



# AGENCY FUNDS

Jefferson Community Foundation's two kinds of Agency Funds — Endowment Funds and Stewardship Funds — offer nonprofits a simple and efficient way to invest their assets.

Agency Funds benefit from investment into a \$160 million pool held at Greater Tacoma Community Foundation. Being part of this larger pool gives an Agency Fund the benefit of a diverse investment strategy, strong oversight, and low investment fees that typically come only with very large funds. Unlike investing via a major national corporation like Schwab or Fidelity, the fees paid to JCF work to strengthen local nonprofit support services like workshops, trainings, etc.

**Agency Stewardship Funds** allow an organization to withdraw money at any time upon a majority vote of their Board of Directors. These funds can be held in a long-term, short-term, or socially responsible investment pool and all or part of the fund can be requested at any time.

**Agency Endowment Funds** are held permanently at JCF and are invested in the long-term investment pool. They grow over time to ensure a lasting source of income for the agency. These are appropriate for organizations that (a) are confident in their ability to cover their annual operating budget without withdrawing the Endowment's principal; (b) seek to ensure their viability over the long-term; and (c) have a significant base of major donors who would be willing to contribute to an endowment through additional gifts or estate plans.

## HOW DOES IT WORK?

- The agency's board determines how much they would like to place in the fund and chooses the type of fund.
- JCF sets up the fund in the name of the nonprofit which has online access to quarterly fund statements.
- The fund is placed in one or more of JCF's investment pools. All gains and losses are credited to the Agency Fund.
- The Agency may add to the fund at any time.
- JCF handles investment management and the administrative responsibilities so the agency's staff and board can concentrate on fulfilling the organization's mission.

## BENEFITS

- Assets benefit from being part of a much larger investment pool.
- JCF handles investment management as well as administrative and reporting responsibilities.
- Donors can leave a bequest to benefit the nonprofit organization forever and create a personal legacy.
- JCF can accept complex gifts, including gifts of appreciated stock or real estate.
- Fees support the growth of a local network of connected nonprofits, charitable donors and volunteers working together on local issues and services.

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## AGENCY FUND COMPARISON

	Stewardship Fund	Endowment
Required Starting Balance	\$50,000+	\$50,000+
Readiness Factors	Availability of funds for temporary investment	Ability to confidently cover annual operating costs on an ongoing basis. Sufficient base of major donors who would make additional endowment gifts
Annual Fees	1.75% annually	1.75% annually
Restrictions	Donations to the fund can only come from the nonprofit. Allocation of any or all of the funds can be made back to the nonprofit at any time upon a vote of the majority of the Agency's Board.	Donations to the fund can only come from the nonprofit. Donations to fund are permanently endowed and cannot be returned to the Agency.
Spendable Balance	All funds can be accessed and used by the Agency.	Typically, 4.3% of the average value of the fund is allocated back to the Agency annually to use as they see fit. <i>(This percentage lowers to 3.6% if the actual value of the fund goes below the 3-year average.)</i>
Investments	All gains or losses related to the investments belong to the fund.	All gains or losses related to the investments belong to the fund.

To learn more about Agency Funds,  
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Jefferson Community Foundation connects diverse people, ideas and resources to build a future of opportunity for all in Jefferson County.

**WE SERVE AS HUB FOR OUR COMMUNITY TO:**

**GIVE** donations informed with local knowledge & strategy,

**BUILD** strong and collaborative nonprofits, and

**SOLVE** regional issues by working together on solutions.

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