



OKLAHOMA CITY COMMUNITY FOUNDATION

CHARITABLE ORGANIZATION ENDOWMENT PROGRAM

About the program:

Our Charitable Organization Endowment Program provides nonprofit organizations with a reliable source of income through annual distributions and offers a simple way for donors to make a lasting contribution. These funds are instrumental to a nonprofit's stability, especially during uncertain economic times. We also provide development, communications, planned giving services and online resources, while working with staff and board members to help strengthen and increase their endowment funds. We administer more than 360 charitable organization endowments, making the program the nation's largest of its kind. Find a complete list of funds at occf.org/coelist.

Why an endowment at the Oklahoma City Community Foundation?

Our charitable organization endowment program provides five key benefits to secure long-term sustainability:

- Multiple donors can contribute a variety of types of marketable assets at any time to the endowment, building permanent support for the organization.
- Charitable organizations can rely on a stable and predictable income stream through the annual cash distribution from the endowment.
- Our long-term investment strategies and efficient management of endowment funds provide for future financial needs of the organization.
- Our professional staff is available to help charitable organizations grow their endowment through planned giving services, development resources and technical assistance.
- Charitable organizations can reach a network of donors and professional advisors through promotion and awareness of the endowment program.

Who can participate?

Any 501(c)(3) public charity serving Oklahoma can apply to participate in the program. Upon approval, an endowment can be established with a minimum \$40,000 gift from the organization itself, from a donor or from a group of donors.

How does an endowment fund work?

Endowment funds at the Oklahoma City Community Foundation are invested in our general pool, so all funds — large and small — benefit from our investment performance. Our investment policy is designed to allow the funds to generate annual distributions to the charitable organization in perpetuity, while also growing and preserving the fund value. Participating charitable organizations receive an annual distribution check every fall.

FY2016 By The Numbers

360 charitable organization endowments
\$167 million total market value
\$8 million distributed back to charities

Services and Resources

Charitable organizations with endowments at the Oklahoma City Community Foundation benefit from a number of services and resources:

Fund Management and Administration

We process all charitable gifts to the fund and mail gift acknowledgements to the donors. In addition, we provide organizations with an annual fund report showing all gifts, distributions and investment performance.

DonorCentral

Charitable organizations have 24-7 access to an online fund reporting service at occf.org/DonorCentral that provides endowment fund balances, gift and annual distribution history and quarterly investment performance.

Gift Acceptance

We can facilitate a variety of gifts for the benefit of endowment funds that charitable organizations may not be able to accept directly. We work with nonprofits and their donors to accommodate gifts of cash, credit cards, real estate, retirement plan assets, business-related assets, tangible property, oil and gas interests, royalty interest and stocks, bonds or mutual funds.

Planned Giving Services

A gift made through a will or trust is the simplest way for donors to leave a substantial gift. We provide training to help nonprofit staff better understand the various types of planned giving options and how to market those gifts to their donors. In addition, we offer a free, online planned giving resource at OCCFLegacy.org.

Development, Communications and Training

Through our publications and occf.org website, we promote all of the endowment funds and encourage donor support. Each organization receives a monthly e-newsletter on issues pertinent to nonprofits, as well as invitations to free seminars on planned giving and other current charitable issues.

Central Oklahoma Charities

Participating charitable organizations are featured on our online directory at occf.org/CentralOklahomaCharities. Each directory page includes a brief organizational overview, contact information, a link to the organization's website and an option to make an online gift to the endowment.

The Toolkit

We provide an online toolkit at occf.org/toolkit with free resources to help organizations build and promote their endowment funds.

GiveSmartOKC.org

GiveSmartOKC.org helps connect charitable

GiveSmartOKC

Know More. Give More.

organizations with generous donors and funders to encourage informed and impactful giving in central Oklahoma. Featuring in-depth and comparable data on more than 270 nonprofits, GiveSmartOKC allows nonprofits to better tell their story and helps donors find charities that fit their interests. Powered by GuideStar USA, GiveSmartOKC also transfers data to the national nonprofit search engine and its network of philanthropic partners. To learn more, visit GiveSmartOKC.org or contact Ashlee Adams at 405/606-2918 or a.adams@occf.org.

Kirkpatrick Family Fund Endowment Matching Grant Program

In 1979, founder of the Oklahoma City Community Foundation, John Kirkpatrick, offered the first of several challenge matches to help charitable organizations grow their endowment funds. This tradition continues today through the Kirkpatrick Family Fund's Endowment Matching Grant Program for organizations establishing a new fund or working to build an existing endowment at the Oklahoma City Community Foundation. The program is designed to encourage charitable organizations to plan for their future by developing a reliable source of funding and to engage a broad base of contributors from the community. To learn how to apply, visit KirkpatrickFamilyFund.org or contact 405/767-3702.

Contact Us

For more information about our charitable organization endowment program, contact:



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Investment Management

The Oklahoma City Community Foundation's investment policy is designed to allow an endowment fund to provide annual distributions for charitable purposes in perpetuity, grow to accommodate inflation and continue to exist in the future.

Our investment policy has four major objectives:

- Preserve capital
- Protect distribution amounts from inflation
- Ensure annual distributions continue in perpetuity
- Generate investment returns in the top third of professionally managed funds

All endowments, large and small, benefit from our investment policy that emphasizes diversification of assets, quality investments and a long-term perspective. Charitable organization endowment funds are pooled with other Oklahoma City Community Foundation endowment funds and invested by style-specific managers selected by our Investment Committee.

Investment Committee's Role

Our nine-member Investment Committee consists of six Trustees or former Trustees and three community leaders with strong investment expertise. The Investment Committee, along with investment counsel United Capital Financial Advisors, LLC, determines asset allocation between equities and fixed income. In addition, they

evaluate each investment manager's performance against the appropriate benchmark for their sector and their adherence to the specific style they have been engaged to manage. We use seven active managers; five for equities and two for fixed income investments.

Low Administrative Expenses and Investment Costs

Our investment strategy utilizes both active managers and index funds to add value while keeping the cost low. For Fiscal Year 2016, our cost of investments was 30 basis points (30/100 of 1 percent), which is much less than the typical fee for managed funds or mutual funds.

Distribution Policy

Our structured method of making annual distributions from charitable organization endowments creates a predictable cash distribution amount and maximizes investment returns. The majority of permanent endowment funds we administer receive annual distributions of 5 percent of the fund's average market value for the previous 12 quarters as of March 31. The remaining investment return remains in the fund to increase its value and to protect future distributions from inflation.

For more information on investment and spending policies, visit occf.org/investmentmanagement or contact Rhonda Godwin at r.godwin@occf.org or 405/606-2916.

10-year Investment Performance History

Fiscal Year Ended	General Pool Rate of Return	Composite Indices (Note A)	Policy Benchmark (Note B)
June 30, 2016	1.34%	1.20%	4.35%
June 30, 2015	4.20%	3.49%	5.49%
June 30, 2014	14.56%	16.56%	16.66%
June 30, 2013	11.24%	12.58%	13.15%
June 30, 2012	2.31%	1.63%	5.44%
June 30, 2011	21.57%	21.96%	21.26%
June 30, 2010	12.99%	12.32%	12.28%
June 30, 2009	-14.61%	-16.09%	-15.20%
June 30, 2008	-3.23%	-4.76%	-5.94%
June 30, 2007	13.68%	16.49%	15.40%
Ten Years Compounded (Note A)	5.87%	5.90%	6.68%

Note A: Equity performance is compared to the Russell 3000 stock index and the MSCI ACWI exUS International equity index; fixed income performance is compared to the Barclays Capital Government/Credit Intermediate bond index (Barclays Capital G/C Int) and total return is compared to a composite of these three indices.

Note B: Equity performance is compared to the Standard and Poor's 500 stock index (S&P500); fixed income performance is compared to Barclays Capital Government/Credit Intermediate bond index (Barclays Capital G/C Int) and total return is compared to a composite of these two indices.

Growing Endowment Through Charitable Giving

By working together with the Oklahoma City Community Foundation, you ensure that your charitable gifts will make a lasting impact. An outright gift to charity will provide a one-time benefit, while a gift to a permanent endowment demonstrates a long-term commitment and will support your charitable interests forever.

Giving Now

Cash Gifts – We can accept contributions in the form of cash, check, money order or a cashier's check to benefit endowment funds. Mail contributions including the name of the endowment fund to: Oklahoma City Community Foundation, PO Box 1146, Oklahoma City, OK 73101-1146.

Online Gifts – Visit www.occf.org/onlinegiving to make a secure online gift via credit card.

Other Assets – We can facilitate a variety of gifts to benefit endowment funds that charitable organizations may not be able to accept directly. By making an endowment gift of the following assets, donors can potentially avoid capital gains tax, enjoy the benefits of a charitable tax deduction and provide long-term support for their favorite charitable organization.

- **Real estate** including homes, acreages or business properties can be used to make a charitable gift at the appraised value. By transferring the deed, donors can avoid any tax that would otherwise be due upon sale, including capital gains tax. We then sell the property, and the donor receives a charitable tax deduction.
- **Appreciated securities** such as widely- and closely-held stock, bonds and mutual funds may be transferred directly to us, bypassing any capital gains tax, and yielding a charitable deduction for the fair market value.
- **Oil and gas royalty interests** can be used as a charitable gift, allowing donors to reduce their taxable estate and preserve liquid assets.
- **Life insurance** policies can be an easy way to make a charitable gift without a significant outlay of cash. Donors can gift the existing policy and receive an immediate income tax deduction for the cash value in the policy.
- An **IRA Charitable Rollover** allows donors age 70 ½ or older to gift up to \$100,000 per year directly from their Individual Retirement Account to the Oklahoma City Community Foundation to support or create a new charitable organization endowment fund. By using pre-tax IRA assets, the charitable gift costs less. In addition, IRA rollover gifts can be used to meet the required minimum distribution and are not subject to income taxes.

Giving Later

We work with charitable organizations, donors and professional advisors to create efficient giving options to not only support their favorite causes, but also provide tax benefits. Gifts through a will or trust allow donors to maintain their current cash flow and preserve assets for retirement, while ensuring their charitable wishes will be fulfilled. Below are a few of the giving options we can facilitate:

- **Gifts through a will or trust (Bequests)** – we offer sample bequest language to help donors designate estate gifts to charitable funds.
- **Charitable Gift Annuities (CGA)** – we can help donors make a gift of cash or other assets that will yield payments to the donor or other beneficiary for life, with the remaining assets benefiting charitable funds selected by the donor.
- **Charitable Remainder Trusts (CRT)** – we can help donors reduce the size of their estate by placing assets in a trust that pays an annual income. Upon the trust's termination, the remaining assets will benefit charitable funds selected by the donor.

Give Now, Choose a Charity Later with an Advised Fund

An advised fund is a simple, flexible and tax-efficient way to give to charitable organizations. By establishing an advised fund, donors receive an immediate tax deduction and can decide which charitable causes to support at a later date. We offer three types of advised funds with fund minimums ranging from \$1,000-\$20,000 including a permanent fund with an annual spendable percentage as well as completely spendable fund options. In addition, two of our advised fund options are invested with our general pool to receive investment returns.



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In Fiscal Year 2016, Oklahoma City Community Foundation donors recommended more than \$18 million from Advised Funds to 952 charitable organizations.

To learn more about the variety of charitable giving options we offer, contact Joe Carter at j.carter@occf.org or 405/606-2914.