioned to identify gaps, support the most important needs, and shape a brighter future for generations to come.

For over 35 years, the Foundation has enhanced the lives of all its residents by connecting donors with causes they care about, providing funding for nonprofits and serving as a resource for local issues in the Triangle region of North Carolina. Each year, the Foundation grants nearly \$30 million back into the community, partnering with donors and nonprofits to make a difference, now and for the future.

Our Ideology

Our Vision

A vibrant Triangle that works together to ensure everyone thrives.

Our Mission

We inspire and mobilize giving, leadership, and action.

Our Values

Community | Equity | Leadership | Legacy

About This Guide

This Guide includes many useful tools for Agency Funds, as well as frequently asked questions that you may find helpful. Please read through it and keep it as a reference for future board and staff members. We want your experience with the Foundation to be satisfying. To ensure that an Agency Fund is the best choice for your organization, our Development Staff are available to review this Guide with you and discuss how a fund at the Foundation can help achieve your organization's mission.

The Guide also presents the policies of the Foundation which govern its Agency Funds. The Guide is not intended to constitute tax or legal advice and should not be relied upon as such. You should discuss the implications and consequences of a specific contribution with a legal and/or tax advisor who is familiar with your organization's financial situation.



Agency Fund

How To Guide

CONTRIBUTING TO AN AGENCY FUND

Contributions may be made by the Agency into the fund at any time.

- Cash contributions must be in U.S. dollars and delivered by check or wire transfer.
 - Checks should be made payable to Triangle Community Foundation with the specific fund name listed on the memo line.
 - Large cash contributions may be transferred by wire directly to the Foundation's bank account. Contact the fund's liaison for wiring instructions and notification prior to making the transfer.
- Please call the fund liaison for assistance with stock contributions.
 - Publicly traded stocks, bonds, and mutual fund shares are accepted and can be transferred by wire or delivered in certificate form.

The Foundation is capable of receiving complex contributions such as real estate, closely held stock or business interests, but must be reviewed prior to acceptance. Please contact our General Counsel staff for more information.

Third Party Contributions – Individual donors may not make contributions to an Agency Fund. Individual donors may contribute directly to your organization for the Agency Fund, or they may create a Designated Fund at the Foundation to benefit your organization.

Legacy or Estate Contributions – The Foundation can receive distributions from charitable trusts or bequests from an estate on behalf of your organization and create a Designated Fund. We work with your donors across the full range of planned contributions, including bequests, beneficiary designations, and charitable trusts to receive assets for the future of the fund. Designated Funds are different from Agency Funds; please ask our Development Staff for more information.

Contribution Processing

Processing time varies for different types of contributions. Timeframes for receipt of assets depend upon the asset liquidity and the procedures of the financial firm transferring the assets to be donated. During certain peak periods, such as the end of the calendar year, contribution processing may take longer than normal to complete. The Foundation will liquidate contributed assets as soon as possible, after both the necessary documentation and the assets are received. Contributions will be acknowledged in writing pursuant to the policies below as of the date assets were received.

Contribution Receipts – Contributions from your organization of \$250 or more will be acknowledged in writing. For contributions of private securities, business interests, real property, and other non-cash assets valued at more than \$5,000, an acknowledgment will be sent and the Foundation will execute IRS Form 8283 upon receipt of an independent, qualified appraisal.

DISTRIBUTIONS FROM AN AGENCY FUND

Authorized contacts may recommend a distribution back to your organization by completing and returning a Distribution Request form. This form can be obtained from your organization's fund liaison. This form can be returned via email, postal mail or by fax to 919.941.9208. We cannot use the fund to issue funding to another entity or individual.

Important information to remember:

- The fund must maintain a minimum balance of \$10,000 or a minimum balance of \$50,000 for endowed funds.
- The minimum distribution request is \$250.
- Distributions are mailed weekly from the Foundation. Distribution request must be received by **Sunday at 11:59pm** for checks to be issued by Friday to organizations that have met due diligence requirements. When additional information is needed from the organization, processing of grants may be delayed.

Once the Foundation receives your distribution request, our Grants Coordinator will perform due diligence on your organization to verify that it meets the Foundation criteria to receive a grant. Due diligence involves collecting the organization's tax status documentation, a copy of its most recent IRS Form 990, a list of its board of directors and general organizational information. Organizations are reviewed once every 12 months after the initial approval.

Your organization may make additional contributions to the fund at any time. See page 5 for information about fund contributions.

READING YOUR FUND STATEMENT

Authorized contacts at your organization receive a quarterly fund statement approximately six weeks after the end of every quarter.

Statements provide an overview of the past quarter's activity, including contributions, grants, investment earnings, and the fund's ending balance.

How to read the fund statement:

- 1. Additions to Fund:** This reflects cash and stock gifts into the fund for the quarter. A detailed list of the gifts can be found on the second page of the statement. If you have questions about the investment activity, please contact the fund liaison.
- 2. Interfund Contributions and Interfund Grants Approved:** This is the gift and grant activity between the fund and other funds at the Foundation.
- 3. Disbursements from Fund:** This reflects grants made per your organization's request from the fund for the quarter. A detailed list of grants can be found on the second page under Grants Approved Detail.
- 4. Administration Fees:** This reflects the annual fee assessed on Agency Funds. This fee is charged at 0.25% each quarter with a minimum of \$300 annually or \$75 quarterly, based on daily average balance for the quarter.
- 5. Other Expenses:** This includes fees charged by the Foundation's broker for the sale of stock. This is detailed on the second page of the fund statement.
- 6. Detail of Spendable Balance:** This is the amount available to grant from an endowed Agency Fund. A percentage of the fund's average balance is set aside for distribution from the fund each year. Any amount of the spendable balance not distributed by December 31 is reinvested into the endowed fund principal, and used to calculate the next year's spendable balance.
- 7. Year to Date:** This is the calendar year-to-date summary.

USING DONORCENTRAL®

Triangle Community Foundation uses DonorCentral to provide a secure, online portal through which your organization can access fund information. You may view the latest fund balance and review gift history.

Logging in for the first time

Once your DonorCentral credentials are activated, authorized contacts at your organization will receive a welcome email from DonorCentral with a link to set up a user ID (via Blackbaud ID) and a password. Instructions for that process are also listed below.

Blackbaud ID

Sign in to continue

Blackbaud ID


donorservices@trianglecf.org

Password

...

[Forgot password?](#) Remember my email

Sign in

 Sign in with Google

[Don't have a Blackbaud ID? Create a new one](#)

[Need help? Can't find your product sign-in?](#)

Be sure to use the email address that received the welcome email when completing this process.

To create a new Blackbaud ID:

1. On the Login page, click the “Don't have a Blackbaud ID? Create a new one” link.
2. Fill in the form to create your Blackbaud ID.
3. You will be sent an email to confirm your email address associated with your Blackbaud ID.
4. Click the link on the confirmation email to confirm your Blackbaud ID.
5. You will be redirected back to the Login page.
6. Enter your newly created credentials to login.

Logging in after the first time

Use your web browser to visit www.trianglecf.org and select the “Log In To A Fund” link in the top center of the home page.

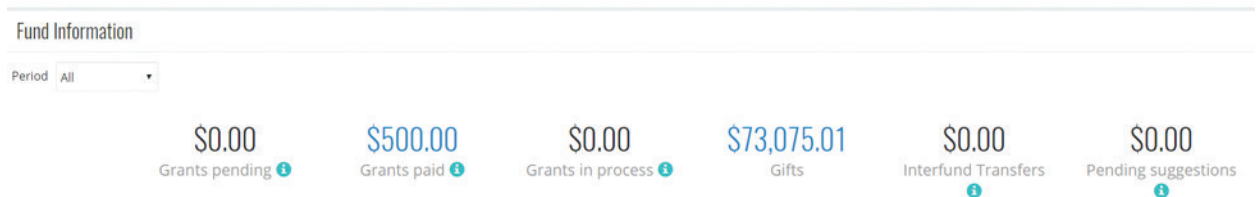
Forgot your password (or the url to register your password has expired)? Click “Forgot Password” on the login page and follow the instructions.

Please keep in mind that the email address you enter *must* match the address we have on file. If you want to change that email address, call the fund liaison.

Reviewing Fund Information

DonorCentral offers easy access to comprehensive information about the Agency Fund(s) of your organization, allowing you to view and print fund information. To view fund information, you can select either the **Fund info** tab or the **Dashboard** tab. In the “Choose A Fund” field, type the name of the desired fund to select it.

The fund name, description, spendable balance, and other details display on the **Fund Info** tab. “The Period” defaults to “All”, but options for “This Month”, “This Quarter”, “This Year”, or “Last Year” are also available. Click one of the totals displayed and all related records and details displayed in the grid below. Hover the mouse cursor over the information bubble to view an explanation of the total.



View Grant History

To view the fund’s grant history, grant totals by year, and other general grants information, select the **Grants History** tab. By using the filter at the top, you can view grants by year, by fund, or by organization.

INVESTMENTS

Investment Philosophy

Triangle Community Foundation's investment philosophy is intended to protect the value of charitable funds while they are being held for future distribution. The Foundation's investment portfolios are made up of diversified pools managed by specialized investment managers. Selection of an investment pool will vary depending on the timeframe for giving, level of diversification desired, and charitable goals of the organization. All funds at the Foundation are guided by the North Carolina Uniform Prudent Management of Institutional Funds Act (UPMIFA).

Investment Purpose and Goals

The Investment Committee and its Investment Advisor implement a sound investment policy for the Foundation that results in the most suitable investments for each type of investment portfolio. A key goal is to achieve investment returns that are high enough to permit annual distributions from endowment funds while generating real, net of inflation results that will maintain the purchasing power of the underlying funds across generations. The goals include earning long-term returns sufficient to exceed inflation and grant distributions, earning returns that meet targeted performance benchmarks, and achieving these results while taking prudent levels of risk.

Endowed and Non-Endowed Funds

Endowed funds are permanent funds invested for the long-term in a diversified portfolio of publicly traded stocks, bonds, real estate, private equity, hedge funds and cash. Endowed funds are operated under a spending policy set by the Foundation. Currently up to 4.5% of an endowed fund's value is available for distribution in the form of grants on an annual basis. Non-endowed funds are also invested for the long-term, but do not have a limitation on distributions and therefore have cash flow needs requiring greater flexibility.

A minimum fund balance of \$10,000 must be maintained for a non-endowed fund; \$50,000 is the required balance for an endowed fund.

Investment Oversight

The Foundation has a Finance Committee composed of board members having specific experience and expertise in financial management and operations. Further, there is an Investment Committee consisting of experienced career investment professionals. This group sets investment objectives, selects investment managers assigned to particular portions of foundation portfolios, and monitors performance with the goal of achieving targeted returns while maintaining an appropriate level of risk. An Investment Advisor works with the Investment Committee to identify potential investment managers for consideration of the committee. Together, the Investment Committee and Investment Advisor develop sound investment policy and appropriate asset allocations for each of the investment portfolios.

The Board of Directors provides oversight of the investments and directs the staff to apply the investment policies it has adopted as described above. The Foundation Staff performs accounting and treasury management, including the allocation of gains and losses from an investment pool to individual funds participating in that investment portfolio, initiation of money transfers between investment accounts, overall enterprise financial oversight, and fund reporting.

Additional information about the investment portfolio options can be obtained from the brochure titled, "Overview of the Foundation's Investment Practices" obtained on our website or by contacting the fund's liaison.

Investment Portfolio Options

The Foundation provides your organization access to diverse investment options, allowing for the opportunity to grow the fund's assets. Your organization chooses the investment portfolio best suited for your charitable goals. Options vary depending upon whether the fund is endowed or non-endowed. The Foundation retains final discretion regarding investment decisions and investment managers are selected and monitored by the Foundation's Investment Committee. More detailed investment information is available upon request.

Changes to Investment Options

Organizations may request a change in investment option for non-endowed funds once per 12-month period. Please let us know in writing by completing the Investment Option Change Form obtained upon request from the fund's liaison. No fees or penalties are associated with changes to investment options.

FAQS

Who can use the fund?

Agency Funds allow two persons affiliated with your organization to be authorized contacts. Only those who are authorized are able to discuss fund information with the Foundation, request a distribution, and/or change investment options. If changes have occurred in your organization and you'd like to change who is authorized, please contact the fund liaison.

Is there a minimum grant distribution amount?

Yes, our minimum grant distribution is \$250.

How does an Agency Fund make distributions?

An Agency Fund can be set to distribute grants to your organization annually, or authorized contacts from your organization can request grant distributions.

How long does it take for a grant distribution to be processed?

We make grants every week except for special circumstances such as office closure due to weather or holidays. If a grant recommendation is submitted by Sunday at 11:59pm, it will be mailed on Friday, except in cases where we need more information about the organization. During busy times, like the end of the year, grants may take a bit longer to process.

Can a distribution be made to a different organization?

Due to the unique nature of agency funds, grants may only be made back to the nonprofit that established the fund.

How do I know how much is available in the fund?

An authorized contact can log in to DonorCentral at any time to view the fund balance. Your organization will also receive a quarterly fund statement by mail. Statements are produced approximately 45 days after the close of the quarter.

How does our organization use DonorCentral?

Each organization receives one username and password to share with authorized contacts. Please call your fund liaison if you have any of the following questions:

- How do we register for DonorCentral access?
- What do I do if I forget the user ID?
- What do I do if I forget the DonorCentral password?
 - Enter your user ID and click on the link that says "Forgot Your Password?" You will be prompted to enter in your email address, which must match the address Triangle Community Foundation has on file. Your password will be emailed to you.



Agency Funds

Policies

GIVE

Who Can Create an Agency Fund – 501(c)(3) publicly supported nonprofits in good standing with the IRS, government agencies, or religious institutions are eligible to establish an Agency Fund at the Foundation. The organization completes a Fund Agreement and provides an initial irrevocable minimum contribution. The fund is established when the Fund Agreement is signed by Foundation staff and the contribution is accepted.

Naming the Fund – A fund at the Foundation is identified by the fund name of your organization's choosing. You can select a name that identifies your organization (*Fund for the Symphony*) or has other mission significance (*We Love Dogs Fund*).

Documentation – A fund agreement will be prepared by our Development Staff with your organization. Authorized contacts will be identified to sign the Fund Agreement and interface with the Foundation for making distributions. A copy of signed minutes from a duly-convened board meeting will be required as supporting documentation of your board decision to create an Agency Fund with a contribution to the Foundation.

Minimum Initial Contribution – A minimum contribution of \$10,000 is required to establish a non-endowed Agency Fund, or \$50,000 to establish an endowed Agency Fund.

Future Contributions – Additional contributions of cash, marketable securities, mutual funds, and similar liquid assets may be made by your organization to an established Agency Fund in any amount and at any time. Contributions of complex assets, such as business interests or real estate must be reviewed and approved before they are accepted and additional requirements or fees may apply.

Third Party Contributions – Individual donors may not make contributions to an Agency Fund at the Foundation. Individual donors may contribute to your organization for the Agency Fund, or they may create a Designated Fund at the Foundation to benefit your organization. Ask our Development Staff for more information about Designated Funds.

Legacy or Estate Contributions – The Foundation can receive distributions from charitable trusts or bequests from an estate on behalf of your organization and create a Designated Fund. We work with your donors across the full range of planned contributions, including bequests, beneficiary designations, and charitable trusts to receive assets for the future of the fund.

Contribution Processing

Processing time varies for different types of contributions. Timeframes for receipt of assets depend upon the asset liquidity and the procedures of the financial firm transferring the assets to be donated. During certain peak periods, such as the end of the calendar year, contribution processing may take longer than normal to complete. The Foundation will liquidate contributed assets as soon as possible, after both the necessary documentation and the assets are received. Contributions will be acknowledged in writing pursuant to the policies below as of the date assets were received.

Contribution Receipts – Contributions from your organization of \$250 or more will be acknowledged in writing. For contributions of private securities, business interests, real property, and other assets valued at more than \$5,000, an acknowledgment will be sent or the Foundation will execute IRS Form 8283 upon receipt of an independent, qualified appraisal.

Disposition Acknowledgment to IRS – Pursuant to IRS regulations, if property listed on IRS Form 8283 is sold, liquidated, or otherwise disposed of within three (3) years of receipt, the Foundation is required to file a separate report with the IRS on Form 8282 within 125 days of the date of disposition disclosing the facts about the disposition including the amount of sales proceeds, if any.

Contribution Fees – Any costs incurred to evaluate, acquire, or sell a contribution asset, such as real estate, partnership interest, or stock will reduce the net proceeds credited to the Agency Fund.

Types of Contributions Accepted

Foundation staff are available to review proposed contributions prior to acceptance and may request additional information prior to final acceptance. Proposed contributions that are out-of-the-ordinary may be submitted with the staff's recommendation to the Foundation's Board for review.

Cash – Cash contributions must be in U.S. dollars and delivered by check.

- Checks should be made payable to Triangle Community Foundation with the specific fund name listed on the memo line.
- Large cash contributions may be transferred by wire directly to the Foundation's bank account. Contact us for wiring instructions and to inform our staff prior to making the transfer.

Publicly-Traded Securities – The Foundation will accept publicly-traded stocks and bonds. Special attention may be required for transactions with unique tax considerations, such as restrictions on excess business holdings, restricted or controlled stock, and capital gains treatment of discounted bonds upon maturity. Securities may be transferred electronically or delivered in certificate form.

Mutual Funds – The Foundation will accept readily-marketable mutual fund shares.

Closely-Held Business Interests – The Foundation may accept contributions of business interests if an acceptable means of converting the business interests into liquid assets via sale, redemption or other method of liquidation can be anticipated within a reasonable time. The acceptance of any such contribution is subject to review and will require a qualified appraisal.

Real estate – The Foundation may accept contributions of real estate, including land, residences, vacation homes, apartments or office buildings or fractional interests in such real property. The acceptance of a contribution of real estate is subject to review and will require a qualified appraisal.

GROW

Triangle Community Foundation's investment philosophy is intended to protect the value of charitable funds while they are held for future distribution. The Foundation's investment portfolio is made up of diversified pools managed by specialized investment managers. Selection of an investment pool will vary depending on the timeframe for giving, level of diversification desired, and goals of the organization.

Investment Oversight

The Foundation's Board of Directors provides oversight of the investments of all funds through its Investment Committee, who works with a third party Investment Advisor and Foundation staff to implement the policies the Board has adopted.

Finance Committee – The Foundation's Finance Committee, appointed by and reporting to the Board, has immediate oversight of all aspects of the Foundation's financial management. This committee is comprised of Board members with specific experience and expertise in financial and operations management.

Investment Committee – The Foundation's Investment Committee, also appointed by the Board, reports to the Finance Committee and is comprised of highly experienced investment and business professionals. All funds are invested with the guidance of the Investment Committee. The Committee sets objectives, selects professional managers and monitors performance with the goal of achieving targeted returns while minimizing risk.

Investment Advisor – We retain an Investment Advisor specializing in institutional funds management to help guide the Investment Committee. The Advisor assists the Investment Committee in the design and maintenance of the portfolio and provides regular reports on investment managers, portfolio performance, and market analysis.

Investment Policy – The Investment Committee and its Advisor implement a sound investment policy for the Foundation that focuses on the appropriate investments for each type of fund. Good investment returns allow for annual distributions from endowment funds, help increase the value of all funds, and ensure the endowments exist for the future.

General Investment Objectives – The Foundation's investment objectives and guidelines are designed to meet the following general investment goals:

- earn sufficient long-term returns that exceed inflation and grant distributions
- earn returns that meet targeted benchmarks for at least a full market cycle
- earn all returns with prudent risk

Market Fluctuations – Market fluctuations may cause the value of assets held in a fund to be worth more or less than the value of the original contribution. The organization should recommend a pool consistent with the distribution goals and time horizon of the nonprofit. The descriptions of the various pools provide guidance in that regard.

ENDOWED VS. NON-ENDOWED FUNDS

Funds are classified at the Foundation based on the timeframe selected by your organization. Nonprofits have the option to create an endowed fund that will be managed by the Foundation in perpetuity. Or your organization can create a non-endowed fund that allows flexibility to grow, spend, or sunset as needed.

An Endowed Agency Fund is a **permanent** fund. Your organization should not consider an endowed fund if the assets in the fund will be needed for programs or operations or capital expenditures. The decision of your organization to restrict an Agency Fund as an endowment will be binding on your current and all future boards of directors. The spending restriction will be enforced by our board of directors strictly.

Assets in endowed funds are managed with the goal of preserving and growing the principal in perpetuity. Only the “spendable amount” is available for distribution each year and is limited to 4.5% of the fund’s average balance. An endowed fund should only be chosen to preserve the principal of the fund for future generations, not for short term needs.

Endowment Spending Policy – Endowed funds are administered under the spending policy approved by the Foundation’s Board of Directors and guided by the North Carolina Uniform Prudent Management of Institutional Funds Act (UPMIFA). Currently, up to 5% annually (1.25% per quarter) of an endowed fund’s spendable balance is available for distribution under the Foundation’s spending policy. The Foundation’s endowment spending will be reduced over the next few years as follows:

Spending Rate	Change Date
4.5	January, 2019
4.25	January, 2020
4.00	January, 2021

The Board considers several factors in setting our spending allocation, such as:

- the long and short-term needs for grant distributions
- expected total return on the investments
- investment and administrative expenses
- inflation and general economic conditions

The amount available for distributions is called the “spendable amount” and is calculated on the average fund balance for the previous 13 quarters. The spendable amount is allocated annually and any undistributed amount of the spendable will be swept back into principal at the end of the year. The new spendable amount will be allocated by mid-February of each year.

Removal of Endowment Restrictions – The primary vehicle used by nonprofits to create long-term support is the endowed fund, which is intended to last in perpetuity. To demonstrate that commitment to perpetuity, organizations sign fund agreements that outline the purpose of the fund and the specific intent to endow. It is only in the most extraordinary circumstances that endowed funds will be allowed to distribute from principal rather than or in addition to the spendable amount. A formal appeal the Foundation’s Board of Directors will determine if the request will be granted on a case by case basis.

A Non-Endowed Agency Fund is not a permanent fund. Non-endowed funds allow the organization maximum flexibility in structuring the fund because both the principal and spendable amounts are available for distribution. A minimum fund balance of \$10,000 must be maintained to keep the fund active at the Foundation.

Inactive Funds – The Foundation encourages grants from Agency Funds at least annually to qualified charitable organizations; however, your organization may discuss its intention to keep the Agency Fund invested with infrequent distributions. Agency Funds are deemed “inactive” when no contributions have been made to the fund and no distributions have been made from the fund for a period of three years. The Foundation will make reasonable efforts to communicate with an Agency at their last known addresses. Inactive funds may be administered by the Foundation in its sole discretion and in such manner as determined by the Foundation will honor the charitable mission of the Agency and address the needs of the community.

Investment Portfolio Options

The Foundation provides your organization access to diverse investment options, allowing for the opportunity to grow the fund’s assets. Your organization chooses the investment portfolio best suited for your charitable goals. Options vary depending upon whether the fund is endowed or non-endowed. The Foundation retains final discretion regarding investment decisions and investment managers are selected and monitored by the Foundation’s Investment Committee. More detailed investment information is available upon request.

Endowment Portfolio – This pool provides high diversification with longer-term investments for organizations desiring a permanent fund.

Non-Endowed Portfolios – The Foundation currently has two non-endowed investment portfolio options.

- The Equity-Oriented Portfolio is for donors who have moderate time horizons and desire diversification similar to the endowment portfolio.
- The Fixed Income-Oriented Portfolio is for donors who have shorter time horizons or desire less risk exposure.

Socially Responsible Investment Portfolio – This portfolio focuses on both financial return and social good. It can be the investment option for either endowed or non-endowed funds.

Non-Invested Funds – Organizations may also choose for contributions in a fund not to be invested to avoid any exposure to market fluctuations, however an administration fee still applies

Benchmarks – The Investment Committee and the Investment Advisor closely monitor the performance of each portfolio and each asset manager. This is accomplished by comparing managers’ returns to the overall market, to selected peer managers, and to an appropriate index.

Investment Allocation – The contributed assets in each fund and future contributions are invested in the portfolio selected by organization. The Foundation maintains the fund’s investment allocation through monthly rebalancing and provides quarterly investment performance along with fund statements. The Foundation retains final discretion regarding investment decisions.

Changes to Investment Options – Organizations may request a change in investment option for non-endowed funds and must notify the Foundation in writing. An Investment Recommendation Change Form may be obtained by contacting the Foundation. We allow investment option changes once per a 12-month period or when a significant change in fund activity or balance occurs. Reallocations occur on the first business day of the following month. No fees or penalties are associated with changes to investment options.

Investment Performance Reports – The Foundation provides regular investment performance summaries upon request. These reports show the rate of returns for each portfolio compared with selected benchmarks. All performance returns are net of investment management and custodial fees. Quarterly fund statements show the allocation of overall returns to each fund depending on investment portfolio selected by the organization.

GRANT

Authorized contacts associated with Agency Funds are able to recommend a distribution back to your organization only. Recommendations are submitted via a Distribution Request Form available from your staff liaison. All grant distributions are reviewed by the Foundation's Board of Directors. Once a grant is approved, the Foundation mails a check to your organization.

Grant Distributions

Minimum Grant Distribution Amount – The Foundation's current minimum grant amount is \$250.

Number of Grant Distributions – The Foundation allows an unlimited number of grant distributions from each Agency Fund.

Grant Processing – Grant recommendations are processed weekly, generally within five to seven business days of receipt.

Maintain Fund Balance – To remain an active Agency Fund, the Fund must maintain a \$10,000 balance. If your organization wants to close the Fund to receive all the assets, please contact your fund liaison.

CONNECT

Each Agency Fund may be accessed by two individuals authorized by your organization. These individuals can request balance information, change investment selections, and request distributions. Updates to authorizations may be made using an authorization form. For a copy of this form, please contact the fund liaison.

Fund Services

Our core services for all Agency Funds include administration and oversight of contributions into as well as out of each fund, educational and peer-networking opportunities. We look forward to helping your organization achieve its goals.

Fund Liaison – A member of Foundation staff is available to assist your organization in using the Agency Fund or to answer questions.

Pooled Investment Portfolios – The Foundation maintains proprietary investment portfolios made up of diversified asset classes and allocations managed by specialized investment managers. Assets contributed by your organization to an Agency Fund enjoy prudent stewardship for long-term growth.

Education and Engagement – We offer a variety of gatherings throughout the year, designed for non-profits. Some examples include the following:

- Workshops to provide interactive, hands-on tools and information
- What Matters Community Luncheon, an annual event with guest speakers for the broader community to focus on important issues facing the Triangle region
- Informal gatherings at the Foundation offices

Online Access to Fund Information – Fund information is available online through DonorCentral, a secure site that may be accessed with a user ID and password. Only one log in is issued per organization, but you may share it as you see fit within your organization. This online site tracks fund activity and reviews contribution and grant transactions.

Authorized Contacts – Authorized contacts have full advisory privileges over a fund, including grant recommendations, investment recommendations, naming of successor advisors and other fund administration privileges. All advisory recommendations must be submitted in writing and signed by both the Primary and Secondary Contacts. The Primary Contact will receive log-in credentials for the fund on the Foundation's donor portal for purposes of viewing fund activity.

Changing Authorized Contacts – Changes to authorized contacts may be made by submitting a Contact Authorization Form. Contact the fund liaison for a copy of this form.

If No Authorized Contacts – If those previously authorized are no longer affiliated with the organization, the Contact Authorization Form must be signed by the Board Chair.

ADMINISTRATION

Fund Statements

Fund statements are sent to your organization on a quarterly basis. Statements provide an overview of the past quarter's activity, including contributions, grants, investment earnings, and the fund's ending balance. Monthly fund activity can always be viewed online through DonorCentral.

Fees

Agency Funds are subject to the Foundation's administrative and investment expenses as set forth below. Fees are reviewed periodically by the Board of Directors, and are subject to change at the sole discretion of the Foundation. Notice of any changes in the fee structure will be provided prior to implementation. Contact our staff for confirmation of the most current fee schedule.

Administrative Fees – Annual administrative fees are assessed to each fund to meet the Foundation's operation expenses. Administrative fees for Agency Funds are based on the fund balance. The fee schedule for Agency Funds is provided here for your reference.

Administrative Fee	
1.00%	first \$1 million, \$300 minimum annual fee
0.75%	next \$2 million (\$1-3M)
0.50%	next \$2 million (\$3-5M)
0.40%	next \$5 million (\$5-10M)
0.25%	amount above \$10 million

Investment Fees – Investment fees are separate from and in addition to the annual administrative fees paid to Triangle Community Foundation. Investment fees include custodial, consulting and asset management services and range from 0.4% to 0.9% per year, depending on the portfolio selected by the donor. Investment performance is reported net of investment fees, which are deducted by the managers and service providers prior to reported earnings.

Transactional Fees – Potential fees apply to credit card gifts and stock gifts and are separate from the Foundation's annual administrative fees. Contact our staff for fees associated with specific transactions.

Complex Gift Acceptance Fee – Gift assets that require special review and attention, such as real estate, limited partnership interests, or closely-held stock may incur an additional gift acceptance fee.

Expenses and Liabilities – Any expenses incurred by the Foundation related to receipt of assets into the Fund, distributions from the Fund, or otherwise to administer the Fund consistent with the charitable purpose of the Fund or the Foundation's status under Section 501(c)(3) of the Code may be charged against the Fund. In the event liabilities are associated with assets given to this Fund, the Foundation does not assume any of such liabilities and such liabilities shall encumber only the assets of this Fund and not the Foundation, any of its other assets, or any other component fund.

Legal and Accounting Implications

Contributions are Irrevocable – All contributions to the Foundation, including to an Agency Fund are irrevocable once they are accepted. All contributions become the property of the Foundation subject to legal control of the Foundation's Board of Directors.

Understanding Variance Power – A distinctive feature of community foundations is the 'variance power' reserved by the Foundation's Board of Directors and contained in the charter of the Foundation. The variance power authorizes the Foundation's Board of Directors to modify any condition or restriction on the distribution of funds if in its sole judgment, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the needs of the area served by the Foundation. The Foundation is required to have this discretionary power as to all contributions to the Foundation in order to enable the donor to receive a tax deduction for his or her contribution and to meet the Foundation's accounting standards and practices. The Foundation, however, will carefully consider donor recommendations regarding preferences and distributions.

Establishment of the Fund – An Agency Fund shall be established as a component fund of the Foundation to receive assets from the Agency, hold and invest such assets and provide financial support for the Agency's charitable, scientific, or educational purposes. The Agency Fund will make distributions solely to the Agency in accordance with the Agency's written recommendation and the Foundation's spending policy. The Foundation acknowledges the Agency's sole beneficial interest in the fund and its expectation of grant distributions from the fund.

Control by the Foundation of Fund Assets and Distributions – The Fund shall include the initial contribution, additional contributions made to the Foundation for the inclusion in the fund by the Agency and all undistributed investment income and capital gains. All contributions and earnings are the property of the Foundation, and the Board of Directors of the Foundations has absolute control of the fund, including but not limited to full authority and discretion as to investment and reinvestment of assets. The Foundation's governance of the fund will be in accordance with the terms of this Agreement and the Foundation's Articles of Incorporation, Bylaws and policies, as they may be amended from time to time. The Foundation Board of Directors exercises final approval of distributions from the fund and all funds at the Foundation by vote at its quarterly board meetings.

Accounting of the Fund – The Agency and Foundation acknowledge and agree that, in accordance with Financial Accounting Statement 136 promulgated by the Financial Accounting Standards Board, the Agency records the fund as a net asset on its balance sheet and the Foundation records the fund as an asset with an offsetting liability on its balance sheet. Notwithstanding the foregoing, the Agency acknowledges that it will consult its own accounting and tax advisors for guidance on proper accounting and tax treatment of the fund.

Disclaimer

The information and policies contained in this Guide are current as of the date noted. The Foundation will make reasonable efforts to keep this policy statement up-to-date, but the Agency is advised that the Foundation may change its policies at any time. The Guide is prepared to inform the Agency of the policies which govern the administration of Agency Funds at the Foundation. It cannot be expected to provide a full analysis and discussion of all relevant facts and law in a particular situation. The Foundation recommends that donors consult with legal, tax, and financial advisors for comprehensive advice prior to making any charitable gifts to the Foundation or any other nonprofit organization.



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