

Designated Funds

A FUND BENEFITTING A SPECIFIC NONPROFIT

Designated funds allow donors to ensure their gifts benefit a specific nonprofit organization or organizations.

The Community Foundation distributes money from a designated fund to a specific nonprofit organization(s). Distributions from designated funds can be endowment-like, based on the Community Foundation's spending rate (usually about 5%), or over a term of years. Designated fund grants are distributed once a year.

A designated fund may be established during life or upon the death of a donor or through a grant from a private foundation. A designated fund may be established by an individual donor, a small number of donors or an organization.

As a donor, you may have input into how the Community Foundation invests a designated fund, by choosing among the Foundation's internal investment options. For amounts greater than \$500,000, the donor may recommend an individual investment manager.


Annual administrative fee is 1.25%, with a minimum of \$1,250.

Designated funds are reviewed annually to insure the health of the organization(s) and maintain donor intent.


DESIGNATED FUNDS MIGHT BE RIGHT FOR YOU IF YOUR GOAL IS:

-  **To contribute regularly over time** to one or more named charities through a limited number of substantial gifts.
-  **To make a perpetual gift** to any charity that does not have extensive investment management capabilities or experience.
-  **To make a permanent gift** with the assurance that the principal will not be invaded or used improperly.
-  **To make a permanent gift** to a new, small or struggling organization.
-  **To benefit multiple charities** with the simplicity of setting up just one fund to do it all.


DESIGNATED FUNDS AT WORK



Through his estate, one donor will fund 52 nonprofits over 15 years, with each nonprofit receiving a specific percentage each year. The donor is able to amend this list up until his death by telling the Foundation his plans without having to rewrite his estate plan. The Foundation will be sure the funds are used by the nonprofit as requested.



One donor will have her donor-advised fund converted to a designated fund upon her death. The designated fund will then benefit her five treasured charities in perpetuity, leaving a lasting legacy for good.



A private foundation established a designated fund for a small nonprofit so that the nonprofit now has a professionally-managed endowment-type fund, setting it up for lasting success and health.

For more information, please visit cfgreateratlanta.org or call 404.688.5525 and ask to speak with a member of our philanthropy team.