

# FUND MANAGEMENT POLICY

**WACO FOUNDATION'S MISSION** is to promote solutions to community challenges, strengthen nonprofits, engage philanthropists and manage charitable assets to improve quality of life in McLennan County. It is important for the Foundation to manage component funds in ways that meet the charitable needs of the fund holder and our mission. Waco Foundation has established a set of policies to guide the structure and fees for funds under the Foundation's management.

## FEE STRUCTURE

Waco Foundation's fee structure helps subsidize the costs associated with managing component funds, resulting in more services available to the community. Unlike for-profit entities, Waco Foundation does not charge separate fees for administration, transactions and investment management. A flat fee is charged based on the fund type to promote simplicity and transparency. The Foundation is committed to helping local philanthropists and nonprofit organizations build their legacies and as such, are pleased to cover much of the costs of investing and administering the funds under management.

## FEE OVERVIEW

As a nonprofit organization using economies of scale, Waco Foundation is able to provide donors and nonprofits access to high-quality investments while charging minimal fees. One-fourth of the fund fee is charged quarterly based on the fund's quarter-ending market balance.

Waco Foundation subsidizes the additional investment and administrative fees associated with each fund through the Foundation's Unrestricted Fund with the intention of passing on the savings to charitable causes in the community.

Additional fees may be assessed to funds that require special services including, but not limited to, customized lists, special brochures/letters, frequent reports, etc. Fees will be determined on a case-by-case basis and will be communicated to the donor prior to the service being performed.

We may assess specific related legal and other expenses in connection with the creation and administration of the fund or unusual out-of-pocket expenses related to the operation of the fund. This can include, but is not limited to: credit card fees, brokers, agents, commissions, taxes or other fees for liquidating stocks or other management-intensive assets (ex. real estate). These additional expenses will be charged directly to the fund.

## FUND FEES AND RECOMMENDED MINIMUMS

FUND TYPES	RECOMMENDED MINIMUM	ANNUALIZED FEE
AGENCY FUND ENDOWMENT AGENCY FUND RESERVE	\$10,000	0.65% 1.00%
FIELD OF INTEREST & DESIGNATED	\$10,000	Less than \$50,000: 1.50% \$50,001 - \$100,000: 1.25% \$100,001 - \$500,000: 1.00% \$500,001 - \$1,000,000: 0.85% More than \$1,000,000: 0.75%
DONOR ADVISED	\$10,000	Less than \$50,000: 1.50% \$50,001 - \$100,000: 1.25% \$100,001 - \$500,000: 1.00% \$500,001 - \$1,000,000: 0.85% More than \$1,000,000: 0.75%
ACORN FUND	Effective up to \$50,000	New Donor Advised Fund No withdrawals for 2 years 0.25% Discount
SCHOLARSHIP FUNDS	\$20,000	Foundation managed less than \$500,000: 2.00% External Committee less than \$500,000: 2.50% More than \$500,000: 1.50% Endowed for Duncan Scholars: 0.75%
SECURITY & CHARITABLE IRA ROLLOVER DONATIONS AND ASSOCIATED GRANTS	No Minimum	Per Donation and/or Security: Lesser of 1.00% or \$100  Per Grant: Lesser of 1.00% or \$20