



## **Q&A with the Marietta Community Foundation: Unrestricted Funds and the Friends of the Foundation Fund**

### **What makes Unrestricted Funds different from other Foundation Funds?**

While other Foundation funds have a specific purpose attached, unrestricted funds are used at the complete discretion of the Foundation Board. This gives the Foundation Board greater freedom to address current and future needs that can be difficult to plan for. Donors contribute to these funds because they trust the Foundation Board to distribute to the area's greatest needs. Busy donors without much free time greatly benefit because they are not required to detail their wishes or directly oversee their donation.

Collective unrestricted funds are used for the Foundation's annual grant cycles. Grants from these funds help our community and residents overcome obstacles, seize opportunities and thrive. In 2015, the Foundation awarded \$138,000 to area non-profits. This was an increase of nearly \$30,000 from the previous year. Thanks to generous donations to unrestricted funds, this award amount is expected to increase again in 2016. Our unrestricted donors trust the Foundation's oversight and have complete faith in our ability to support our local nonprofits.

### **Is the Friends of the Foundation Fund the same as Unrestricted Funds?**

Because the Marietta Community Foundation is among the less than 1% of U.S foundations who do not charge an administrative fee, a portion of our unrestricted assets go toward the Foundation's operational expenses. While unrestricted funds can support these expenses when needed, the Friends of the Foundation Fund is solely used to support operational expenses for our 501c3 public charity. This is slightly different than the majority of foundations who assess fees on each donation to cover overhead costs.

While the Friends Fund and Unrestricted Funds allow the Foundation to provide similar benefits, they are still distinct funds. The Friends of the Foundation Fund functions strictly as an operation fund for the Foundation. As the fund grows, the Foundation's operating endowment does likewise and allows the Foundation to use less from Unrestricted Funds to cover overhead costs. Growing the Friends of the Foundation fund does double duty by simultaneously growing the amount of Unrestricted Funds available for annual grant cycles. Our supporters of the Foundation choose to contribute toward the Friends Fund or unrestricted funds because they believe in our mission and fully support our efforts to enhance the quality of life in our community.

### **As a donor, I have a very clear goal for my donation. Should I simply set my money up with that in mind or is there still some benefit in making an unrestricted donation?**

The Marietta Community Foundation acts as philanthropic advisors to our donors, many of whom are faced with this very decision. We work with you to guide you through the gift giving process and help identify giving opportunities that ensure your gift does the most good for the projects you are most passionate about.

Lump sum donations made annually throughout your lifetime can be allocated to a Donor Advised Fund. With a Donor Advised Fund, the Foundation recommends grants to local charities and non-profits that would align with your interests and provides education, notifications and other assistance to help guide you with your annual giving. Your donation through the Foundation acts like a charitable checking account. As part of estate planning or charitable giving planning for tax benefits, a statement in your fund agreement allows you to indicate that, upon your passing, all remaining funds will transition to unrestricted. This allows you to remain engaged with your giving while also planning for the future of your fund and ensuring the continued benefit of your generous gift.



# MARIETTA COMMUNITY FOUNDATION

*Where good intentions become great accomplishments*

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## **Q&A: Unrestricted Funds and the Friends of the Foundation Fund Continued...**

### **What could the Foundation do with more in the Friends of the Foundation Fund and Unrestricted Funds?**

Though the Foundation has continued to experience healthy growth, we still have limited funding for discretionary granting. As the need of our local nonprofits continues to increase, our limited discretionary funds often mean we have to partially fund projects in order to spread gifts between projects and organizations. Additional resources in our Friends Fund or Unrestricted funds would allow us to have a bigger impact on area need by fully supporting projects to expand their services in the community.

More donations to the Friends Fund or Unrestricted Funds would allow us to better fill the gap for area non-profits in need who are underfunded. If the Friends of the Foundation Fund grew enough to provide an operating endowment that fully supported the Foundation's operational expenses, we could increase annual grants by \$120,000 per year. This would allow us to not only meet current needs but also work with local nonprofits to plan for future projects and capacity building.

With our current capacity, the Foundation typically serves basic needs, human services and other immediate community essentials. Additional resources would allow us to expand our grant funding to include more economic development, historical preservation and community asset development projects.

### **Why should I become a Charter Member of the Friends of the Foundation Fund?**

Becoming a Charter Member is a point of pride. It represents an investment in the long-term sustainability of the Marietta Community Foundation. Charter Members recognize the benefit in donating to a fund that enables the support of the community's greatest needs. Those interested in helping as many local nonprofits as possible are the ones who benefit most from becoming a Charter member. They do it because they truly love our community and want to use their good fortune to make it better, safer, more equitable and livelier.

The Marietta Community Foundation is known for its ability to leverage resources, collaborate and make the biggest difference possible. We are well respected philanthropic advisors who help turn big dreams into lasting realities.

## **What do you dream of creating for Washington County?**