



INVESTMENT PARTNERS PROGRAM

The St. Croix Valley Foundation (SCVF) Investment Partners Program creates a value-added partnership between financial advisors and the SCVF.

Founded in 1995, the St. Croix Valley Foundation is a nonprofit, philanthropic community organization created by and for the people of the St. Croix Valley to strengthen and build community. It enables people with philanthropic interests to easily and effectively support the issues they care about by establishing a charitable fund at the Foundation. The SCVF is dedicated to inspiring and helping people of all backgrounds create lasting legacies to benefit the people of the St. Croix Valley.

WHAT IS THE INVESTMENT PARTNERS PROGRAM?

The Investment Partners Program is a partnership between financial advisors and SCVF.

The benefits for the client are:

- Access to SCVF's local expertise about non profits and their work.
- Access to charitable gift planning and services.
- The opportunity to establish a fund with SCVF. The fund may be an unrestricted fund, a field of interest fund, a scholarship fund, a designated fund, or a donor advised fund. The client receives an immediate tax deduction while avoiding capital gains tax on appreciated assets, may add to the fund at any time, and, if a donor advised fund, can recommend gifts to charities of their choice.

The benefits for the advisors are:

- Providing a mechanism for another dimension of client services: charitable giving.
- Access to charitable planning services at SCVF.
- The ability to keep a client's assets under management while making it possible for the client to contribute those assets to a charitable fund at SCVF.
- The assurance of longevity that is evidenced by SCVF's historical relationships with advisors.
- Recognition as a SCVF partner in program materials, on the web, and in the Foundation's annual report.

WHO CAN PARTICIPATE IN THE PROGRAM?

Advisors whose clients have established charitable funds at SCVF totaling at least \$250,000 are eligible. The Investment Partner relationship may begin with smaller charitable funds, and the \$250,000 threshold may be met with aggregate funds over a 5-year period of time.

INVESTMENT OPTIONS AND MINIMUMS

- Option I – \$250,000 minimum amount (or portion thereof with commitment to reach \$250,000) to open a fund into the SCVF-approved American Balanced Fund mutual fund. This option is preferred by the SCVF
- The client/donor's fund will receive a diversified, balanced investment portfolio with a low mutual fund management fee structure.
- Option II – \$1,000,000 minimum for an actively managed portfolio subject to SCVF approval.
- Fund balance of \$1,000,000 or greater from one donor is required. Once the portfolio is established, funds of \$250,000 or greater from additional donors may be added upon donor request.
- The advisor accepts discretion and signs a Financial Institution Agency Agreement.
- Discretionary Investment Policy Statement is used for investment guidelines.
- Approval of SCVF Investment Committee is necessary.
- The advisor agrees to abide by the Investment Partner Reporting Requirements.

OTHER KEY POINTS

- The financial advisory firm and the SCVF are separate entities and are not affiliates. The fund will pay a foundation administrative fee and an investment management fee.
- Fees can vary based on the type of fund established and the investment vehicle chosen. Typically, the administrative fee is between 1% and 1.5%. Mutual fund investment management fees are expected to be approximately .58%.
- To establish the fund, the client signs a fund agreement with the SCVF and requests that assets be managed by the advisor. The financial advisory firm is not party to this agreement. The charitable gift is irrevocable and the assets belong to the SCVF.