

# AGENCY FUNDS

*Creating Partnerships to Benefit Kern County*

## WHAT IS AN AGENCY FUND?

An Agency Fund is an easy way for your nonprofit organization to plan for the future, eliminate the administrative burden, and increase your ability to handle large and complex gifts, all while keeping important resources local.

## TWO OPTIONS FOR AGENCY FUNDS

### ENDOWMENT FUNDS

A permanent resource for your organization, producing a steady stream of income annually while being invested for the long-term.

### STEWARDSHIP FUNDS

Take advantage of our investment expertise, while allowing you to withdraw money at any time.

## WHAT ARE THE KEY BENEFITS OF AN AGENCY FUND?

### **Ease • Flexibility • Personalized Service • Efficiency**

- With an endowed fund, your donors can be sure that the fund's principal will not be spent and **can grow over time, providing a source of lasting support.**
- With a stewardship fund, **you can access any amount of the fund balance at any time.**
- **Your donors can leave a bequest** through Kern Community Foundation to benefit your organization forever and create a lasting legacy. Kern Community Foundation staff can facilitate even the most complex planned gifts, including gifts of appreciated stock or real estate.
- **We handle investment management and the administrative responsibilities** so that you can concentrate on fulfilling your mission.
- **Your fees stay local and are reinvested back into the community** supporting Kern Community Foundation's Nonprofit Strengthening Initiative.
- Kern Community Foundation's **knowledge, experience and resources are just a phone call or email away.**

# Better Together

## Your Agency + Kern Community Foundation

- Allowing nonprofit organizations more time to focus on their missions
- Providing access to an array of investment options
- Strategically focused on your organization and its goals for the future

## HOW DOES IT WORK?

- **Your board works with our staff** to determine the type of fund needed and how much you would like to place in the fund bearing your organization's name.
- **Your fund is placed in Kern Community Foundation's investment pool**, providing you access to a diverse investment portfolio, low investment fees and strong returns that typically come only with very large funds.
- **Additional donations can be made to the fund** by the agency or individual donors at any time, including through our online portal.
- Kern Community Foundation can **accept gifts of many types of assets**, on your behalf, including stock, real property and closely held assets.
- **We handle all the administrative details** – from keeping track of your gifts and acknowledgement letters to managing the fund's investments and quarterly fund activity statements.
- We offer expertise on growing funds through **donor cultivation for planned or current gifts.**
- Your designated Fund Advisors will have **online access to information** 7 days a week, 24 hours a day.

*“The California Living Museum (CALM) Foundation decided to house our endowment with Kern Community Foundation because of their expertise, positive returns and commitment to the nonprofits of Kern County. Fees are competitive and reinvested to support the excellent work that Kern Community Foundation does in our community.” – Steve Sanders, Administrator, CALM Foundation*

*Kern Community Foundation is a 501(c)(3) public charity. Contributions are tax-deductible as allowed by law (Tax ID# 77-0555874).*

## WHO SHOULD CONSIDER AN AGENCY FUND?

Nonprofit organizations seeking a low cost, diversified investment portfolio with no minimum balances. Whether your goals are long-term savings, funding for a specific, mission-oriented project, or simply a short-term spending option, an agency fund can play a supporting role in helping you get there.

## WHAT ARE THE TAX ADVANTAGES OF AN AGENCY FUND?

- Receive the maximum tax deduction available in the year the contribution is made.
- Avoid costly capital gains taxes while realizing the maximum tax deductibility of a donation with a gift of appreciated stock, real estate or other complex assets.

## CONSIDERATIONS

- Contributions made to an agency fund cannot be gifts from which the donor receives a material benefit from the beneficiary nonprofit agency (e.g. dinner tickets, participation in golf tournaments, etc.)
- All contributions made to the fund are irrevocable gifts.
- Endowment funds allow for the organization to get an annual payout based on the spending policy established by Kern Community Foundation.
- Stewardship funds allow the organization access to all of the fund's principal and income.

## WHAT ARE THE ACCOUNT MINIMUMS AND FEES?

An agency fund may be opened with \$5,000. Additional contributions can be made at any time thereafter. Administrative fees are assessed monthly based upon the following schedule:

Fund Assets		Annual Administrative Fee	
		Stewardship	Endowment
\$5 million and above	first \$1 million	2.0% or \$250 <i>(whichever is greater)</i>	1.5% or \$250 <i>(whichever is greater)</i>
	next \$3 million	1.00%	1.00%
	next \$1 million and above	0.50%	0.50%

Administrative fees charged to funds stay local and cover general operating costs for gift establishment, receipt of assets and contributions, grants and fund administration and Kern Community Foundation's other community strengthening initiatives. Investment management fees related to the Foundation's investment pools are charged separately.

### Kern Community Foundation's Endowment and Stewardship Funds

Bakersfield ARC Foundation Endowment Fund	Links for Life Legacy Endowment Fund
Bakersfield Christian High School Endowment Fund	Scott Kirschenmann Family Foundation Fund
Bakersfield High School Endowment Fund	Shafter Historical - Ohanneson Fund
California Living Museum (CALM) Al Robbins Endowment Fund	Spotlight Theater Reserve Fund
Foothill Foundation Endowment Fund	SSRS Stewardship Endowment Fund
Heart Never Forgets Endowment Fund (ADAKC)	The Bakersfield Aquatics Center Fund
JLB Community Center Fund	The Cat People Endowment Fund
Kern Audubon Society Fund	The Golden Empire Gleaners Endowment Fund
Kern River Valley Educational and Cultural Foundation Fund	The Green Hotel Restoration Fund
KRVHF Stewardship Fund	Westminster Presbyterian Church Foundation Endowment Fund
Leaders in Life Endowment Fund	Westminster Presbyterian Church Foundation - Global Gifts End
LinkEd Fund	