

Types of Funds

Creating a fund (otherwise known as an endowment) is a great way to give back to your community, create a legacy for you and your family and/or honour a loved one. The Thunder Bay Community Foundation gives individual donors, family foundations, businesses and charitable organizations several ways to support our community's well-being. We specialize in building endowment funds, where the capital is not spent, and the fund's earnings support the ever-changing needs of Thunder Bay. We believe that by strengthening the gifts, assets and capacity of individuals and groups, we strengthen our community. We have several funds available for our donors to consider.

What is the difference Between an Endowed Fund and a Non-Endowed Fund?

A fund is composed of three main components: **Principle, earnings** and **surplus**.

Principle is composed of any gifts/donations made to the fund.

Earnings are generated on an annual basis from interest gained on the portfolio.

Surplus is the accumulation of earnings that were unspent in previous years.

An **Endowed Fund** can only use the earning and surplus to disburse grants.

A **Non-Endowed Fund** can use the whole fund to disburse grants.

When I give, what happens to my contributions?

All contributions are converted to cash and our portfolio manager at Mawer uses the funds to purchase more stock in the Mawer's Balanced Fund. Since all funds are pooled together they are weighted within our portfolio to ensure each fund earns the appropriate amount of interest and pays the appropriate amount for Administrative Recovery Costs. Fund holders receive an annual statement outlining these details in respect to their specific fund(s).

Field of Interest Funds

Field of interest funds are Endowed Funds that allow donors to identify the issues that are important to them in our community and the Foundation grant-making team make effective grants on behalf of the donor.

Donor Advised Funds

Donor Advised Funds give donors the chance to participate in the grant-making process. Working closely with the Foundation's staff and Board of Directors, donors (and their loved ones as desired) may identify and recommend specific charitable organizations they want to see benefit from their fund. The Donor Advised Fund is considered the easy and cost-effective alternative to creating a Private Family Foundation. This fund appeals to existing foundations as they may transfer their assets to the Thunder Bay Community Foundation to achieve higher returns and reduce administrative costs while remaining involved in allocating grants. Donors may establish a Donor-Advised Fund with a minimum donation of \$25,000 (or contribute to the fund until it reaches \$25,000 and can be officially established as a fund). Once opened, other donors may contribute to the fund. A donor advised fund can be either endowed or non-endowed.

Donor Designated Funds

Donor Designated Funds allow donors to name one of more charitable organizations to benefit from the income generated by the fund as listed in the agreement. This allows donors to choose their favorite charities and provide a lasting gift. Donors may establish a Donor Designated Fund with a minimum donation of

Types of Funds

\$25,000 (or contribute to the fund until it reaches \$25,000 and can be officially established as a fund). A donor designated fund can be either endowed or non-endowed.

Scholarships and Bursaries

A scholarship or bursary can either be field of interest fund or donor advised fund. Scholarships and bursaries assist promising students, including those challenged by education costs, to pursue education and/or training. Donors may establish a Named Scholarship or Bursary Fund with a minimum investment of \$25,000 (or contribute to the fund until it reaches \$25,000 and can be officially established as a fund). A scholarship and/or bursary fund can be either endowed or non-endowed.



What is the difference between a Scholarship and a Bursary?

A scholarship is based on academic performance whereas a bursary is based on financial need and adequate academic performance.

General Fund

The General Fund is an endowed restricted fund made up of gifts of all sizes from individuals, corporations and foundations. Giving Donors create and/or donate to these funds to broaden the legacy of their gifts, allowing the Foundation to respond with the greatest flexibility to our community's needs and changing priorities. The Community Fund supports the Thunder Bay Community Foundation Grant, which in turn, supports existing programs and services and new and innovative programs or other charitable works in the District of Thunder Bay. Each year the Foundation awards grants to charitable organizations for projects in areas including, but not limited to: arts, heritage, youth, recreation, capital projects, alleviating human suffering, health and welfare and community innovation.

Agency Endowment Fund

Agencies (or donors on behalf of agencies) can establish an Agency Endowment Fund, which allows the charity to receive interest earned on the fund annually (the charity will receive 3.5% of the funds market value as long as the interest earned on the fund is greater than 5%). Donors can designate the Charity in their Will and funds will go into this endowment in perpetuity. Agencies (or donors on behalf of agencies) may establish an Agency Endowment Fund with a minimum investment of \$10,000 (or contribute to the fund until it reaches \$10,000 and can be officially established as a fund). An Agency fund can be either endowed or non-endowed.

Legacy Gift

A legacy gift is a bequest in your will. Any of the above funds can be established as a part of your estate plan. Existing funds may also be named.

Starting a fund is easy. Contact the TBCF's Executive Director Melanie Blanchette today.