

## **Administrative Fee Policy and Minimum Fund Balance Requirements**

The Hendricks County Community Foundation, Inc. (the Community Foundation) charges an administrative fee on all funds of the Community Foundation which is used to help support its operations and continue its mission. Below outlines the current fees and minimum fund balance requirements:

1. **Endowment Funds (excluding Scholarship Funds):** These funds are permanent assets of the Community Foundation and only a portion of the income is distributed on an annual basis in accordance with the Community Foundation’s Spending Policy.

- **Minimum Balance to establish:**
  - Minimum balance to make grants is \$5,000. Funds can be established for a minimum of \$1,000, however, no grants will be made from the fund until it reaches the \$5,000 minimum balance.
  - If after 5 years, the fund has not reached the \$5,000 minimum, the donor will be required to make a one-time grant(s) to the charity of their choice or transfer the balance to the Deedee Daniel Opportunity Fund. Fund founders will have the opportunity to complete an addendum to their fund agreement to designate this charity.
- **Fees:** Fees are assessed based on the asset balance of the fund at the end of each fiscal quarter using the following tiered fee schedule for the full year:
 

▪ First \$250,000	2.00%
▪ Above \$250,000 to \$750,000	0.75%
▪ Above \$750,000 to \$1 million	0.50%
▪ Thereafter	0.25%

Thus, on March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup> and December 31<sup>st</sup> the following fees will be assessed:

▪ First \$250,000	0.50%
▪ Above \$250,000 to \$750,000	0.1875%
▪ Above \$750,000 to \$1 million	0.125%
▪ Thereafter	0.0625%

Endowment Funds that receive donations directly to the Spendable Amount and have grants made out of this same money within a single quarter will have a pro-rata 0.50% fee charged for such grant amounts.

- **Expenses:** Any direct expenses attributable to the Fund shall be charged on a monthly basis. Examples include credit card merchant service fees, printing or other outside office services, specific investment-related fees such as wire transfers or

stock transfer fees.

- **Minimum Grant disbursement:** \$100
- **Grant Recommendations:** A maximum of 2 (two) individuals will be authorized to make grant recommendations from endowment funds. Grant recommendations can be made at any time and checks are disbursed once a week. These two individuals will receive twice yearly fund statements—additional copies can be made and distributed by these fund representatives.

2. **Scholarship Endowment Funds:** These funds are permanent assets of the Community Foundation and only a portion of the income is distributed on an annual basis as stated below. *Please note that scholarship funds can only be established as endowment funds:*

- **Minimum Balance to establish:**
  - Minimum balance to make scholarships is \$10,000. Funds can be established for a minimum of \$5,000, however, no scholarships will be made from the fund until it reaches the \$10,000 minimum balance.
    - If the Scholarship Fund reaches \$10,000 minimum balance and then falls below \$10,000 due to market conditions, the fund will continue to award scholarships regardless of balance of fund.
    - If after 5 years, the fund has not reached the \$10,000 minimum, a one-time scholarship(s) of at least \$1,000 will be made in the name of the fund and remaining balance will be transferred to the Hendricks County Community Foundation Scholarship Fund.
    - If the Scholarship Fund falls below \$2,000, a one-time scholarship of \$1,000 will be made in the name of the fund and remaining balance will be transferred to the Hendricks County Community Foundation Scholarship Fund.

- **Fees:** Fees are assessed based on the asset balance of the fund at the end of each fiscal quarter using the following tiered fee schedule for the full year:

▪ First \$250,000	2.00%
▪ Above \$250,000 to \$750,000	0.75%
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Thus, on March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup> and December 31<sup>st</sup> the following fees will be assessed:

▪ First \$250,000	0.50%
▪ Above \$250,000 to \$750,000	0.1875%
▪ Above \$750,000 to \$1 million	0.125%
▪ Thereafter	0.0625%

- **Expenses:** Any direct expenses attributable to the Fund shall be charged on a monthly basis. Examples include credit card merchant service fees, printing or other outside office services, specific investment-related fees such as wire transfers or stock transfer fees.
- **Scholarship Award Minimum Disbursement:** \$500

- **Scholarship Award Recommended Disbursement:** \$1,000
  - **Scholarship Advisory Committees:**
    - For funds less than \$50,000, the Scholarship Fund shall have one seat (one representative) on the scholarship advisory committee of their choice. There will be one scholarship advisory committee per public high school (Avon, Brownsburg, Cascade, Danville, Plainfield and Tri-West) plus additional HCCF Scholarship Advisory committees as needed to accommodate county-wide or other scholarships.
    - For funds of \$50,000 and above, donors have the option of creating a dedicated scholarship advisory committee.
3. **Grow Your Legacy Funds:** These are named unrestricted funds used to make grants as part of the Deedee Daniel Opportunity Fund grant cycles. Funds can be named for your family, a loved one, or your business and can be used to honor your parents, children, grandchildren or other loved ones. All grants from Grow Your Legacy Funds are made in the name of the fund.
- **Minimum Balance to establish:**
    - **Seedling Funds:**
      - Minimum balance to establish is \$500
      - All Seedling Funds are pooled together to make grants on an annual basis as part of the Deedee Daniel Opportunity Fund grant cycle
      - When fund balance reaches \$5,000, the fund will become a Sapling Fund
    - **Sapling Funds:**
      - Minimum balance to establish is \$5,000, or a Seedling Fund that grows to \$5,000
      - Grants are made on an annual basis in the name of the Sapling Fund as part of the Deedee Daniel Opportunity Fund grant cycle
      - When fund balance reaches \$50,000, the fund will become a Sycamore Fund
    - **Sycamore Funds:**
      - Minimum balance to establish is \$50,000, or a Sapling Fund that grows to \$50,000
      - Grants are made on an annual basis in the name of the Sycamore Fund as part of the Deedee Daniel Opportunity Fund grant cycle
      - Donor or fund representative will be invited to join the Deedee Daniel Opportunity Fund Grant Committee.
  - **Fees:** No fees until the fund reaches a balance of \$5,000. When the fund reaches \$5,000, standard endowment fees apply as stated above in #1.
4. **Non-Permanent (Pass-through) Funds:** These funds are not permanent assets of the Community Foundation and are established for various reasons. Funds may also be under temporary management by the Community Foundation to support developing charitable organizations or projects. *Please note that scholarship funds can only be established as endowment funds.*
- **Fees:** 4% on any deposits made to the fund assessed on a monthly basis, plus an additional 2% annual fee assessed on January 1<sup>st</sup>, based on carryover assets from the

prior year.

- *For example, if a pass-through fund has a \$1,000 balance on January 1<sup>st</sup> and receives \$3,000 in deposits during the year, makes no withdrawals from the fund and has \$4,000 balance at year end, the fee would be as follows:*
  - $\$3,000 \times 4\% = \$120$  for monies received during the year
  - $\$1,000 \times 2\% = \$20$  for carryover balance from prior year
  - Total fee of \$140.
  - The \$120 would be assessed in the month the deposits were received and the \$20 would be assessed on January 31<sup>st</sup> of the next year.
- **Expenses:** Any direct expenses attributable to the Fund shall be charged on a monthly basis. Examples include credit card merchant service fees, printing or other outside office services, specific investment-related fees such as wire transfers or stock transfer fees.
- **Minimum Balance to establish:** \$1,000 minimum balance to establish
- **Minimum Grant disbursement:** \$25
- **Endowment Fund requirement:** Since the emphasis of HCCF's mission is on establishing and maintaining endowment funds for the future, all pass-through funds must establish an endowment fund for their charitable cause within 5 years of establishing the pass-through fund. The minimum balance for the endowment fund is \$5,000. This can be done incrementally during the 5-year period (For example, \$1,000 per year could be deposited to the endowment fund so that at the end of the 5-year period the minimum balance of \$5,000 will be accomplished.) If after 5 years, the fund has not reached the \$5,000 minimum, the donor will be required to make a one-time grant(s) to the charity of their choice or transfer the balance to the Deedee Daniel Opportunity Fund. Fund founders will have the opportunity to complete an addendum to their fund agreement to designate this charity.