

Agency Endowment



An Agency Endowment at Community Foundation Santa Cruz County is a safe and simple way for your nonprofit organization, or government entity to create a permanent and predictable source of funding. The Foundation handles all the investment management and administrative details. Our experienced staff can also help your group develop planned giving programs to grow your endowment.

What is an endowment?

An endowment is a commitment to hold the principal of a fund in perpetuity in order to generate earnings that will benefit a charitable use. Earnings from the endowment over time provides a steady income stream, supporting your nonprofit's programs and services forever.

Who should have an endowment?

A nonprofit organization committed to providing service over the long haul should consider building an endowment. Organizations formed in support of short-term causes or particular events, that lack a broad donor base, or that are relatively new, are unlikely candidates for an endowment.

Endowment vs. operating reserve: Is there a difference?

Yes. A healthy agency should have a fully accessible operating reserve account which covers between three to six months of its basic expenses. An endowment, on the other hand, is a fund where only the earnings on the fund, not the principal amount, are available for disbursement.

Will having an endowment conflict with current donors' giving?

It shouldn't. Developing an endowment is very different from fundraising for annual operating support. An endowment effort can be presented to your current donors as an additional way to support your organization. It shows your foresight as an organization that is planning for its financial future. Strategically minded organizations earmark all planned gifts, such as bequests, for their endowment.

The O'Neill Sea Odyssey Fund

O'Neill Sea Odyssey (OSO) was founded in 1996 by wetsuit innovator Jack O'Neill, whose vision was to create a living classroom on board a 65-foot catamaran and sail it on the Monterey Bay National Marine Sanctuary.

Since its inception, the O'Neill Sea Odyssey has served more than 30,000 4th to 6th grade students, many from schools in low-income communities. Students receive hands-on lessons about marine habitat and the importance of the relationship between the living sea and the environment.

The O'Neill Sea Odyssey set up an agency endowment in 2004 at Community Foundation Santa Cruz County. This fund is a commitment to continuing Jack's dream: to keep the Odyssey catamaran sailing on the Monterey Bay.

(Continued on reverse)

Agency Endowment

How it works

- You determine the amount your organization would like to invest in an endowment and then work with our staff to complete a fund agreement. Our fund minimum is \$25,000.
- Our staff and Investment Committee of top local investment professionals handle all the administrative details including expert investment management.
- Your nonprofit organization has 24 hour online access to your financial statements.
- Your organization can add to the endowment at any time.
- When your organization has an agency endowed fund, your donors can establish a charitable gift annuity for as little as \$10,000.
- Your fund is invested to grow over time, and a portion of your earnings, as determined by our spending policy, are returned to your organization annually. You now have a permanent source of community capital, doing good work forever.

Will the Foundation support our endowment fundraising efforts?

Certainly. Our reputation as a permanent community resource reassures donors who may wish to contribute to your agency's endowment. We can help you accept gifts that may be too complicated for many organizations to handle, such as stock, real estate, life insurance, or IRAs. We can assist your donors and their professional advisors in integrating planned gifts into their estate plans to benefit your organization. And, the Foundation can provide resources to market your planned giving program for gifts to your endowment.

Can we just manage our endowment ourselves?

You could, but why would you want to? The Foundation's economies of scale provide your organization the benefits of a diverse investment portfolio, such as solid total returns and low investment fees that typically come only with very large funds. Many boards of directors have members with investment expertise, but while endowments and the Foundation are forever, your board members are not. Managing an endowment also consumes staff and board time for investment management and administration, including audits and tax reporting, that could otherwise be focused on your organization's core mission and fundraising.

Agency Endowments held at the Foundation (December 2015)

Agri-Culture J.J. Crosetti, Jr. Memorial Fund
Agri-Culture Sandhill Bluff Conservation Easement Monitoring Fund
Agri-Culture Jeannie Witmer Memorial Scholarship Fund
Agricultural History Project Endowment Fund
Bonny Doon Education Fund
Snug & Dub Brown Children's Fund for Big Brothers Big Sisters
Court Appointed Special Advocates Endowment Fund
Congregational Church of Soquel Endowment Fund
Elkhorn Slough Foundation Fund
Happy Valley School Foundation Fund
Jimmie Cox Memorial Scholarship Fund
Kuumbwa Jazz Endowment Fund
Monarch Services Fund
Mountain Community Resources Endowment Fund
Museum of Art and History Endowment Fund
O'Neill Sea Odyssey Fund
Frank F. Orr and Zoe Ann Orr Fund for Elkhorn Slough Foundation
Pajaro Valley Historic Association Borina Archive Fund
Pajaro Valley Quilt Association Agency Endowment
Santa Cruz Sailing Foundation Fund
Santa Cruz Shakespeare Endowment Fund
Save Our Shores Forever Fund
Second Harvest Food Forever Fund
SPCA/Blackie's Senior Friends Fund
Stein Memorial Endowment Fund for the Watsonville Public Libraries
Temple Beth El Next Generation Fund
T.H.A.N.K.S. Agricultural Education Fund
Dottie Tyler Fund for Agrarian Oral History
Ron and Dottie Tyler Fund
for Restored Agrarian Equipment Maintenance
Watsonville Wetlands Watch Endowment Fund
Watsonville Wetlands Watch Laura Hofmeister Scholarship Fund

For more information, contact Sam Leask, philanthropic services director at 831.662.2060 or sleask@cfsc.org.