

The mission of AchieveKids endowment is to support the people, programs, and activities of the agency in perpetuity. Over the years, growth of the endowment through investment return and charitable giving has enabled AchieveKids to provide scholarships to staff to help build a stronger team of professionals. In the future we hope to add student based scholarships and possibly new program development funding.

**Q: What is an endowment fund?**

**A:** An endowment fund is a permanent, self-sustaining source of funding. Endowment assets are invested. Each year a portion of the earnings of the fund is distributed to support the fund's purpose and any earnings in excess of this distribution are used to build the fund's market value. In this way an endowment fund can grow and provide support for its designated purpose in perpetuity. Our endowment fund creates a permanent legacy of support for AchieveKids.

**Q: Who manages AchieveKids endowment assets?**

**A:** Our funds are held at Charles Schwab and are managed by our endowment committee made up of members from our Board of Directors and the general community.

**Q: Are there other investment options available to endowment donors, aside from the Endowment Fund?**

**A:** We have a Funds for the Future. The earnings from this funds are intended to support general operations and, at the discretion of a supermajority of the Board of Directors, the fund principal may be used to supplement the agency's cash reserve for emergencies.

**Q: Why should an organization have an endowment fund?**

**A:** An endowment fund helps diversify a non-profit organization's income and reduces its vulnerability to every economic crisis. Endowment funds impress donors, especially generous donors. An endowment fund signals to donors that a nonprofit manages its resources well, plans efficiently, and will likely survive any crisis. In general, an endowment is a donation of money or property to a non-profit organization, which uses the resulting investment income for specific purposes aligned with the organization's mission and goals. Most endowments are designed to keep the principal amount intact while using the investment income or annual earnings for the non-profit's charitable efforts.

**Q: Why are endowments seen as a good long term strategy for financial stability for a nonprofit?**

**A:** A well-managed endowment sends a message of planned long-term stability, fiscal responsibility, and financial viability. It contributes to enhance the organization's reputation, respect and credibility.