

NOT-FOR-PROFIT SUB-FUNDS

Australian Communities Foundation (ACF) is committed to strengthening not-for-profit (NFP) organisations. We do this in two major ways. Firstly, by providing grants to support the activities of NFPs and secondly, by providing an option for NFP organisations to establish their own sub-fund.

HOW CAN AN ACF SUB-FUND HELP?

An ACF sub-fund can be used to provide a sustainable funding source for NFP organisations seeking to secure their future. Building an endowment can provide the basis for long-term sustainability and greater independence from external funding sources.

An ACF sub-fund does not appear within an organisation's balance sheet. This means the funds can be built up and stored for future use, rather than being absorbed into recurrent expenditure.

A sub-fund can also be used to expand your supporter base by offering an independent and secure option for donor gifts, including bequests.

HOW DOES IT WORK?

The minimum amount required to establish a sub-fund with ACF is \$20,000. Once established, the funds within your sub-fund are pooled and invested with income and capital attributed accordingly.

While investment returns help grow your balance, anyone can make donations into your sub-fund. ACF's online donation portal provides a quick, easy and secure way of contributing to your sub-fund.

For NFP organisations, there are no establishment fees and the ongoing management fee is 1% per annum.

WHAT ARE THE BENEFITS?

- **Tax deductible donations:** donations to ACF sub-funds are tax deductible and income is tax exempt.
- **Low cost:** ACF sub-funds for NFP organisations have no establishment costs and a low administration fee.
- **No hassle:** All administrative and reporting requirements associated with the sub-fund are taken care of by ACF.
- **Pooled investment:** while sub-funds are separately identifiable, they benefit from being part of a pooled investment vehicle.
- **Flexible income:** income can be granted to the NFP organisation for any purpose, including to fund operational costs or to support projects.
- **Independence:** establishing a sub-fund provides greater independence from external funding sources in the long-term.
- **Attract new funding:** partnering with ACF provides an additional mechanism to attract funds, which may complement the organisation's overall fund raising strategy.

NEXT STEPS

To open an ACF sub-fund, visit our website at www.communityfoundation.org.au and download the sub-fund establishment form. A sub-fund can be up and running within 24 hours.

To discuss your NFP's needs, call us on (03) 9412 0412 or email admin@communityfoundation.org.au