

Fund Types: Flow-Through vs. Endowment

As a community foundation, one of our primary activities is to support donors through a variety of fund types. In each one, the structure ensures security and the support services of our team.

Depending on your priorities, timelines, and requirements, one or more of the types of funds may be better suited to help you achieve your desired philanthropic objectives.

Endowment Funds and Flow-Through Funds are most often selected by our donors. Here, we provide a comparison of the two.

	Flow-Through Fund	Endowment Fund
ACCESS TO CAPITAL	Spend down and replenish as desired	Capital is invested permanently. Annual disbursements are made from the interest accrued and investment returns on the capital
FEE	1.25% annually or mutually agreed upon minimum fee (based on # of transactions/year)	1.25% annually + fund management fee of approximately 0.5%
EARNINGS	No earnings. Fund is held with CFNS but not invested	7-year average return: 8.9 % (benchmark by 2 points representing substantial addressed value)
ANNUAL DISBURSEMENTS	Disbursements to qualified donees can be as large or as small as desired provided there is enough money remaining in the fund	Each year, can grant up to 4% of the capital balances to qualified donees
PRIMARY BENEFITS	Allows for flexible and responsive giving to community needs. Provides an opportunity to disburse as much or as little as desired annually. Creates a collective receptacle for fundraising without the burden of receipting/ reporting on the donor. Permits additional contributions at any time.	The donor's gift is pooled with CFNS's endowed assets, invested through careful stewardship. Perpetuates the donor's values and priorities. Creates a sense of immortality. Allows incremental granting. Alleviates management burden. Permits additional contributions at any time.

Why contribute to a community foundation?

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Community knowledge: A deep understanding of local needs and opportunities.
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Expertise: Community foundations are credible partners. The team has expertise in financial management and granting.
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Leadership: Community foundations are led by a board of directors comprised of knowledgeable community leaders.
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Management and reporting: CFNS provides full administration services (including audit, receipting, and reporting to CRA) for all fund holders.