



THE COMMUNITY FOUNDATION OF FREDERICK COUNTY

Comparison of

Endowment Funds versus Quasi-Endowment Funds

	Endowment Fund	Quasi-Endowment Fund
Minimum to start a fund	\$25,000	\$25,000
Life of fund	Perpetuity	Perpetuity
Distribution policy	Distributes net income only, which is primarily income and dividends. Contributions to the fund are never spent and are held as a permanent part of the fund.	Distributes a percentage of the market value on an annual basis. The Community Foundation's current distribution policy is 5 percent of the market value based on June 30 for all funds. Contributions to the fund may be spent if provisions are made in the fund agreement.
Investment options	The Community Foundation's primary objective with endowment funds is net income, through a balanced income portfolio with a larger portion in fixed income than in equities. Other investment options will be considered at the donor's recommendation if the fund exceeds \$500,000.	The Community Foundation's primary objective with quasi-endowment funds is growth and income, through a balanced growth portfolio with a larger portion in equities than in fixed income. Other investment options will be considered at the donor's recommendation if the fund exceeds \$500,000.