



## Endowment Fact Sheet

*Friends of Nike Site Summit (FONSS) wishes to establish a permanent, endowed fund at The Alaska Community Foundation in order to ensure a stable source of income for Nike Site Summit in the years to come. What follows are some answers to frequently asked questions about the benefits of such a fund, how an endowment works, and the choice to establish this at The Alaska Community Foundation.*

### **Why does FONSS wish to establish an endowment fund?**

The current FONSS board, in cooperation with The Alaska Association for Historic Preservation (our fiscal sponsor) wishes to establish a fund to ensure Nike Site Summit a dedicated source of income for years to come.

With more than \$600,000 raised in grants, goods, services, and volunteer work over the last 8 years, the current FONSS board has been able to stabilize critical buildings at Site Summit and conduct regular summer tours to educate the public about this important piece of Alaskan history. With this success, however, comes further responsibility, as buildings will always require maintenance work and future programming will always be in need of support. As the current board recognizes the need for longevity in a fiscal plan, they have decided that an endowment fund is their best and most sustainable option for ensuring the success of FONSS for the future, no matter what the financial needs are. While the establishment of a solid endowment will take time, the board believes that the earlier they start on it, the better.

### **What is an endowment?**

An endowment is a separate, legally established fund for an organization, cause, or purpose. If a fund is "endowed," then the managing parties lock the principal from withdrawal. These funds are then invested and managed as part of a much larger pool of assets and allowed to grow over time with a spendable rate set every year that protects the principal from being lost.

Locking the principal of the established fund benefits the cause or organization in a number of ways. For an organization like FONSS, it protects this principal from being spent out by future boards. It also allows FONSS to grow and maintain a sustainable source of income to benefit our mission. By putting their endowment funds in The Alaska Community Foundation (ACF) and endowing the principal, FONSS effectively guarantees that no future boards can spend the entire fund, since the money is

officially held in trust by ACF. The funds can only be spent under the terms of a specific agreement. In this endowed fund's case, this agreement follows the spending policy of ACF. The growth of these funds each year generates a portion of spendable money, which can be used for maintenance and other needs year after year.

### ***What is the Alaska Community Foundation?***

The Alaska Community Foundation (ACF) is a public, nonprofit foundation established for the benefit of Alaskans in 1995. Their mission is to inspire the spirit of giving by connecting people, organizations, and causes to strengthen Alaska's communities now and forever.

ACF currently holds approximately \$79 million worth of assets in various funds. These funds range from scholarships to donor-advised funds to general "field of interest" funds to community funds and what are called agency funds – those established by nonprofits for their own benefit. All of these funds are separated and designated for specific purposes, but are all pooled together and invested as a whole.

### ***Why choose The Alaska Community Foundation?***

The advantage of working with ACF, rather than investing independently, is the same for organizations as it is for individuals and groups who wish to fulfill specific philanthropic interests. These separate funds benefit from the larger-scale investment strategy and expertise of a larger organization and the administrative support that ACF provides. The Alaska Community Foundation's funds are managed by an investment management organization, advised by their Investment Committee. With the careful oversight of this team of highly qualified individuals, the ACF board determines a spending policy every year for endowed funds, which is based upon the overall performance of the foundation's portfolios.

For more information about The Alaska Community Foundation, please see the attached flyer or visit their website: [www.alaskacf.org](http://www.alaskacf.org).

For information about ACF's investment and spending policy, please visit their [website](#). For information about their investment consultant, please click [here](#).

If you have any more questions or would like more information about FONSS please contact us at [fonss2007@gmail.com](mailto:fonss2007@gmail.com). You can also visit our website: [www.nikesitesummit.net](http://www.nikesitesummit.net).