



## Fund Options

You have several choices in the type of charitable fund you establish at The Winston-Salem Foundation. You can choose those that best fit your charitable goals, whether they include supporting a wide range of groups or focus on supporting specific organizations and issues. Any of these funds can be established in your name or the name of your family, an organization, someone you wish to honor, or to recognize a special interest you may have. The fund name also can reflect your desire to be anonymous in your giving.

### **NON-ENDOWED FUNDS:**

**Non-Endowed Donor-Advised Funds:** This fund allows you to make a tax-deductible gift to the fund now, and recommend grants to nonprofit organization you choose on your own timetable. These funds enable you to make your annual giving more strategic, simplify gift receipts for tax purposes, and they provide the opportunity to partner with the Foundation to learn more about causes important to you. Your recommendations are submitted to the Foundation for approval and our professional staff handles the details of distributing grants to the nonprofits.

### **ENDOWED FUNDS:**

Endowed Funds are designed for donors who want to make a permanent, long-term impact on the community. They are carefully invested and managed by our professional staff.

**Unrestricted Funds:** Your gift can address ever-changing community needs through our Community Grantmaking – including future needs that cannot be anticipated at the time your fund is established. Our professional staff evaluates all aspects of our community’s well-being – arts and culture, community development, education, environment, health, human services, neighborhood revitalization, and more. The flexibility of your unrestricted gift enables the Foundation to respond to the community’s most pressing needs, both today and tomorrow.

**Field of Interest Funds:** You can target your gift to address opportunities in an important area of community life, such as arts and culture, education, community and economic development, older adults, youth, or human services. You identify your personal interest when making your gift, and the Foundation awards Community Grants to the community organizations and programs that are making local impact in the area you select.

**Designated Funds:** You can direct your gift to benefit specific nonprofit organizations, religious organizations, schools, etc. These funds help provide ongoing grant support for the organizations of your choice.

**Scholarship Funds:** You can create a fund to assist students in pursuit of post-secondary education. Depending upon the size of your initial gift, your scholarship may have standard guidelines to select students based on merit or need, or it may have more customized guidelines that can specify students from a certain high school, attending a particular college, or studying a specific subject. Your gift enables students in our community to further their academic and career-oriented goals.

**Organizational Endowment Funds:** Nonprofit and religious organizations can establish a permanent endowment to support their mission and ongoing activities. Additional contributions to the fund can be made at any time. These funds also give added exposure and flexibility to community organizations.

**Donor-Advised Funds:** You can have ongoing involvement in the use of your gift. Our professional staff can provide guidance as you recommend grants to nonprofits to support the issues and needs you care about most. Your recommendations are submitted to the Foundation for approval, and we then distribute the grants. These funds are a personal and flexible way to support nonprofit groups in our community and throughout the U.S., as long as distributions to nonprofits are within our Donor-Advised guidelines.

## **CHARITABLE TRUSTS:**

**Charitable Lead Trust:** You can make gifts of assets to your heirs at favorable gift tax rates and remove assets from your estate while benefiting your favorite charity. Charitable Lead Trusts provide income to a charity, such as The Winston-Salem Foundation, for a specific period of time. At the end of that period, trust assets are distributed to non-charitable beneficiaries such as the donor's children or grandchildren.

**Charitable Remainder Trust:** You or your designated beneficiaries (such as your children, spouse, or any non-relative) can receive income for life or for a designated period of time. At the end of that period, the trust assets are distributed to a charity, such as The Winston-Salem Foundation. You receive an immediate tax deduction when the trust is established, remove assets from your estate (thus eliminating estate taxes on those assets), and often increase the income produced by those assets while ultimately benefiting your favorite charity.

*For more information, visit [wsfoundation.org](http://wsfoundation.org) or call the Foundation at (336) 725-2382.*

## Endowed Funds Comparison

Fund Type	Initial Gift	Donor Involvement	Administrative Fees
Unrestricted	\$10,000	Foundation Grants Committee and Board make Community Grants to nonprofits addressing community needs.	1.50% annual fee based on quarterly market values
Endowed Donor-Advised	\$25,000	Donor advises WSF on grants.	*1.00% annually based on quarterly market values and graduated by fund size
Field of Interest	\$25,000	Donor chooses a broad interest area. Foundation Grants Committee and Board make Community Grants to nonprofits.	1.50% annual fee based on quarterly market values
Designated	\$25,000	Donor designates one or more organizations to receive or share annual grants.	*1.00% annually based on quarterly market values and graduated by fund size
Organizational Endowment	\$25,000	Nonprofit organization creates the fund and requests distributions.	*1.00% annually based on quarterly market values and graduated by fund size
Scholarship	\$30,000 (standard) \$50,000 (customized)	At \$30,000 level, scholarship has standard guidelines. At \$50,000 level, donor may select customized guidelines.	2.00% annual fee based on quarterly market values

Administrative fees reduced for fund balances over \$2.5 M. Fees taken in quarterly installments based on the fund's prior quarter-end market value.

The Distributable Amount is determined by applying a spending policy of 4% of the fund's average market value (based on the previous 2 quarters). The spending policy is evaluated on an annual basis.

Endowed Funds are invested by an Investment Manager chosen by the donor from the Approved Investment Manager list. Investment fees are netted out of the fund's performance by the investment manager and are not controlled by the Foundation.