

# AGENCY FUNDS

We believe in a strong local ecosystem of nonprofits, and protecting an organization's legacy is one of the ways that happens.



## Interested in an Agency Fund?

An Agency Fund at Triangle Community Foundation provides your organization a place to invest its operating reserves or existing endowments, allowing your organization to focus on its mission rather than investment management and administration. Agency funds enjoy our professional investment management to help the longevity of your organization.

## How it Works:



### Give

Make an irrevocable contribution of \$10,000 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 distribution from the fund or set up annual distributions.

## Advantages

- Access to diverse investment options to grow the fund's assets.
- Secure online access to review fund balance.
- A wide variety of trainings, resources, and tools to support growth and expertise.

## Quick Facts

- Fund Balance to Maintain: \$10,000/\$50,000
- Minimum Distribution Amount: \$250
- Annual Administrative Fee: 1% first \$1 million, \$300 minimum annual fee
- Annual Investment Fees range from 0.4% to 0.9% depending on the investment portfolio selection.

## Governance & Accountability

An Agency Fund is a component fund of the Foundation and all contributions into the Agency Fund become the property of the Foundation. The Foundation's Board of Directors has **absolute control** of the Fund.

Agency Funds are **not designed for fundraising events** or broad solicitations by the nonprofit organization. Donations in response to these activities are received and acknowledged by the nonprofit which can then choose to contribute the bundled gifts to the Agency Fund at the Foundation.

Because of its reciprocal grant distributions, an Agency Fund is included as an **asset in the financial statements of the nonprofit** and is listed in the Foundation's financial statements as an asset with a corresponding liability.

Where the charitable purpose of an Agency Fund is no longer necessary, capable of fulfillment, or consistent with the charitable needs of the community, the Foundation's Board of Directors may **modify the purpose of the Fund**. The Board's variance power can redirect grant distributions in cases where the nonprofit loses its tax-exempt status or closes.

## Endowed vs. Non-endowed

Your organization has the option to create an endowed fund that will be managed by the Foundation in perpetuity, or a non-endowed fund that allows flexibility to grow, spend, or sunset as needed.

An Endowed Agency Fund is a **permanent fund** set up with the goal of preserving and growing your organization's assets managed by the Foundation in perpetuity. Only the "spendable amount" is available for distribution each year. An endowed fund should be chosen to preserve the principal of the fund for future generations, not for short term needs.

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. However if your organization wants to remain an active Agency Fund, the fund must maintain \$10,000 balance.

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Triangle Community Foundation inspires and mobilizes giving, leadership, and action. 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.

**Won't you join us?**