

Agency Endowment Funds

Stability for a secure future

Financial security – it's critical to fulfilling your nonprofit mission. An agency endowment fund provides this security by creating a permanent, customizable funding source that helps you meet your long-term goals. Once established, the fund generates income that is distributed quarterly to your agency for operating expenses or special needs.

Investing your endowment with the Greater Milwaukee Foundation lets you take advantage of the investment expertise and efficiencies of scale of a large foundation endowment to optimize your fund's performance.

THE FOUNDATION ADVANTAGE

Investment strategy: Our investment objective is to maximize total return and minimize risk. We do this with a portfolio diversified broadly across and within asset classes for effective performance even during turbulent times.

Permanence: The Foundation enjoys a nearly 100-year reputation for stability and growth. Your donors will feel secure knowing that your agency's endowment will be invested for the long term—with an organization that has a stellar reputation in the community—to support future needs.

Planned giving expertise: The Foundation can assist you with any kind of planned gift and provide consultation to enhance your gift planning program. You may also benefit from our charitable gift annuity program. Your donors' gifts today and through their estate will help provide your organization with a reliable and lasting annual revenue source.

Low cost: Funds are pooled for investment, and with hundreds of millions of dollars in assets, our investing clout gives us access to world-class money managers at competitive rates. The result? Greater opportunities for significant investment returns and increased annual income for your agency.

- Establish an agency endowment fund for a minimum of \$100,000
- Sliding scale administrative fees start at 1 percent, minimum fee of \$1,000
- Weighted average investment fee is 0.51 percent (investment fees vary with manager)

Accountability: Audited annually, the Foundation provides you with monthly online financial reports and annual statements. Agency endowments are reported in accordance with the Financial Accounting Standards Board Statement No. 136. Your endowment is considered an asset, held by others, on your financial statements and as a liability on the Foundation's balance sheet.



Seven Reasons People Choose to Start an Agency Endowment through the Greater Milwaukee Foundation

One It provides a *permanent source of revenue* for your agency.

Two Your agency will *retain flexibility* in the use of grants, using funds in a way that advances the mission.

Three Your agency benefits from our *investment expertise* – professional fund management and disciplined adherence to our investment policy, asset allocation and rebalancing.

Four You have access to a large investment pool that *includes asset classes otherwise unavailable to small- or medium-sized organizations* and lower investment fees.

Five Our *operational efficiency* in handling accounting, monitoring the fund and keeping up with endowment laws and best practices frees you up to focus on what you do best.

Six Your *charitable purpose will be preserved in perpetuity*. As volunteer boards have varying degrees of financial expertise and can change over time, having an agency endowment at the Foundation provides more consistency and continuity in the stewardship of your endowment funds.

Seven Your agency will be *publically recognized* for your generosity.



Board oversight: The Foundation Board governs all Foundation funds and is committed to maintaining the original donor's intent. The Board monitors Foundation investment performance with assistance from an independent consulting firm that specializes in research and analysis for large academic and community foundation endowments.

Donor trust: Our nearly 100-year history of stable growth and stewardship gives your donors a sense of security and reliability, knowing that their gifts are being managed by a respected organization with deep roots in our community.

FREQUENTLY ASKED QUESTIONS

How will the assets be disbursed?

When you establish an agency endowment fund, a customized gift agreement is prepared that outlines your agency's intentions. This lets you specify:

- Who will receive the income distributions (your agency)
- Whether you wish to take distributions beyond the annual income, and
- How your board will make that decision

Unlike a private foundation, a Foundation fund is not required to distribute 5 percent of its assets annually. This lets you reinvest income not currently needed, so your endowment grows even faster. You may also take distributions beyond the recommended limit at any time.

Can we liquidate the fund?

You have the power to customize distributions from your agency endowment fund. If you include access to principal in your gift agreement, you can liquidate all assets in your fund at any time as a grant payment to your agency. To liquidate, just submit a written request to the Foundation. If your gift agreement requires a specific board action (e.g. board majority for approval), appropriate documentation must be included with the request. The Foundation Board, as fiduciary, then reviews your request for compliance and approves the liquidation.

The Greater Milwaukee Foundation

provides a simple, powerful, and highly personal approach to giving. We offer a variety of giving tools to help people achieve their charitable goals. We welcome the opportunity to work with you and your adviser to fulfill your unique charitable objectives. For more information and ways to integrate charitable giving into your financial planning, contact the Philanthropic Services Department at 414-272-5805.