



Providing Long-Term Support for Our Mission

Endowment Funds at the Community Foundation of Northern Colorado

What is an endowment fund?

An endowment is a permanent fund that provides income each year to support a charitable cause. Endowment funds at the Community Foundation are professionally managed to ensure the funds remain strong over time. Currently, Community Foundation funds pay out 4.5% of the average fund balance. For example, a \$100,000 fund provides about \$4,500 of support each year.

Why is an endowment important?

An endowment provides essential stability and is a permanent source of funding. It facilitates strategic use of funds and allows the organization to plan on the income from one year to the next. An endowment fund presents an excellent option for donors who want to make legacy or planned gifts.

Who makes gifts to an endowment?

Anyone can contribute to an organization's future by making a gift of any size to its endowment. Donors support their favorite organizations in carrying out their missions, now and in the future.

What form can an endowment gift take?

Endowment gifts take many forms. The Community Foundation provides professional gift planning assistance and facilitates gifts of all types, including:

- Cash,
- Gifts of non-cash assets such as stock and real estate,
- Gifts through your will or trust,
- Gifts that pay you income for life,
- Gifts of retirement plan assets,
- Gifts of life insurance.

What is a bequest?

A bequest is a gift made in a will or trust. Because a bequest is flexible and revocable, it is the most common type of legacy gift. With a gift made in your will to an endowment fund, you can continue your support of the organization mission far into the future.

What is a named fund?

A named fund is a permanent endowment that honors an individual or family and benefits the cause they care about most. Named funds at the Community Foundation of Northern Colorado are created with a gift of at least \$25,000. The gift may be current or deferred, as in the case of a gift made through a will. Each year, the charitable organization receives income from the named fund.



Are endowment funds restricted in purpose?

Most endowment funds at the Community Foundation provide unrestricted support to advance the mission of a nonprofit organization. It is also possible to establish a fund to support a specific purpose within an organization. Individuals and families create often funds named to honor an individual and to support a program of special importance to them.

Is there a minimum size for gifts to an endowment fund?

No, there is no minimum. A nonprofit organization benefits, now and in the future, from endowment gifts of any size. Please consult your accountant or tax attorney regarding your financial and estate planning.

How can I get started?

The Community Foundation provides support for a full range of charitable gift planning options. Call us for more information about ways to create your charitable legacy. We will be happy to supply you with detailed gift examples based on your own circumstances.

To learn more about the Community Foundation's role, please contact Ella Fahrlander, Chief Engagement Officer, at (970) 488-1979 or ella@NoCoFoundation.org.

Since 1975, the Community Foundation of Northern Colorado has been connecting people who care to the causes they care about. The Foundation serves as the long-term steward for charitable funds — a multifaceted role that involves receiving and managing complex gifts, acting as the trustee of charitable trusts, providing numerous investment options for donors, and accounting for each individual fund.