Starved Rock Country
COMMUNITY
FOUNDATION

FIELD OF INTEREST FUNDS

- Minimum required is $1000 to establish a Fund.
- Your contributions(s) are an irrevocable gift to the SRCCF.
- You select the name of your Fund.
- The Fund will be a component fund of the SRCCF and is not held as a separate trust.
- Hometown National Bank is our current investment manager and the Fund will be pooled with the assets of our other component funds and invested according to the SRCCF Investment Policy. We will send you a quarterly statement detailing your investment earnings.
- Grants of at least $250 may be recommended for charitable organizations of your choosing at any time as long as the Fund balance is available to support the grants.
- If you choose to create an Endowed Field of Interest Fund, only the earnings on the Fund may be used for grant making. The principal will remain intact in perpetuity.
- You are the advisor to the fund.
- You may select a Successor Advisor to give us advice regarding grant distributions from the Fund at such time as you may be unable or unwilling to make recommendations yourself.
- If there is no succeeding advisor, we will use the money in your Fund at our discretion, however, we will make every effort to only allocate the funds to beneficiaries who match your original intent when you established the Fund.
- Under normal circumstances, we will make your distributions from the Fund to organizations that qualify as tax-exempt public charities under the appropriate sections of the Federal tax code [sections 170(c) to enable those organizations to carry out their mission for charitable and exempt purposes. These organizations are called "Qualifying Charities". We are unable to pay individuals and for-profit organizations.
- The Fund will be charged certain fees. At the present time, the Administrative Fee is 2% up to the first $1M; the fee decreases with larger investments or as the fund grows. One half of a percent is assessed quarterly. In addition, our investment firm charges a fee, also assessed quarterly. The Administrative Fee may be changed at any time by our Board of Directors.
- **VARIANCE POWER** - Under our governing instrument, and in accordance with federal tax law, the SRCCF Board of Directors shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations, if in the sole judgment of the Board of Directors such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. More information is attached.

Connecting People Who Care with Causes that Matter
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FOR. GOOD. FOR. EVER.

UNDERSTANDING VARIANCE POWER

Understanding Variance Power – With so many nonprofits struggling amidst the economic fallout created by the Global COVID-19 Pandemic, what does a donor do to ensure that an estate gift established to support their favorite nonprofit remains impactful if the nonprofit ceases to exist at the time the gift is realized? How can that donor's philanthropic legacy be protected for future generations if a nonprofit organization goes out of business? Enter the work of a Community Foundation.

Community Foundations, such as the SRCCF, have a unique ability to protect a donor's interests long after that donor's lifetime. This protection falls under the ability of SRCCF's Board, made up of community leaders, to use its variance power to ensure that the donor's intent is fulfilled in perpetuity. Through the terms of a standard fund agreement between the donor and the SRCCF, the donor can outline their specific charitable intentions and acknowledge that should their gift to a specific nonprofit not be possible, the Board has the authority, through their variance power, to follow-through with the gift's original intention.

SRCCF holds a variety of types of funds including Donor Advised Funds, Designated Funds, Field of Interest Funds, Endowment Funds, Agency Funds, and Corporate Advised funds, which may benefit a specific nonprofit organization or a variety of nonprofit organizations. The funds can be endowed, partially restricted, or unrestricted. To see how variance power works, take this example: perhaps a donor who is fond of a local mentorship program has set up a designated endowment fund to benefit that organization through the donor's estate plan. That donor's designated endowment fund is established to provide income in perpetuity to the mentorship program. Twenty years later, the donor has passed on and the legacy gift has been realized, but the program no longer exists. The Community Foundation has the authority, through the Board's variance power, to redesignate those funds to a similar nonprofit organization whose work most closely aligns with the donor's original intent. By identifying a similar alternative nonprofit organization within the community that offers a mentorship program, the Board protects the donor's legacy.

Variance power not only allows a donor's charitable wishes to be followed and continue in perpetuity, but also allows SRCCF to respond to the changing needs of nonprofit organizations within the community. It's a winning combination for the donor, the nonprofits, and future generations.