



Lancaster County Community Foundation

2010 Organizational Endowment Incentive Program

We commend you for having the organizational foresight to develop an endowment program. We believe that, given the incredible transfer of wealth projected to occur during the next several decades, endowment building offers an excellent long-term strategy to enhance the fiscal sustainability of mission-driven organizations. The Lancaster County Community Foundation (LCCF) has identified nonprofit organizational endowment building as one of our core strategic priorities. We believe that with exceptional, high-impact, and fiscally sound nonprofit partners, we can create energy and leverage our expertise around legacy giving that will work to transform our community for future generations.

We are currently offering an Organizational Endowment Incentive Program. The program is designed to foster deeper partnerships between LCCF and nonprofit leaders who see the value of –and tremendous opportunity in– endowment building.

The program particulars are as follows:

- ✓ LCCF will provide a \$1 match for every \$20 dollars of existing endowment funds moved to LCCF in a permanently endowed Organizational Endowment Fund (minimum amount transferred= \$500,000).
- ✓ This \$1: \$20 match is capped at \$50,000; equivalent to the match at \$1m of transferred funds.
- ✓ LCCF will rebate the 1% administration fee assessed by LCCF based on the TOTAL original value of the fund at the time of fund inception to the establishing organization for three consecutive years (i.e. \$2.5 million fund is established = \$25,000 annual distribution for three years).
- ✓ This three-year rebate will be issued as a grant and will be restricted to capacity building efforts focused on growing the endowment your organization establishes at LCCF. Organizations will need to develop a plan for use of these funds and will be required, as with all other grant awards, to submit an annual accounting of expenditures and grant progress report.
- ✓ The 1% annual distribution of this grant award will be in addition to the spendable amount that is distributed annually from the fund for unrestricted use, which is typically between 4 and 5% of fund value.
- ✓ Typical LCCF fees will be charged to any additional contributions added to the fund beyond the original transfer amount during the first three-year period.
- ✓ The LCCF Board approved fee structure for Organizational Endowment Funds will be applied to the total value of the fund beginning in year four. Currently, Organizational Endowment Funds are charged 100 basis points for the first \$1 million, 80 basis points for the next \$2 million, and 60 basis points for balances over \$3 million.

Moving an endowment to the Community Foundation is a major decision that should be fully deliberated. We welcome your questions and the opportunity to fully vet this program with you, your leadership team, and the appropriate members of your Board of Directors.