A nonprofit can create an agency fund with the Foundation to support its operations and programs. The nonprofit gains a professionally managed endowment, enabling the nonprofit to focus on serving its constituents. More than 70 charitable organizations in Worcester County have established funds with the Foundation.

“The Foundation is an effective and efficient steward of our fund. We share a common mission to celebrate and foster the resources of our region for today and tomorrow.”
- Mark Shelton, Past Board President, Worcester Historical Museum

Are you ready for endowment?

Does your organization enjoy overall fiscal stability? Can you meet current operating expenses with reserves adequate for emergencies? If so, your organization may be in a position to consider raising money for an endowment. The addition of an endowment to your financial structure suggests that you are preparing for the future.

The commonly accepted meaning of endowment is a fund that is kept in perpetuity to provide income and earnings for a charitable cause or institution. An endowment is a corpus of money that the organization has decided to set aside and not invade.

How Greater Worcester Community Foundation Can Help

Once you’ve decided to create an endowment, questions emerge. How will these funds be managed? What assurances will you give donors about perpetual stewardship? What is your investment strategy?

One solution is to establish an Agency Fund at the Foundation. We offer flexibility to organizations as they build endowments reserves. An Agency Fund lets you:

- Invest in the market with professional management and a disciplined strategy.
- Benefit from the Foundation’s ability to manage all types of gifts, current and deferred.
- Ensure donors that gifts will be used as intended, in perpetuity. You may name a suitable replacement beneficiary, to be used in case of dissolution.
- Increase public recognition for your agency, as your Fund is listed in the Foundation’s Annual Report and other publications as an option for donors.

How it works

1. Agency transfers a gift of $10,000 or more to create an Agency Fund.
2. Foundation invests the Agency Fund within its investment portfolio, crediting the Fund with its share of income and market appreciation.
3. Foundation accepts and acknowledges any gifts made to the Fund.
4. When money is needed, the Agency requests a distribution.

For more information, please call 508.755.0980 or visit our website www.greaterworcester.org
1. What is an agency fund and what are the benefits?

An agency fund is a named fund created by a nonprofit to benefit its operations or capital needs. Agency funds are component funds of the Foundation and are invested in our pool. The benefits of participation with the Foundation include: access to our disciplined, multi-asset investment program; the opportunity for increased public recognition; and long-term stewardship of your assets.

2. Who owns the agency fund?

The Foundation owns the agency fund and agrees to use it for the charitable purposes of the named agency. In accordance with accounting standards the agency may maintain a beneficial interest, which under Financial Accounting Standards Boards Statement #136, would allow the agency to record an asset on its financial statements. We suggest the agency discuss this with their accountants.

3. How do we access money from the agency fund?

Your organization may request distributions as needed, or have a regular, annual distribution schedule, or let the fund grow for future use.

4. May we receive a distribution of principal?

Yes, the fund is unrestricted, so distributions of the total fund, including principal, may be made to the agency with approval by both of our boards of directors.

5. What happens if our organization goes out of business?

In the event that your agency goes out of business you would work with the Foundation to close the Fund or identify an alternate beneficiary of annual income. Your suggestions on alternate beneficiaries would be sought.

6. Can we have a say in how the Agency Fund is invested?

No. By establishing an agency fund you are electing to participate in the Foundation’s investment program under the direction of our investment committee, which is fully responsible for determining asset allocation and hiring investment managers.

OUR MISSION

To enhance our community, now and in the future, through philanthropic leadership.

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