

Component Funds

Component funds allow our partners to focus on the charitable needs in their communities and leave the administrative tasks to us.



▶ Chokio Area Community Fund



Thriving Communities Powered by Collective Giving

Through component funds, we harness the power of collective giving to support local community improvement projects, provide funding for nonprofits, give scholarships, and build a better quality of life for years to come.



▶ Champion Local Causes

The Glacial Hills Elementary School Fund helps bring the vision and mission of Glacial Hills Elementary School in Starbuck to life — supporting students and continuing their education through scholarships for Glacial Hills graduates.

As a community foundation, one of our roles is to establish and manage dedicated funds that address specific charitable purposes as defined by the IRS as 501(c)(3) nonprofit organizations. We call these funds "component funds" because they're part of our mission and asset valuation.

Component funds function in two ways:

1. Making grants for charitable activities within the fund's specific purpose.
2. Providing rural economic development loans through a revolving loan fund.

These funds generate interest, which can be distributed as grants or reinvested in the fund.

Benefits of creating a component fund:

- **Community Impact:** Make a big difference right where you live, with our help.
- **Expert Support:** Trust our local know-how to help you make a real difference.
- **Easy Management:** Let us handle the paperwork while you focus on giving back.
- **Pooling Resources:** Team up with others to make your contributions go even further.



► **Perham Area Community Fund**

Fund Options

Our fund options are designed to give donors flexibility in how they support the causes they care about most. From scholarships and community initiatives to long-term endowments and flexible Donor Advised funds, each type offers a unique way to make a lasting impact.

<p>Donor Advised Fund</p> <p>A flexible giving option that lets donors contribute assets, receive tax benefits, and recommend grants to charities over time.</p>	<p>Designated Fund</p> <p>A fund where donors direct ongoing support to specific nonprofit organizations of their choice.</p>	<p>Geographic Area Fund (Community Fund)</p> <p>A fund created to support charitable initiatives within a specific city, county, or region.</p>
<p>Field of Interest Fund</p> <p>A fund focused on a particular cause, like education, health, or the arts, allowing donors to target their impact.</p>	<p>Unrestricted Fund</p> <p>A flexible fund that lets the foundation allocate resources wherever they're needed most in the community.</p>	<p>Scholarship Fund</p> <p>A fund established to provide financial assistance to students pursuing higher education.</p>
<p>Agency Fund</p> <p>A fund established by a nonprofit to support its mission through investment of assets in an endowment or non-endowed fund structure.</p>	<p>Revolving Loan Fund</p> <p>A renewable pool of funds that provides loans to businesses or nonprofits, reinvesting repayments to fuel ongoing growth.</p>	<p>Project Fund</p> <p>A short-term fund created to support specific, time-sensitive community projects or initiatives.</p>

Component fund administration is offered for a fee ranging from 0.375% to 4%, depending on the fund type and asset size.

Frequently Asked Questions

Who manages the money in a component fund, and how are funding decisions made?

The community foundation manages investments and ensures compliance with IRS regulations. Donors or fund advisors can recommend how funds are granted, creating a collaborative model that blends personal goals with the foundation's professional stewardship.

Can I use a component fund to support causes or projects I care about in my own community?

Yes—component funds are flexible and responsive to local needs. Whether your passion is education, the environment, or community development, you can tailor a fund to reflect your values and make a difference close to home.

WHAT'S INCLUDED

- 501(c)(3) status
- Collection and processing of donations
- Customized online giving webpage
- Distribution of tax receipts to donors
- Investment options
- Annual investment updates and quarterly investment performance reports
- Fund portal providing monthly statements
- Fundraising coaching
- Grantmaking tools
- Processing and awarding of grants and scholarships
- Processing and administration of loans
- Educational opportunities
- Preparation of Form 990 and completion of audit

CONNECT WITH US



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