



NONPROFIT ORGANIZATION FUNDS

The San Francisco Foundation is committed to supporting the capacity and strength of nonprofits in the Bay Area. We offer local organizations two options for the establishment of endowed and non-endowed funds to create a reliable, ongoing source of income and financial sustainability. The following comparison outlines the primary features of both funds for consideration.

Purpose, Fund Minimum & Fees

ENDOWED	NON-ENDOWED FUND
An organization’s donors or board have designated assets to be invested and maintained in perpetuity.	An organization plans to spend assets needed, with no requirement that they be held in perpetuity.
\$250,000 to establish fund	Same
1% administrative fee	Same

Transfer of Assets to the San Francisco Foundation

ENDOWED	NON-ENDOWED FUND
The organization makes an irrevocable contribution of assets to SFF for its own benefit, and in doing so relinquishes ownership of the assets to the Foundation	The organization makes an irrevocable contribution of assets to SFF for its own benefit, and in doing so relinquishes ownership of the assets to the Foundation. However, the organization is given advisory rights over the fund and may make a grant recommendation of the entire balance of the fund (net of fees) back to the organization. By law, the final authority of grant approval lies with SFF’s Board of Trustees.
Based on FASB standards, the organization’s contribution to SFF should be presented as an asset on the organization’s financial statement, and as an asset and a liability on the foundation’s financial statement. This guidance pertains to accounting treatment only, as the legal ownership remains with the foundation.	Same
The organization’s board submits a Board Resolution stating that contributed assets are intended to support the organization in perpetuity, with no additional restrictions.	The organization’s board submits a Board Resolution stating that contributed assets are intended to support the organization, with no additional restrictions.

Grants

ENDOWED	NON-ENDOWED FUND
The organization may add to the fund at any time, provided the new assets have the same purpose as the fund. In most cases, contributions should come directly from the organization, not other donors.	Same
The annual payout to the organization from the fund is calculated at the Foundation's self-determined payout rate, less the 1% annual SFF administrative fee.	Organizations may request grants from the fund as needed using the foundation's online platform.
Funds may be distributed quarterly, or annually in August. The organization may also elect to roll grant payouts to another year.	n/a

Investments

ENDOWED	NON-ENDOWED FUND
The fund is invested in the SFF endowment pool, a diversified portfolio with an inflation-adjusted return that is consistent with a 5% annual distribution rate and allows for flexible and active grantmaking.	The organization may select from the foundation's three investment choices (or a combination) of Long-term, Short-term or Mission Aligned Investments Pools.
The organization receives quarterly investment performance reports and is invited to attend the foundation's annual Investment Forum.	Same

Additional Services

ENDOWED	NON-ENDOWED FUND
The organization has access to Foundation's planned giving services	Same
SFF representatives are available to meet with the organization's Board of Directors or Investment Committee to review investment performance.	Same
Acceptance of complex assets on behalf of the organization in certain circumstances.	Same