



ESTABLISHING A FUND

No matter what you would like to accomplish, we offer charitable planning tools that make it easy for you to **reach your goals**.

Establishing a fund at the **Scranton Area Community Foundation** is an effective way to invest in our community.

TYPES OF FUNDS

Here are some examples of fund types we offer at the Scranton Area Community Foundation:

Donor Advised Funds

Donor Advised Funds are the most flexible fund vehicle allowing donors to make an outright gift to the Scranton Area Community Foundation to support a wide variety of charitable causes. These causes can be selected by the donor any time throughout the year.

Donor Designated Funds

A donor-designated fund is created by a donor where the donor selects a recipient organization or a specific purpose to carry out charitable giving. The fund's income is used to make grants in the name of the fund to perpetually benefit one or more specific charities or organizations that are in line with the fund's charitable purpose.

Scholarship Funds

We manage over 90+ scholarship funds created to benefit an array of students, educational institutions, fields of study, and summer camps. Each scholarship is unique and customized to align with the wishes of the donor.

Organizational Endowment Funds

Charitable organizations interested in ensuring the long-term sustainability of a nonprofit can create an organizational endowment fund. This type of fund guarantees a reliable revenue stream that will support the work of an agency in perpetuity.

Field of Interest Funds

A field of interest fund allows a donor to designate a special area of interest, such as art education for children, or animal welfare, to which gifts from the fund will be made every year. This type of fund is ideal for providing assistance to the programs and nonprofits in the community that are working to address the issues that are important to you.

**FUNDS ESTABLISHED AT THE SCRANTON AREA COMMUNITY FOUNDATION
SUPPORT THE CAUSES AND CHARITIES YOU CARE ABOUT BOTH NOW AND DECADES
INTO THE FUTURE.**

**BY WORKING WITH THE SCRANTON AREA COMMUNITY FOUNDATION,
YOU CAN IMPROVE OUR REGION WHILE CREATING YOUR PHILANTHROPIC LEGACY.**

ENDOWED vs. NON-ENDOWED

What is the difference between an endowment fund and a non-endowed fund?

Endowment Fund

An endowment is a permanent fund. Endowment funds are pooled for maximum benefit and economies of scale and invested to achieve long-term capital growth. At the Scranton Area Community Foundation, we invest the endowed capital, and a percentage of growth is used to issue grants and make charitable distributions per the donor's instructions. The capital is not touched, ensuring that the donor's gift is a permanent source of funding for the community. It is a gift that keeps on giving and ideal to create a lasting legacy or a long-term goal.

Non-Endowed Fund

A non-endowed fund is ideal for a shorter-term project or a desire for more immediate, but not necessarily long-term impact. A non-endowed fund has no permanent principal balance and is immediately available for grant distribution. Non-endowment funds may be used to provide flexible, on-going support for many different organizations and activities. An advised non-endowment fund can become an endowment fund upon request.



ENDOWED

NON-ENDOWED

Endowed Restricted Funds Administrative Fee Structure

The Scranton Area Community Foundation **Endowed Restricted Fund Administration Fee** will be deducted each year based on the total fund balance as of January 1. This fee shall be determined each year in accordance with the then current fee schedule identified by the Foundation as applicable to funds by type.

Current Administration Fee Schedule:

Scholarship Funds	2%
Agency Funds	1.5%
Donor Advised Funds	1.5%
Field of Interest Funds	1.33%
Donor Designated Funds	1.25%

Funds beyond \$1,000,000 will be assessed at the appropriate rate up the \$1,000,000 level and at 1% beyond that level.

Non-Invested, Non-Endowed Restricted Funds Administrative Fee Structure

For non-endowed funds, the administration fee will be assessed in accordance with the then current fee schedule on a cost basis, up to and including 5%. The percentage will be reviewed by the Foundation each year and is subject to change. This fee will be charged against the property received into the Fund at the time of receipt. Current Fee Schedule: 5%

Invested, Non-Endowed Restricted Funds Administrative Fee Structure

Non-endowed funds established at \$5,000 or more may be invested with the corpus of the Foundation's assets, if requested by the Donor. This type of fund is subject to investment fees. For invested, non-endowed funds, the administration fee will be assessed in accordance with the then current fee schedule on a cost basis, up to and including 5%. In the event the non-endowed fund principal drops below \$5,000, the fund shall automatically transition to a non-invested non-endowed fund. The percentage will be reviewed by the Foundation each year and is subject to change. The fee will be charged against the property received into the Fund at the time of receipt. Current Fee Schedule: 5%



Our Medallion Partners Program is a unique opportunity for Investment Advisors working in our region to help their clients accomplish their charitable planning goals using the wide variety of planned giving vehicles and expertise at the Scranton Area Community Foundation. The Medallion Partners Program allows charitably minded clients to choose and retain the investment and financial advisors they trust while still using the Foundation for their charitable giving purposes.

Medallion Partners are local, highly-skilled financial advisors who have been approved by the Board of Governors to manage charitable funds on behalf of the Scranton Area Community Foundation. Financial Advisors participating in the Medallion Partner program maintain the relationships they have formed with their clients while working with us to help achieve the charitable objectives of their clients. There are currently nearly 30 approved Medallion Partners in the program.

Spending Policy

How much can be granted from the fund?

Typically up to 5% of the fund balance.

Up to current fund balance.

Fund Term

For how long is the fund intended to last?

Endowed funds can last in perpetuity.

3 years, with the option to renew.

Administration Fees

What is the admin fee for the Scranton Area Community Foundation to manage the fund?

Admin fees can vary between 1-2% annually on the fund balance based on the size and type of fund.

Generally, a one-time 5% admin fee on each contribution into the fund.

Invested

Is the fun balance invested?

Yes.

Non-endowed funds with a balance over \$5,000 have the option to be invested.

Investment Fees

Are there investment fees related to the fund?

The average investment fee is approximately 0.1%.

If the fund balance is over \$5,000, the donor has the option to invest. Invested funds are subject to the same investment fees as endowed funds.

Amount to Establish

How much is needed to establish the fund?

\$5,000,
\$20,000 for scholarships

\$0 for non-invested,
\$5,000 for invested

Eligible for Match

Does the fund qualify for a match from the Scranton Area Community Foundation?

Yes! The Scranton Area Community Foundation offers a 20% match (up to \$5,000) on all contributions (up to \$25,000) into the fund in the first two years for newly established endowment funds.

No.

Distribution Requirement

Foundation policies require a distribution from a fund every three years.

Foundation policies require a distribution from a fund every three years.

Included Administrative Services

Administrative services include but are not limited to audit, grantmaking, philanthropic guidance, publicity, etc.

Administrative services include but are not limited to audit, grantmaking, philanthropic guidance, publicity, etc.

Eligibility for Medallion Partners Program

Generally, the fund minimum is \$25,000.

Generally, the fund minimum is \$25,000.

COMMUNITY FOUNDATION

vs.

PRIVATE FOUNDATION

What is the difference between a community foundation and a private foundation?

For many charitable individuals and families who want to do good for others, creating or maintaining a private foundation might seem like the best approach. However, partnering with a community foundation is frequently an easier and more cost-effective option.

Partnering with a community foundation allows individuals and families to focus on supporting the charitable causes that are important to them without having to manage the details that come with private foundation management. The Scranton Area Community Foundation exists to help people achieve the charitable objectives that matter to them

Like community foundations, private foundations are nonprofit organizations that can also be established with a mission to serve the community and provide grants to local charities. However, the two types of organizations are categorized differently by the IRS and have different requirements on how they are governed.



	COMMUNITY FOUNDATION	PRIVATE FOUNDATION
Income Tax Deduction (% of AGI)	50% for Cash, 30% for Appreciated Assets	30% for Cash, 20% for Appreciated Assets
Tax on Investment Income	None	1-2% Realized Gains
Distribution Requirement	No Annual Distribution Requirement (Foundation Policies require a distribution from a fund every three years.)	5% Annual Distribution Requirement
Charitable Deduction Valuation (closely held stock)	Fair Market Value	Cost Basis
Publicly Traded Securities Valuation	Fair Market Value	Fair Market Value
Anonymity	Available (Donors may choose full recognition or remain completely anonymous)	None (All information is made available to the public via IRS Form 990)
Financial Advisor Can Manage Investments	Yes	Yes
Preparation of tax returns, IRS compliance, grant making, fiduciary oversight, reporting, etc.	Provided by the Community Foundation	Donor must arrange for these services to be performed on behalf of the private foundation.

ABOUT THE SCRANTON AREA COMMUNITY FOUNDATION

The Scranton Area Community Foundation responsibly stewards resources and inspires transformative philanthropy to build a strong and vibrant community. With over \$100 million in assets under management and more than 450 charitable funds, the Scranton Area Community Foundation has served as a steward, grantmaker, charitable resource, and catalyst for change since 1954.

The Foundation leads various initiatives, including Women in Philanthropy, the Center for Community Leadership and Nonprofit Excellence, NEPA Moves, and the NEPA Animal Welfare Collaborative. Additionally, the Foundation hosts and facilitates NEPA Gives and the NEPA Learning Conference.

The Scranton Area Community Foundation is a 501(c)(3) nonprofit, tax-exempt organization confirmed in compliance with National Standards of U.S. Community Foundations. More information about the Scranton Area Community Foundation can be found at www.safdn.org.



SCRANTON AREA
COMMUNITY FOUNDATION

CREATING CHARITABLE CONNECTIONS SINCE 1954

safdn.org | safplans.org

CFNS
ACCREDITED
FOUNDATION

612 Jefferson Avenue | Scranton, PA 18510 | 570-347-6203 | info@safdn.org