

TYPES AND CHARACTERISTICS OF FUNDS AT NEW MEXICO COMMUNITY FOUNDATION

Fund Type	Defining Characteristics	Advisors	Who Owns Asset	Other
Unrestricted	<ul style="list-style-type: none"> • Can be used by NMCF for any charitable purpose 	<ul style="list-style-type: none"> • Maybe • If so, NMCF controls selection 	NMCF	
Field of Interest	<ul style="list-style-type: none"> • Restricted by broad topic or issue area • NMCF determines specific uses and recipients within topic 	<ul style="list-style-type: none"> • Maybe • If so, NMCF controls selection • May include some donors at the NMCF's discretion 	NMCF	<ul style="list-style-type: none"> • If advisors include some donors to the fund, strict conflict of interest requirements apply
Geographic Affiliate	<ul style="list-style-type: none"> • Restricted to a specific sub-geography • Multi-purpose (not single-issue) • May be one fund or include multiple (sub) funds • Advised by a broad community group 	<ul style="list-style-type: none"> • Yes • Fund agreement may provide guidance for advisor selection • NMCF ultimately controls selection unless a supporting organization 	NMCF unless a supporting organization	<ul style="list-style-type: none"> • Generally continues to raise additional funds • NMCF may allow advisors to recommend local grants from NMCF's other fund
Donor Advised	<ul style="list-style-type: none"> • Contributed by one or more donors • Has outside advisors • Fund agreement specifies how advisors are selected (NMCF doesn't control selection) • Acceptable uses may be general or specified in fund agreement 	<ul style="list-style-type: none"> • Yes • Donor or other outside party selects some or all • NMCF Board can choose not to accept advisors' recommendations 	NMCF	<ul style="list-style-type: none"> • Subject to special IRS regulation and scrutiny • Strong sanctions for self-dealing (benefits to donors) • Can not recommend scholarships to specific people
Scholarship	<ul style="list-style-type: none"> • Restricted for scholarships, often with further limitations (geography, field, etc.) 	<ul style="list-style-type: none"> • Maybe • If so, NMCF controls selection 	NMCF	<ul style="list-style-type: none"> • The fund's donors may not advise about scholarship recipients • Many rules governing administration
Designated	<ul style="list-style-type: none"> • Contributed by one or more donors for benefit of a specific nonprofit organization • Acceptable uses and payout established in fund agreement 	<ul style="list-style-type: none"> • Generally none • If advised, NMCF controls selection 	NMCF	<ul style="list-style-type: none"> • Protects donor intent if designated organization goes out of business, loses tax status or changes focus
Agency or Nonprofit	<ul style="list-style-type: none"> • Contributed or raised by an outside nonprofit organization for its own benefit • Acceptable uses and payout established in fund agreement 	<ul style="list-style-type: none"> • None 	Nonprofit	<ul style="list-style-type: none"> • Shows up on NMCF books as both an asset and a liability • Protects endowed funds from being raided, and increases safety and return
Operating	<ul style="list-style-type: none"> • Restricted for the NMCF's operations 	<ul style="list-style-type: none"> • None 	NMCF	
Program	<ul style="list-style-type: none"> • Grants, contracts and/or donations for NMCF to perform specific tasks or run specific programs 	<ul style="list-style-type: none"> • Sometimes • Powers and authority depend on grant or contract terms 	NMCF	<ul style="list-style-type: none"> • Almost never endowed
Fiscal Sponsorship	<ul style="list-style-type: none"> • NMCF assumes responsibility for funds of ad hoc group or other entity without 501(c)(3) status • Sometimes includes hiring associated staff 	<ul style="list-style-type: none"> • Usually • Should not include anyone paid from funds • NMCF must retain ultimate control 	NMCF	<ul style="list-style-type: none"> • NMCF has full legal responsibility and liability for activities and tax-exempt use of funds
Management Services	<ul style="list-style-type: none"> • NMCF provides accounting, investment or fund management services for independent 501(c)(3) 	<ul style="list-style-type: none"> • In most cases the 501(c)(3) maintains final authority 	Agency	<ul style="list-style-type: none"> • Sometimes confused with Fiscal Sponsorship