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**Platinum Endowment Challenge**

**2019 Guidelines and Application**

# **Vision and Mission**

The Community Foundation for Loudoun and Northern Fauquier Counties was founded in 1999 to benefit the towns, countryside, and citizens of Loudoun and Fauquier Counties and surrounding areas. We grow community giving. As part of our 20th anniversary, the Community Foundation offers a Platinum Endowment Challenge for local Loudoun nonprofit organizations.

# **About the Donors**

Funding for the Platinum Endowment Challenge is made possible by Google.

## **Platinum Endowment Challenge ~ 2019**

A gold-standard nonprofit endowment generates enough income to offset 10% or more of an organization’s annual operating expense. According to the *Profiles of Loudoun* report published by the Community Foundation in April 2019, very few local nonprofit organizations have an endowment fund; none have endowment that meets the gold standard. As a result, the Community Foundation offers an opportunity for five nonprofit organizations to establish an endowment fund if selected for the 2019 Platinum Endowment Challenge.

To meet the Challenge, selected organizations must commit to raising $10,000 in matching funds for their organizational benefit for either (a) reserve funds or (b) endowment funds. Note that reserve funds are held by the organization, typically in a separate checking account or accounted for separately from annual operations funds; endowment funds will be stewarded by the Community Foundation. Newly raised funds must be secured by the organization in order to meet the $10,000 requirement.

Raising Reserve Funds: Organizations with less than three months of reserve funds may apply for the Challenge with a plan and commitment to raise $10,000 in reserve funds, or a combination of reserve and endowment Funds in order to bring the organization’s reserve to three months. In return, the Community Foundation will match the $10,000 raised, per selected organization, as a grant to the organizations’ endowment fund for a total endowment of $10,000. For example, a successful organization will raise $10,000 in reserve funds held by the organization and $10,000 in endowment held by the Community Foundation.

Raising Endowment Funds: Organizations with three or more months of reserve funds must apply the Challenge to raise endowment within the Community Foundation; in return, the Community Foundation will match the $10,000 raised, per selected organization, as a grant to the organizations’ endowment fund for a total endowment of $20,000.

In the circumstance whereby one or more selected organization does not raise $10,000 as proposed, remaining funds will be offered to the remaining successful organizations on a matching basis with an extended timeline.

*Important note about endowment:* Endowment matched by the Community Foundation will be considered permanent endowment. Funds raised or matched won’t be spent, but permanently invested to generate earnings for annual distribution.  As a rule, an endowment will generate up to 5% of the fund’s principal in annual distributions, depending on market conditions and time in investment market.

**A Pre-Application and Interest Session**

An optional pre-application and interest session will be offered **Wednesday, September 4, 2019** from 9:00 to 10:00 a.m. at the Claude Moore Nonprofit Training Center at 714 East Market Street, Leesburg, VA 20176. If planning to attend, please RSVP to Nicole Acosta at nicole@communityfoundationlf.org.

# **Eligibility Requirements for Applicant Organizations:**

* Must be a 501(c)(3) nonprofit public charity working in arts & culture, human services, nature/animal welfare, and/or education;
* Must be headquartered in Loudoun County and directly serving its residents;
* May not currently have an endowment or quasi-endowment fund;
* Must commit to raising $10,000 within the one-year grant cycle to establish a permanent endowment fund within the Community Foundation for Loudoun and Northern Fauquier Counties ([sample fund agreement found here](https://communityfoundationlf.org/wp-content/uploads/2018/04/SAMPLE-Agency-Endowment-1.pdf)) *or* establish/add to a reserve fund separate from the organization’s operating fund if the organization has less than three months of operating fund already in reserve. *Newly raised funds* must be secured by the organization in order to meet the $10,000 requirement.

**Definitions:**

* *Quasi-endowment*: refers to unrestricted funds that a nonprofit Board of directors has designated to be set aside and treated as a permanent investment resource. However, future boards have full access to the funds, including principal. A percentage of the endowment generates distributions generally made once per year based on market value, *etc*.
* *Endowment:* refers to a permanent resource. When funds are raised from donors with that intent, the funds within must honor donor intent.  Use of principal or corpus is generally considered a breach of donor intent. A percentage of the endowment generates distributions generally made once per year based on market value, *etc*.
* *Reserve funds:* refer to a nonprofit’s “rainy day” fund to address unexpected budget shortfalls, cash flow issues, or unique opportunities.

**Fundraising Planning Session for Selected Organizations**

Selected nonprofit organizations will be offered the opportunity to meet for one to three hours with Pam Maroulis, Torchbearer Consulting, LLC, to receive support for fundraising strategies, ideas, and planning. Pam serves as Principal Consultant and has more than 25 years of philanthropy and fundraising experience. With a wealth of expertise including major gift cultivation, campaign management, grateful patient programs, physician engagement and culture alignment, Pam specializes in helping organizations adapt to and thrive among the constant changes within the health care sector.  Pam is a Certified Fundraising Executive (CFRE) and holds a Psychology degree from the University of Tennessee with a Master of Public Administration from George Mason University. She has been an active member of the Association for Healthcare Philanthropy (AHP) since 2005, where she has also served as conference chair, presenter and event faculty.

# **Application Submission and Review**

Application and supporting documents must be **submitted electronically via email** to Nicole Acosta at nicole@CommunityFoundationLF.org **on or before Friday, September 27, 2019, 5:00 p.m.** (subject line: Platinum Endowment Challenge Application).

##### **Program Timeline, Selection and Final Reporting**

Applications will be reviewed and selected by a review committee convened by the Community Foundation. Applicants will be notified of final selections by Friday, October 4, 2019, and invited to create an appointment with Pam Maroulis, Torchbearer Consulting, LLC. Organizations are expected to meet their $10,000 fundraising challenge, resulting in an executed endowment fund agreement with the Community Foundation, *in lieu* of a final report, **by October 30, 2020**. The Community Foundation will grant the matching funds directly to the organization’s endowment fund upon execution of the fund agreement.

### Application Instructions

An application should include the following components:

1. **Application Cover Form**
2. **Proposal** (no more than three pages total)
   * **Organizational Background, Mission, Vision**—When founded, board composition, staffing and volunteer systems, programmatic mission, and vision of the organization *etc*.
   * **Fundraising Plan**—Support for fundraising strategies and ideas is available for selected grantees that seek the support. However, share a brief paragraph about your concepts or ideas to raise matching funds. Clarify your goals to raise reserve funds or endowment funds.
   * **Evaluation and Future Funding**—How will you evaluate future success after your endowment fund is established? How will you publicize your endowment fund? Importantly, give particularly thought as to how you will continue to build your endowment fund after the grant period.

### (3) Support Materials—Please provide a copy of the following materials (attach each item separately):

* List of board of directors and their affiliations
* Most recent Form 990 or 990EZ
* Most recent audit, review, compilation, or financial statement
* IRS letter of determination (unless on file with the Community Foundation)
* Current Fiscal Year Organizational budget
* A copy of your current strategic plan
* Listing of all foundation and corporate funders for past two years (dates and gift amounts are not necessary)

***Submit all application documents electronically via email by September 27, 2019, 5:00 p.m. to:***

Nicole Acosta; [nicole@communityfoundationlf.org](mailto:nicole@communityfoundationlf.org)

Community Foundation for Loudoun and Northern Fauquier Counties

Subject Line: Platinum Endowment Challenge Application

For more information or questions, call Nicole Acosta, Director of Grants and Nonprofit Programs at 703-779-3505, ext 3

**Platinum Endowment Challenge**

**COVER FORM ~ 2019**

Organization \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Mission Statement \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Current Fiscal Year Budget $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

How many months of operating reserve does your organization have saved? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

How are your reserve funds kept or tracked? (i.e., separate account, etc.) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Number of paid staff \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Number of Board members \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Number of volunteers \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Do you have a dedicated paid staff position for fundraising and development? \_\_\_\_Yes \_\_\_\_No

Do you have a specific volunteers involved in fundraising and development? \_\_\_\_Yes \_\_\_\_No

What percentage of your board make financial contributions to your organization? \_\_\_\_\_\_\_\_\_\_\_\_\_

**Platinum Endowment Challenge**

**PROPOSAL ~ 2019**

(include proposal narrative here, no more than three pages)