

ENDOWMENT AND NONPERMANENT FUND FACTS

Your gift can **grow** and
benefit community **forever**.



GIVE TO THE FUTURE OF LAKE COUNTY. Legacy Foundation offers donors the option to establish either an endowment or nonpermanent fund to support charitable organizations and causes. Donors have a wide variety of choices when defining where to direct their charitable dollars. Funds can support annual gifts to one's alma mater, church or favorite not-for-profit agency, in or outside of Lake County, as well as provide scholarships to worthy students. The options are vast and the impact is significant. An important question is whether the fund should be endowed or nonpermanent. Reviewing the Fund Facts will provide you some assistance in making that decision.

ENDOWMENT FUND FACTS

An endowed fund is permanent: The original gift is called the principal or the corpus of the Fund. Generally, Legacy will not spend the amount of the original gift to establish the fund or future additional gifts made to the fund.

An endowed fund grows through investment: Legacy invests endowed funds in a prudent mix of stocks (equities) and bonds (fixed income) with the expectation that over time the fund will have gains (increased stock value) and income (interest and dividends). Legacy has a "pooled fund" for its investments.

An endowed fund can support a variety of charitable interests: Legacy supports a fund holder's philanthropic goals. We will insure that grants from your fund are made to a qualified charity. In addition, if you choose, we can maintain your anonymity with those grants.

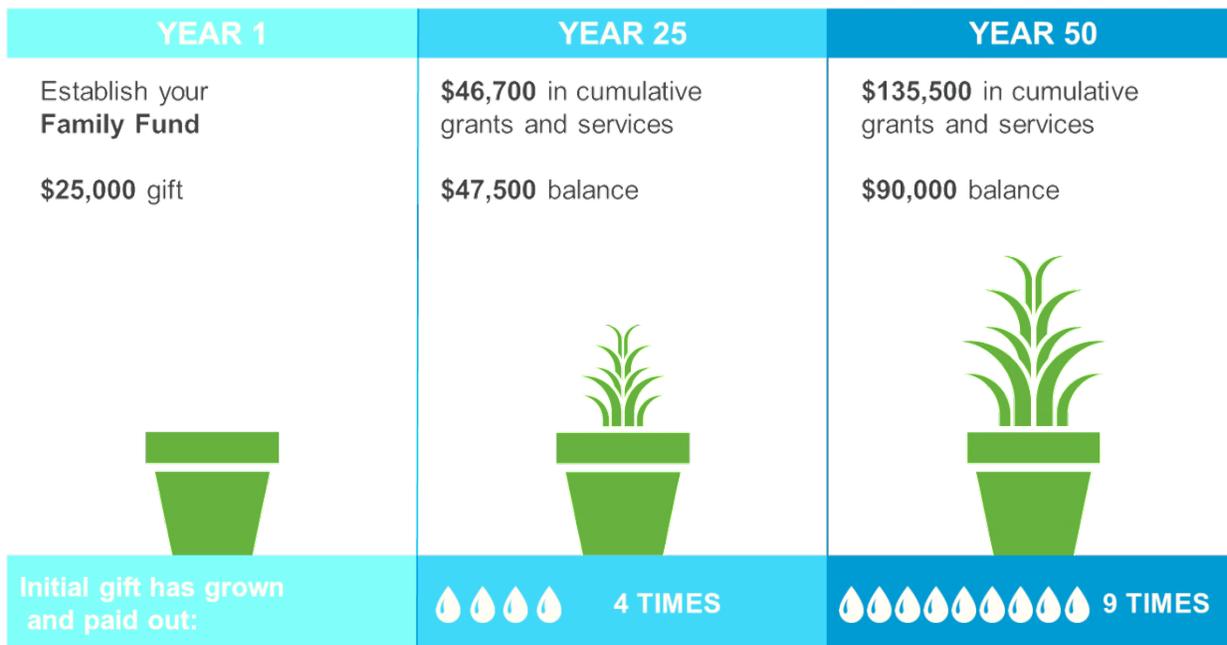
An endowed fund has an annual "spendable amount" based on the Foundation's Spending Policy: A "spendable amount" is the money available for granting from the fund during a 12 month period. Legacy Foundation annually calculates a spendable portion by averaging your fund's total value for the past 20 quarters. If the fund has not been with Legacy for that long the fund's average will be based on the number of quarters it has been invested at Legacy.

An endowed fund has a low administrative fee: Legacy's administrative fees are based on the endowment fund's purpose. General endowed funds are charged 1% annually; endowed scholarship funds have a slightly higher fee at 2% annually. All fees are pro-rated and paid from the fund quarterly.

An endowed fund should be established with a gift - or a goal - of \$10,000: Legacy's goal is that an endowed fund will reach \$10,000 within 3 years. A spendable amount will not be available until the \$10,000 goal is met.

HOW IT WORKS:

- Donors can choose to endow a gift of \$10,000 or more to Legacy Foundation—ask us about options for making gifts over time that add up to this minimum amount.
- The principal of the fund is seldom spent, and it can grow over time to generate an increasing stream of funding devoted to the interest areas and this community.
- The donor's gift—and all future income from the gift—is a permanent source of community funding that makes good works possible, forever.



Assumes 5% annual payout and 8% rate of return

TOGETHER FOR GREATER ADVANTAGE. Gifts endowed with Legacy Foundation are pooled with others to achieve maximum investment efficiency and return. They grow and benefit community with guidance from experienced local leaders and expert investment managers. Legacy Foundation’s current investment performance summary can be found on the website: legacyfdn.org/financialinformation.php

NONPERMANENT FUND FACTS

A nonpermanent fund is available for immediate spending: 100% of the original gift to establish a nonpermanent fund is fully available for you to distribute grants or scholarships.

A nonpermanent fund has limited growth: Unless otherwise directed by you, Legacy Foundation does not invest nonpermanent funds in the pooled fund. The gift is placed in a money market, checking account, or short-term pool.

A nonpermanent fund can support a variety of charitable interests: Legacy supports a donor’s interest whether it is to support charitable causes/organizations or to award scholarships.

A nonpermanent fund has an administrative fee based on each gift to the fund: Legacy charges a 3% fee against each donation made to the fund. No other fees are charged unless the fund is invested in the pooled fund at the donor’s direction.

A nonpermanent fund may be established with a gift of \$2,500 or more: Since the fund is nonpermanent there will be no growth expected. Grants made from the fund will be approximately equal to the gifts made to the fund.



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