



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. You may also reach your fund liaison by email at agencyfunds@trianglecf.org.

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 as of January 2021. 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 your organization 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 or Development 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. The Foundation does not support fundraising activities by your organization and cannot accept gifts into the Fund from donors generated by those activities.

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 at your organization may recommend a distribution back to your organization by submitting a Distribution Request Form via Donor Portal. Instructions for submitting a Distribution Request Form can be found on page 7 under "Grant Request Tab." We cannot use the fund to issue funding to another organization or individual. If you have any questions about this process, please reach out to your fund liaison. Refer to pages 17-19 of this Guide for more information on distributions from Agency Funds.

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 requests 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.

READING YOUR FUND STATEMENT

Authorized Contacts at your organization can view a quarterly fund statement online 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, as well as investment earnings or losses. 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. Distributions 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.

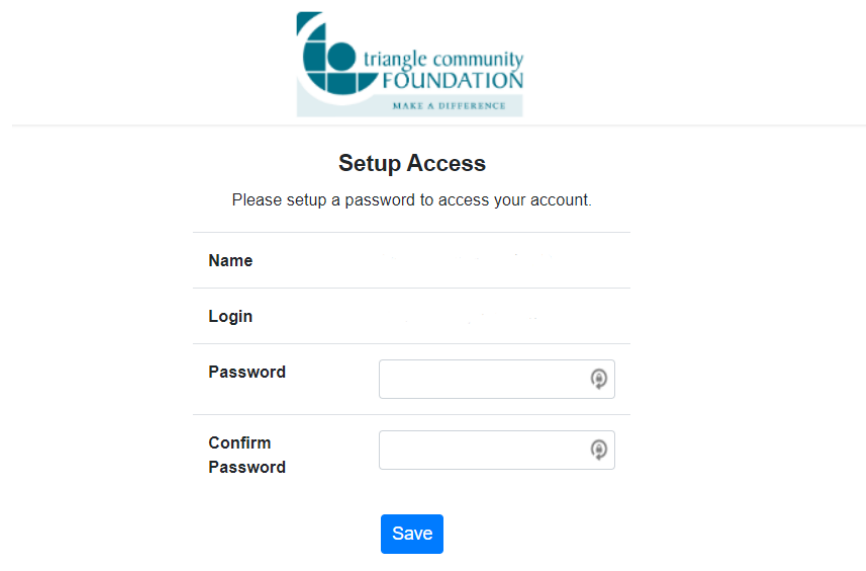
USING THE DONOR PORTAL


Triangle Community Foundation uses an online Donor Portal to provide a secure and easy way through which you can access fund information. Depending on the type of fund you advise, you may be able to view the latest fund balances, make grant recommendations, or review gift history. **The information provided below is meant to guide you in learning this system.** If you need additional assistance, or have any questions, please contact the Donor Services team at 919.474.8363 or donorservices@trianglecf.org, or contact your Agency Fund Liaison.

Logging in for the first time

You should receive an email directly from the system with a new login name and a link to access your personal Donor Portal page. The email should come from this address: **Triangle Community Foundation <no-reply@fcsuite.com>**. Select the link and you will be prompted to create a password to the Donor Portal site. Once your password is created, go to the Login page, enter your credentials, and log in.

If your screen looks like this, you are in the right place:





Setup Access

Please setup a password to access your account.

Name

Login

Password

Confirm Password

[Save](#)

Note: *If you have the old DonorCentral portal bookmarked in your browser, it will no longer work. Please delete this bookmark and create a new one for the new portal. We recommend you make note of your new username and password in a safe place for your records.*

Logging into the Donor Portal After Setup

To log in after setting up your account in the future, navigate to our website at trianglecf.org and select Logins on the top right-hand side of the homepage. Be careful to select the **Donor Portal**, not the Grant Portal!

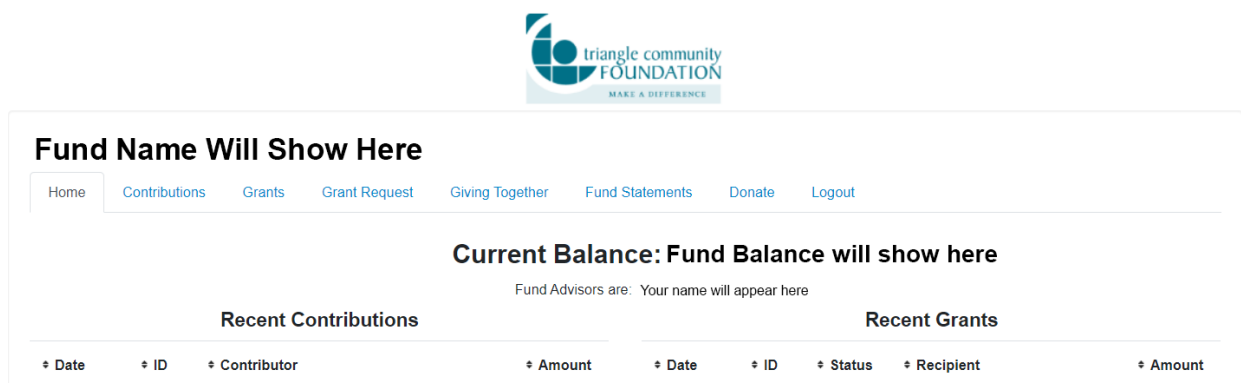
For Nonprofits who Advise Multiple Funds


If your organization has more than one Agency Fund at the Foundation, you will see the "Choose Fund" menu once you have successfully signed into the system. Choose the particular fund with which you wish to interact. If your organization has only one Agency Fund, you will go directly to the homepage for that fund when you sign in.

Tab Selections

Once you have logged in, you can select the tabs at the top of the page to review the different areas available to you as an Authorized Contact. As a reminder, depending on the type of fund that you manage at the Foundation, not all of the following tab selections may be available to you.

For reference, here is what the tab selections may look like on your screen:




triangle community
FOUNDATION
MAKE A DIFFERENCE

Fund Name Will Show Here

Home Contributions Grants Grant Request Giving Together Fund Statements Donate Logout

Current Balance: Fund Balance will show here
Fund Advisors are: Your name will appear here

Recent Contributions				Recent Grants				
Date	ID	Contributor	Amount	Date	ID	Status	Recipient	Amount

- **Home Tab:** This tab provides the fund's current balance. This screen also lists all Authorized Contacts, shows recent contributions to the fund, and recent grants made for the fund.
- **Contributions Tab:** If applicable, this tab shows the detail for each gift put into the fund. Because there are no third-party contributions to this fund type, your organization will be listed as the donor. You can also click the "export" option on the far-right side of the menu bar to export the details into an excel spreadsheet for your records.
- **Grants Tab:** This tab provides details on all grants distributed from the fund. The top section provides a summary of grants. Scroll past the summary section to see grants listed from most recent to oldest. Complete status means the grant has been paid. Other status indicators may appear throughout the grantmaking process. Please contact the Foundation if you have questions about the status of a grant.
- **Grant Request Tab:** As an Agency Authorized Contact, you are able to make grant requests from the fund by clicking into the "Grant Request" Tab. To request a grant, you can either "Choose from a Previous Grantee" or, if you have never made a grant request from your Agency Fund, you will need to scroll down to manually enter your organizations information. Note that as an Agency Fund, you are only able to make grants to your own organization and, therefore, your name will be the only one listed in the list of previous grantees.

1. **Enter a Grantee Manually:** The bottom section of this tab is where a new nonprofit or grantee can be entered manually. You will need to enter the name of the grantee, an address, zip code, and a phone number to move the grant request to the Foundation's staff for due diligence.
 - Once the grantee information has been added, you will need to attach your completed Request for Distribution form. This form can be accessed via the Files tab (more information below).
 - In the "Attachment Description" field write: Grant Recommendation mm-dd-yy
 - You can complete the request by clicking the SUBMIT button at the bottom of the page.
 - This tab will also show a list of grants requested to be paid out on the right with their current status. Grant requests still in the REQUEST status can be canceled from this screen, however, once Foundation staff begin processing you will no longer be able to cancel the grant.
- **Files Tab:**
 - The Files tab is where Agency Authorized Contacts can access documents to make changes to Authorized Contacts and request distributions from the fund, if your organization does not receive annual distributions from the Fund automatically. If you're not sure, contact your Agency Fund liaison.
 - To update your Authorized Contacts, download the form and email the completed form to your Agency Fund Liaison.
 - To make a distribution request, download the Request for Distribution Form and complete. Once complete, submit your request using the steps outlined on the Grant Request Tab (included above).

Logging Out of the Portal

Remember to use the "Logout" tab to close the Donor Portal securely. You will be automatically logged out each night even if you do not remember to logout, so we recommend that you make note of your new username and password in a safe place for your records.

Locked Out of your Donor Portal?

If you are locked out of your account, click "Forgot Password" on the login page. Enter your username and click the "Reset Password" button. If an account with the provided username is found, instructions to reset your password will be sent to the email address for that account. If you're still having trouble, please contact the Donor Services team at 919.474.8363 or by email at donorservices@trianglecf.org.

Additional FAQ

How many logins do we get to access the Donor Portal?

Currently each fund receives one login. If you would like to switch your email on file, contact Donor Services or your Agency Fund Liaison.

I want to update the fund's information. Can I do that in the Donor Portal?

If you want to update details for the fund (including the email address you use to login to the portal), please call the Donor Services team.

How will I know if I submitted a grant successfully?

You can check the status of the grant in the donor portal, on the Grants tab.

How long does it take to process a grant recommendation?

Grant recommendations received by Sunday at 11:59 PM will be in the queue for due diligence review and processing that week. Occasionally it is necessary to adjust this timeline due to holidays or other one-time occurrences. You can always check the status of a grant in the Donor Portal.

What do I do if I forgot my Fund Liaison's contact information?

All of our staff are listed on our website with their contact information. During this time, while we are working remotely, emailing us is the fastest way to ensure a response.

On what devices may I access the Donor Portal?

Unlike our old system, the new Donor Portal is compatible with most devices that can access the internet through a browser (e.g. your smartphone, tablet, and PC). However, there is not a separate app for the system.

Can I change the email address that is linked to my Donor Portal account?

Please keep in mind that the email address you enter to login must match the email address where you received the original Donor Portal link. If you need to change that email address, please contact the Donor Services team at 919.474.8363 or by email at donorservices@trianglecf.org.

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. See page 15 for details on the Foundation's spending rate. 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 of the Foundation has complete legal and fiduciary control of assets of the Fund, including, but not limited to, full authority and discretion as to the investment and reinvestment of the assets.

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 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 transition in staff or board members has 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 through Donor Portal.

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.

Can I close the Fund?

When Authorized Contacts request a full distribution of the Agency Fund balance, the Foundation at its discretion, will make the distribution after the month-end in order to receive the investment transaction reports from the investment managers. Accordingly, the Foundation's policy for full Agency Fund distribution is to hold back 10% of the current fund balance until we are able to receive and process the investment portfolio earnings reports from our investment custodian.

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

An Authorized Contact can log in to Donor Portal at any time to view the fund balance and a quarterly fund statement. Statements are produced approximately 45 days after the close of the quarter.

How does our organization use Donor Portal?

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 Donor Portal access?
- What do I do if I forget the user ID?
- What do I do if I forget the Donor Portal 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.

Please refer to pages 6-9 of this Guide for more information.



Agency Funds

Policies

GIVE

Who Can Create an Agency Fund – 501(c)(3) publicly supported nonprofits in good standing with the IRS, government agencies, and 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 together with representatives of 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. The Foundation does not support fundraising activities by your organization and cannot accept gifts into the Fund from donors generated by those activities.

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 and 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 contributed 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. Additional fees may apply.

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. The Board of Directors of the Foundation has complete legal and fiduciary control of assets of the Fund, including, but not limited to, full authority and discretion as to the investment and reinvestment of the assets.

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 Agency Fund if the assets 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 all 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 the spending rate 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 Agency 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 4% annually of an endowed fund’s balance is available for distribution under the Foundation’s spending policy.

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 is 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 – Nonprofits can create long-term support through an endowed Agency 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 Agency Funds will be allowed to distribute from principal rather than or in addition to the spendable amount. A formal vote by 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 the entire principal is available for distribution. A minimum fund balance of \$10,000 must be maintained to keep the fund open at the Foundation.

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.

ESG Portfolio (Environmental, Social and Governance) – 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. Investment portfolio earnings reports are typically received from our custodian within 45 days after each month-end.

GRANT

Authorized Contacts at your organization may recommend a distribution back to your organization by completing and submitting a Distribution Request form via the Donor Portal (refer to page 7 for instructions). We cannot use the fund to issue funding to another organization 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.

Closing the Fund – When an Agency wishes to request a full distribution of an Agency Fund balance, the Foundation at its discretion, will make the distribution after the month-end in order to receive the investment transaction reports from the investment managers. Accordingly, the Foundation's policy for full Agency Fund distribution of an Agency Fund is to hold back 10% of the current fund balance until we are able to receive and process the investment portfolio earnings reports from our investment custodian. A request to distribute the fund balance of the fund and retire the fund must be submitted in writing and signed by both the Primary and Secondary contacts. In the case of endowed Agency Funds, approval by the Foundation's Board of Directors will be required.

CONNECT

Each Agency Fund may be accessed by two Authorized Contacts 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 and distributions into and 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
- Periodic events 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 Donor Portal, 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 within your organization. This online site tracks fund activity and reviews contribution and grant transactions. See pages 6-9 of this Guide for more information.

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. Advisory recommendations must be submitted in writing and signed by the Primary or Secondary Contact. 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 Contact may be made by submitting a Agency Fund Authorization Form. Contact the fund liaison for a copy of this form.

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

ADMINISTRATION

Fund Statements

Fund statements are available 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 Donor Portal.

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.

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 fee 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.

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 make distributions to 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.

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 balance of 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.

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 to protect its tax-status exempt and to meet the Foundation’s accounting standards and practices.

Control by the Foundation of Fund Assets and Distributions – The Fund shall include the initial contribution, additional contributions made by the agency for inclusion in the fund 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 Foundation 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.

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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