

# Create a Discretionary or Field of Interest Fund at Greater Worcester Community Foundation

## Let's Work Together

You can support the community and causes you care most about today and after your lifetime, all while maximizing your financial and tax advantages. Because our community and its needs change over time, the Foundation is ever-aspiring to be flexible in our granting. By creating a discretionary or field of interest fund, you enable the Foundation to meet immediate and emerging needs in our region. Whether you specify a chief area of interest or leave it to our discretion, you can be assured that our annual grants will support diverse and impactful nonprofits that build community.

## What is a Discretionary Fund?

A fund with maximum flexibility, enabling the staff of the Foundation to make grants to address the immediate and emerging needs of the community as they change over time. Decisions are shaped by the expertise of the Foundation staff and its network of local leaders and nonprofit organizations.

## What is a Field of Interest Fund?

A fund established with a stated focus on a cause determined by the donor, such as Arts & Culture, Community Development, the Environment, Health & Human Services, and Youth & Families. Grants are then made by the Foundation staff in accordance with the wishes of the donor.

## How Greater Worcester Community Foundation Can Help?

As a qualified 501(c)(3) public charity, the Greater Worcester Community Foundation offers the maximum deductibility for income, gift and estate tax purposes. The fund is commingled with other funds in one of two portfolio options, both designed to ensure preservation and growth of principal and a dependable source of revenue for distribution and expenses. The Foundation handles all of the administration. See the following FAQ's for additional information.

**"My parents valued learning, as ardent travelers and as perpetual students of history and culture. They believed education as an avenue to a better life." The Cynthia and Warren C. Lane Jr. discretionary fund will meet the region's evolving needs."**

**- Corbin Lane**



# Discretionary and Field of Interest Funds FAQs

## **What are the fees for having a Discretionary or Field of Interest Fund?**

The Foundation charges an annualized administrative fee for Discretionary or Field of Interest Funds that is currently set at 1.25% of the fund's total market value; this amount is drawn on a monthly basis. Balances above \$5 million are charged a reduced 1% administrative fee. Investment fees are set by our fund managers and are approximately 0.90% of the fund's market value.

## **Is there a minimum or maximum size for a Fund?**

The minimum size for a Named Fund is \$10,000. There is no maximum; we have funds that are quite large, more than \$15 million.

## **Is the Fund permanent?**

The agreement you sign when you establish the Fund governs whether invasions of principal are permitted. We allow you to establish either a permanent or an unrestricted fund. We request that a minimum of \$10,000 be maintained in the Fund since the Foundation's mission to build lasting endowments.

## **If my Fund is permanent, how much is available for grants?**

We use a total return spending policy and have established a 4.0% payout rate, based on the Fund's market value averaged over twenty trailing quarters.

## **Once the Fund is established may I or others make additional gifts to it?**

Yes. Once a Fund is created, additional gifts of any amount may be contributed to it at any time.

## **How often will I receive information about the Fund?**

When you open your fund, you will receive access to our on-line donor portal. Through the portal you will be able to view financial information, monthly fund statements and when grants are sent.

## **Can you send me the grant check to give to the charity?**

We are not able to send grant checks to the Donor or any party other than the organization. Checks are mailed directly by the Foundation to the nonprofit.

## **I don't want a charity to know I made a gift. Can I be anonymous?**

Yes; we will accommodate your needs for anonymity in our annual report and in grantee correspondence, as you wish.

## **What happens to my Discretionary or Field of Interest Fund after I die?**

We hope that the Fund will continue after your lifetime. The Fund is typically maintained as a permanent endowed in your name.

