



## **APPENDIX A**

### **The Lake Club Women's Giving Circle – Funds and Contribution Definitions**

Here are a few fund and financial-related terms/descriptions you will see used throughout The Lake Club Women's Giving Circle (TLCWGC).

#### **Manatee Community Foundation (MCF)**

- Women's Giving Circles (including ours) are under their 501c3 umbrella.
- MCF manages all transactions related to our Endowment and Annual Grant funds. They provide us with record keeping and set the policy that invests/controls our funds.
- Being a part of MCF and having established these funds makes us a part of "Founder's 50," the first 50 endowed funds in Lakewood Ranch.

#### **TLC Women's Giving Circle Fund 1 (Endowment Fund)**

- This is an endowed fund, established for the long term. We cannot access the principal of the fund so it cannot be used directly for granting purposes.
- The fund is invested in the market. Each year, up to 4.5% of the fund is transferred to the Annual Grant Fund (Fund 2) based on the 12 trailing quarters. This is the current "spending policy," voted on and approved by MCF's board of directors. It has been in place for many years now.
- Members and others can add to this fund with donations that are 100% tax-deductible, with no goods or services received as a result of the gift.
- *Why have an endowment fund?* This endowment demonstrates our ongoing commitment to Manatee County. It allows TLCWGC to support our community beyond us as individuals and our tenure here and this longevity extends our spirit of philanthropy and our resources into Manatee County's future.

#### **TLC Women's Giving Circle Fund 2 (Annual Grant Fund)**

- This is a non-endowed fund, meaning we award any amount from the fund to fully vetted 501c3 nonprofits. This is where 100% of your tax-deductible \$1,000 initial pledge and all your Minimum Annual Contribution (MAC) payments of \$200 go.



- We can accept gifts into this fund that are 100% tax-deductible. Donors cannot receive any goods/services as a result of the gift. All fund-raising events, sponsorships/raffles/donations go directly to this fund.
- *Why have an Annual Grant Fund in addition to the Endowment Fund?* While the Endowment Fund invests in the future, the Annual Grant Fund lives in the present. We can adjust to current issues (like hurricane relief) or ongoing concerns like giving children a better start to their school-life. Your pledges and our fund-raising efforts grow this fund and grant-making allows us to make an immediate impact to any qualified organization.

### **Annual Grant Fund (Fund 2) Contributions and Cycles**

- After the Initial pledge of \$1,000, a Minimum Annual Contribution (MAC) of \$200 is required for membership. MAC payments are accounted for and due in January.
- We send out annual statements in December. These statements show past payments (MAC and Admin Fee) and the payments currently due.
- If a member falls behind on either the MAC or the Admin fee there is a temporary suspension of rights. If she falls behind for 2 years, her status is changed to “Inactive”.
- The Grant committee asks for suggested organizations from all active members as well as receives online requests from 501c3 organizations. Only active members vote on the full list, selecting organization(s) to which the fund’s money is granted.

### **Administrative Fee Purpose and Payments**

- Each member pays a yearly admin fee from which costs to run the WGC are reimbursed. Examples are accounting services, website fees, postage, marketing materials, etc. Expenses that are specific to a fund-raising event (e.g., venue rental) would be reimbursed from the monies raised from the event.
- The Administrative Fees are deposited in TLCWGC checking account so as not to mingle them with Endowment or Annual Grant funds.
- The admin fee is paid along with the Initial pledge of \$1,000. Members who join in October – December will have the fee applied to the next calendar year. Those joining in other months will have it credited to the current calendar year.