



## Foundation Services & Investment Fee Overview

To responsibly manage charitable funds, The Community Foundation San Luis Obispo County assesses two separate fees: **Foundation Services Fees** and **Investment management Fees**.

### 1. Foundation Services Fee

An annual percentage, assessed quarterly, is retained to support the stewardship of charitable funds, including compliance, grantmaking due diligence, financial reporting, governance oversight, and personalized donor support. This ensures each fund is carried out responsibly, transparently, and in alignment with its charitable purpose. Fees are assessed on a sliding scale. Under the banner of Foundation Services fees, there are two main categories of funds: Endowed Funds and Non-Endowed Funds.

- **Endowed Funds** are perpetual and enduring in nature. Incoming gifts are used to establish funds that are invested to grow over the long term. A fixed percentage of the fund balance is made available to be granted each year. Foundation Services fees on endowed funds are assessed in one way:
  - A quarterly fee based on the average daily fair market value of the fund year-to-date, unless otherwise noted in the fund agreement.
  
- **Non-Endowed Funds** offer more spending flexibility over the short-and-long term, but do not abide by the same rules as true endowments that make them perpetual. The entire fund balance is available to be spent immediately, so Foundation Service fees are assessed in two ways:
  - A 1% on each incoming gift (*Does not apply to Agency Non-Endowed Funds*)
  - A quarterly fee based on the average daily fair market value of the fund year-to-date, unless otherwise noted in the fund agreement.

### Foundation Services Fee Schedule

The Foundation determines which level of fees is incurred based on the fund size, and in some cases, the staff time and overall complexity involved with the maintenance of the Fund. As of this fiscal year, the following fees are in effect:

#### Donor Advised Funds

Endowed & Non-Endowed Funds	
Foundation Service fees per annum, assessed quarterly	Fund Size
1.25% with a \$625 minimum	Up to \$500k
1.00%	From \$500k - \$3mm
0.75%	\$3mm and above

*\*Minimum fund size for non-endowed DAFs is \$5,000*



**Agency Endowed and Non-Endowed Investment Funds**

Endowed & Non-Endowed Funds	
Foundation Service fees per annum, assessed quarterly	Fund Size
1.00% with a \$625 minimum	Up to \$1mm
0.75%	From \$1mm - \$3mm
0.50%	From \$3mm - \$5mm
0.25%	From \$5mm - \$10mm
0.10%	\$10mm and above

**Scholarship Funds**

Endowed & Non-Endowed Funds	
Foundation Service fees per annum, assessed quarterly	Fund Size
2.50% with a \$625 minimum	Up to \$500k
2.00%	\$500k and above

**Designated Funds**

Endowed & Non-Endowed Funds	
Foundation Service fees per annum, assessed quarterly	Fund Size
1.50% with a \$625 minimum	Up to \$500k
1.25%	From \$500k - \$2mm
1.00%	\$2mm and above

**Field of Interest, Special Purpose, and Unrestricted Funds**

Endowed & Non-Endowed Funds	
Foundation Service fees per annum, assessed quarterly	Fund Size
2.00%	All Fund Sizes

**2. Investment Management Fees and Strategies**

Investment management fees are charged separately and are passed directly to the Foundation’s external investment managers. These fees support professional portfolio management of the Foundation’s investment pools. Fees vary based on fund type and size. Any fund that opts to employ an investment strategy incurs Investment Management Fees.

Each fund will bear its proportionate share of any investment or custodial fees, which is approximately 0.20-0.30% annually, assessed quarterly, unless otherwise noted in the fund agreement. The fee is subject to fluctuate as investment selection changes are made within the portfolios. Funds that opt to remain in a money market strategy do not incur this fee.

**Investment Options for Non-Endowed Funds:** Non-endowed fund holders may now select from four distinct investment strategies: Money Market, Conservative, Moderate, and Long-Term. Funds retain 100%



of the interest and capital gains generated by their chosen strategy. Endowed Funds are assigned to the long-term strategy given their permanent time horizons.

### **3. Fund Minimums**

While the category of Fund will dictate how fees are incurred (up front versus quarterly), the Fund type and size will also play a role, as different fund types are associated with varying levels of administrative oversight, staff time, and diligence to care for.

- Donor Advised Funds, Field of Interest Funds, Designated Funds: Where possible, \$25,000 is the minimum to establish an endowed fund; \$5,000 is the minimum to establish a non-endowed fund. Should the fund be established with a lower amount as established in the fund agreement, or if the balance falls below \$5,000, the fund will be charged the Foundation Services fee of the lowest tier of fund balances.
- Scholarship Funds: Where possible, \$25,000 is the minimum to establish a named scholarship fund. Should the fund be established with a lower amount as established in the fund agreement, or if the balance falls below \$5,000, the fund will be charged the Foundation Services fee of the lowest tier of fund balances.
- Agency Funds: Where possible, \$25,000 is the minimum to establish this type of fund. Should the fund be established with a lower amount as established in the fund agreement, or if the balance falls below \$25,000, the fund will be charged the Foundation Services fee of the lowest tier of fund balances.

### **4. Other Types of Gifts and/or Fees**

- **Flexible Pass-Through Giving:** Pass-through gifts provide donors with flexibility. If you have a specific gift in mind but are not ready to establish a permanent fund, our pass-through option offers a simple, practical solution. Whether it is a year-end contribution or a one-time gift to a local nonprofit, we securely hold and steward your assets until you are ready to recommend distribution. This service generally carries a 3% Foundation Services fee. Adjustments may be considered for larger gifts or streamlined requests. We manage the documentation and processing so you can remain focused on the impact you want to achieve.
- **Individual Retirement Account (IRA) qualified charitable distributions:** An IRA gift can benefit or create many charitable funds including scholarships, a field of interest or specific nonprofit(s). Donor advised funds are not eligible. Donors can also support several nonprofits with a single IRA/ QCD as a pass-through gift. CFSLOCO can provide assistance to simplify the process. Please refer to the fee tables above for specific fee information on the various fund types.