



Create a Designated Fund at Greater Worcester Community Foundation

Let's Work Together

You can support the organizations and causes you care most about today and after your lifetime, all while maximizing your financial and tax advantages. We can help you put your passion into action through a Designated Fund at the Foundation.

What is a Designated Fund?

A fund set up at a community foundation that gives an annual grant to one or more nonprofit organizations in perpetuity. Some donors use designated funds to endow their annual gift, guaranteeing their interests and concerns will be honored through changing times.

How Greater Worcester Community Foundation Can Help

You may be supporting one or more favorite charities with annual gifts or you would like to make plans to have this support continued after your lifetime. You may be organizing your yearly giving or creating a will or trust. You could leave each charity a substantial bequest but you feel that your thoughtfulness might soon be forgotten. Besides, you are not sure the charity will always be performing well in the area that interests you. The creation of a designated fund will alleviate these concerns.

Grants may be awarded to qualified, 501(c)(3) public charities located anywhere in the United States. You ask the Foundation to send

the income to your favorite charities, specifying the amounts or percentages to each. The Foundation will determine the eligibility and may require additional information from the organization before finalizing your choices. If you want ideas and advice, our team will provide them. These donations are then sent in your name each year. If one of the organizations ceases to operate or gives a type of service that no longer interests you, the Foundation is usually able to find one that does – so that your gift is kept fresh, alive and meaningful year after year.

As a qualified 501(c)(3) public charity, the Greater Worcester Community Foundation offers the maximum deductibility for income, gift and estate tax purposes. The fund is commingled with other funds in one of two portfolio options, both designed to ensure preservation and growth of principal and a dependable source of revenue for distribution and expenses. The Foundation handles all of the administration. See the following FAQ's for additional information.

"As I was doing estate planning, my lawyer suggested that if I wanted to create a fund, I should start now. Foundation staff were great to work with and guided me in creating a designated fund. Its grants will support the causes I care about, such as nurturing our region's natural and cultural resources."

- Anonymous

For more information, please call 508.755.0980 or visit our website www.greaterworcester.org



Designated Funds FAQs

What are the fees for having a Designated Fund?

The Foundation charges an annualized administrative fee for Designated Funds that is currently set at 1.25% of the fund's total market value; this amount is drawn on a monthly basis. Balances above \$5 million are charged a reduced 1% administrative fee. Investment fees are set by our fund managers and are approximately 0.90% of the fund's market value.

Is there a minimum or maximum size for a Fund?

The minimum size for a Named Fund is \$10,000. There is no maximum; we have funds that are quite large, more than \$15 million.

Is the Fund permanent?

The agreement you sign when you establish the Fund governs whether invasions of principal are permitted. We allow you to establish either a permanent or an unrestricted fund. We request that a minimum of \$10,000 be maintained in the Fund since the Foundation's mission to build lasting endowments.

If my Fund is permanent, how much is available for grants?

We use a total return spending policy and have established a 4.0% payout rate, based on the Fund's market value averaged over twenty trailing quarters.

Once the Fund is established may I or others make additional gifts to it?

Yes. Once a Fund is created, additional gifts of any amount may be contributed to it at any time.

How often will I receive information about the Fund?

When you open your fund, you will receive access to our on-line donor portal. Through the portal you will be able to view financial information, monthly fund statements and when grants are sent.

May I select organizations outside Worcester County?

Yes; you may award grants to any qualified charitable organization in the United States and beyond.

Can you send me the grant check to give to the charity?

We are not able to send grant checks to the Donor or any party other than the organization. Checks are mailed directly by the Foundation to the nonprofit.

If I have questions about a particular charity or want to find an effective organization working in an area of interest, can you help me?

Yes, we can. Our Program Team will be happy to share their knowledge with you and assist you in any way possible.

I don't want a charity to know I made a gift. Can I be anonymous?

Yes; we will accommodate your needs for anonymity in our annual report and in grantee correspondence, as you wish.

What happens to my Designated Fund after I die?

We hope that the Fund will continue after your lifetime. The Fund is typically maintained as a permanent endowed in your name. It may continue to support the causes and organizations you cared for during your lifetime.

What happens if the non-profit I select dissolves?

If these organizations change course or cease to exist, the Foundation shifts your support to high-performance nonprofits providing the same service.

