

Charitable Organization Funds & Managed Funds

Charitable Organization Funds

Currently, the Calgary Foundation holds over 100 funds established by Charitable Organizations. These funds vary in size from \$5,000 to over a \$1 million. We ask the boards of organizations considering establishing a Charitable Organization Fund to give careful thought to the following.

Advantages of a Charitable Organization Fund at the Calgary Foundation:

- Diversified management – The investment firms which manage the Calgary Foundation funds are reviewed on a regular basis.
- Efficiency – There are cost savings in having funds managed by the Calgary Foundation rather than an organization managing them on their own both in terms of administrative time and management fees.
- Size – The size of Calgary Foundation’s investment pool gives us the capacity to diversify and reduce management fees.
- Administration for the charitable sector – Calgary Foundation is focused on the charitable sector and provides services and makes decisions based on that focus.
- Appeal to donors – The fund cannot be reallocated by future boards for other purposes. Some donors are willing to give larger gifts when they know they will be held by a foundation with the long-established reputation of the Calgary Foundation.
- Ability to accept all kinds of gifts – Calgary Foundation has the capacity to handle gifts of insurance, stocks, thinly traded shares, real estate, art, antiques and other non-standard gifts.

Things to consider before endowing a Charitable Organization Fund at the Calgary Foundation:

- Funds become the property of the Calgary Foundation – the principal cannot be returned to the organization.
- Because funds are invested they are subject to market volatility. Therefore, depending on the performance of Calgary Foundation’s investment portfolio, there can be years of negative returns as well as years of positive returns. The Foundation’s average return for 10 years ended March 31, 2015 was 7.6%.

- There is a cost allocation against the funds of 1.25% each year and tiered by fund size.
- Having a fund with the Calgary Foundation does not give organizations preferential access to our individual donors or preferential treatment in our granting programs.
- An organization must have a plan to grow its fund – we do not fundraise on behalf of the funds we hold.

Managed Funds

The Calgary Foundation also offers managed funds. This type of fund is designed to meet organizations' needs for the investment management of reserve funds and self administered endowment funds.

A Managed Fund allows an agency to pool a portion or all of its assets and/or endowment funds with the Calgary Foundation's considerable investment pool. Unlike a Charitable Organization Fund, a Managed Fund is owned by the organization and can be withdrawn at any time (subject to notice periods). The sole purpose of establishing a managed fund is to benefit from the Calgary Foundation's investment and management capacity. A minimum investment of \$250,000 is required to establish a Managed Fund

Need More Information?

For more information about Charitable Organization Funds or Managed funds, contact Ms. Allison Schulz, Agency Development Associate, at the Calgary Foundation at T: (403) 802-7703 E: aschulz@calgaryfoundation.org.