



Agency Endowment Fund

The Santa Fe Community Foundation has a proven history of building and managing permanent community endowment funds. The Foundation primarily provides grants that enhance the quality of life in Santa Fe and Northern New Mexico now and for future generations. It also holds designated endowment funds directed toward specific non-profit organizations and holds endowed and gift funds for businesses, groups and individuals that fund primarily in Northern New Mexico.

The Finance and Investment Committee oversees the Foundation's investments, approves its operating budget and selects an annual auditing firm. The Foundation selects qualified Finance Committee members who are knowledgeable in the finance and investment fields.

There are more than 85 agency and designated endowments for agencies at the Santa Fe Community Foundation. Click [here](#) to see the full list (from www.santafecf.org)

Why establish an agency endowment fund at the Santa Fe Community Foundation?

- Your endowment joins an investment pool of over \$70 million, permitting you to invest in a wide range of income-producing funds. Consolidated investment management provides lower administrative costs through economies of scale.
- Access to the Foundation's Charitable Gift Annuity Program. We can write CGAs, guaranteed against the Foundation's assets to benefit your organization.
- Our trusted, experienced management team inspires confidence with potential donors; you save time and money by not hiring an endowment specialist.
- Fiduciary oversight of the management of the funds by the Board of the Foundation working in conjunction with its Finance Committee. We provide quarterly and calendar year reports.
- Speed and convenience for donors. This can be especially important for year-end contributions and situations when stock or real estate is being sold and time is of the essence.
- The appeal of the Foundation's Santa Fe Financial Alliance through which donors of at least \$250,000 may request that the funds remain under the management of their own trusted investment manager.
- Low tiered fee structure: 1% of the fund market value on the first \$1 million, 0.75% on funds held up to \$4 million and 0.50% on the amount above \$4 million. The fee is assessed quarterly.
- Flexible policy that permits agencies, exercising prudent judgment, to access funds for special needs such as a new building, computer equipment or one-time expenses.
- Access to consultations with the Foundation's development staff.
- Participation in an annual convening of your peer Agency Endowment Fundholders where the Foundation will explain and discuss its investment overview.

Responsibilities for Agency Endowments:

The Santa Fe Community Foundation will:

- Provide consultations with the nonprofits' development staff and invite Executive Directors and Board Chairs to an annual meeting of Agency Endowment holders.
- Provide information on endowment management at the Foundation and provide professional oversight of investments.
- Make planned giving services available, including providing planned gift language for nonprofit publications.
- Run reports on Charitable Gift Annuities and assist the nonprofit with presentation to the nonprofit's donors.
- Write Charitable Gift Annuities on behalf of agency endowments, guaranteed against the assets of the Foundation.

The nonprofit organization will:

- Ensure that both the board and staff of the nonprofit take responsibility for endowment fundraising.
- Make one-on-one asks, seek multi-year pledges, use matching funds as a leveraging tool to secure bigger gifts and find naming opportunities for larger gifts to the endowment.
- Promote planned giving in newsletters and other mailings.
- Combine requests for operating funds and endowment building in remittance materials. Some nonprofits designate that a percentage of every gift automatically flows to the endowment.
- Identify and contact donors for one-on-one asks, matching funds and planned gifts.
- Use the strength of the Foundation to write Charitable Gift Annuities naming the agency endowment as beneficiary.
- Refer donors to the Foundation's website (www.santafecf.org), where online donations can be made to the endowment.

How it works:

- Your Board of Directors and staff of Santa Fe Community Foundation meet to discuss an agency endowment.
- Your Board votes to take action to open an Agency Endowment.
- Your Board officers or authorized staff sign an agency agreement with the Santa Fe Community Foundation.
- Funds are transferred to the Santa Fe Community Foundation for the endowment.
- You receive quarterly payments after five full quarters of the endowment's existence. Those payments may be made directly to the organization or reinvested to build the endowment.

How to get started:

The Santa Fe Community Foundation makes it easy for you to establish a fund.

- Contact the Vice President for Community Philanthropy.
- Work with our team to complete a New Fund Form.

Fees and minimums:

- There is a minimal fee of \$250 to start a fund.
- The minimum balance to start an agency endowment is \$10,000.
- All funds follow a fee structure (described above on page 1) to cover administrative costs and support Foundation services. There is an additional modest fee for investment management.

Leap of Faith Pays Off

It was a giant leap of faith when our Board made a tough decision in 2004 and started an agency endowment at the Santa Fe Community Foundation.

How could we raise enough for operating and aggressively pursue funds for the endowment? In the world of fundraising, it would mean serving “two masters,” and we are an all-volunteer organization with no fundraising professionals.

Yet our Board members went out and found other foundations to match our fundraising efforts for the endowment. We learned that some private foundations are big believers in an endowment because it shows we are around to stay.

We understood our relationship with the Santa Fe Community Foundation: we needed to identify donors and solicit funds, and the Foundation, where it could, identified challenge matches for us. We found the staff of the Foundation always ready to help.

After only three years, the quarterly distributions from the endowment are providing enough money to buy a month’s worth of groceries to feed hungry families: 950 bags of food.

The key to our success is that we had people committed to fundraising. They set realistic fundraising goals, checked to see what private foundations might fund food for the hungry and started asking.

Food for Santa Fe is well on its way toward meeting its fundraising goals for both operating and endowment for the fourth consecutive year since establishing the fund.

An endowment fund created to feed hungry families in perpetuity now seems more realistic than idealistic. The Food for Santa Fe Endowment Fund is an investment in the future that rests upon the foundation of sound money management supported by dedicated volunteers, grateful clients and the expertise of the Santa Fe Community Foundation.

Maynard Chapman
President
Food for Santa Fe, Inc.