

Let's Work Together

Create an Agency Fund at Greater Worcester Community Foundation

About Endowments

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 We 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.

By establishing an agency fund with us, your nonprofit will gain a professionally managed endowment, enabling you to focus on serving your constituents. Nearly 100 charitable organizations in Worcester County have established agency funds with the Foundation.

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.
 - **Annualized support:** 0.75% of fund's total market value
 - **Investment fee:** 0.90 % of fund's market value
3. Foundation accepts and acknowledges any gifts made to the Fund.
4. When money is needed, the Agency requests a distribution.

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, including cash, stocks, mutual funds, bonds, real estate, life insurance and more.
- 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 gets featured by the Foundation as an option for donors.

For more information about Agency Funds,
contact Jacob Vazquez at 508-755-0980, ext. 103 or jvazquez@greaterworcester.org



The WICN Public Radio Fund

WICN Public Radio, 90.5 FM, has been serving Greater Worcester for 53 years as this region's only NPR affiliate. Now, with its new agency fund, WICN has created its first endowment.

"Our listeners want us to secure our future," says WICN Executive Director Melanie Perreault-LeBoeuf. "This fund enables us to build and diversify our funding sources."

During the pandemic, says Melanie, the station saw steep growth in donations from a grateful audience. "People found in WICN a safe haven and a reliable source of community news."

Growth in funding enabled WICN to upgrade its tower and plan other capital improvements.

"With this fund, WICN is securing its future as the voice for arts and culture in Central New England."

"The Foundation has a sterling reputation for prudent investment of donors' funds and a superb record of support for our region's nonprofit organization."

Hon. Charles Abdell, WICN board member

Agency Fund FAQs

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.

Who owns the 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.

How often will I receive information about the Fund?

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

How do we access money from the Agency Fund?

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

May we receive a distribution of principal?

If the Fund is established as unrestricted, distributions of the total Fund, including principal, may be made to the agency with approval by both of our boards of directors.

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.

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

You can choose to invest in our traditional portfolio or our ESG portfolio. 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.

