

## Minnesota Jewish Community Foundation Our Value and Impact for Non-Profits

At the Minnesota Jewish Community Foundation (MN JCF), we are building a better world through *tikkun olam*. As one of the largest repositories and conduits for Jewish charitable giving in the Upper Midwest, MN JCF provides the long-term financial underpinnings that ensure our Jewish community's future continuity.

### How do we help non-profits??

- We **act as your admin back office** - lifting the administrative burden off the organization's staff so they can focus on the mission of your organization.
- We **hold and grow endowment funds for organizations**, helping you have a sustained and perpetual stream of income in a cost-effective and collaborative way. We invest this money (with the goal of long-term growth) and if you chose our Long-Term Growth and Income Pool, your organization can **leverage alternative investments**, that you may not have access to currently. Endowments provide your organization's annual fundraising and budget a head start with money that comes from your own endowment funds.
- We provide **personal service** by people who know your organization. You receive the highest level of personal and timely customer service by people who know your organization, its culture, staff, and mission, its importance to the community, and goals.
- We consistently strive to **match-make** our individual and family clients (based on their unique charitable interests) with community needs and organizations. Specifically focusing on putting our organization clients in front of our individual and family donors as much as possible.
- When you have a fund at our Foundation, we may provide an entire **suite of philanthropic services**, including advising on endowment fundraising, if desired.

MN JCF currently manages and administers **\$163 million in assets** in approximately 1075 funds for individuals, families, and 17 local Jewish organizations. 25% of MN JCF's assets under management are those of the 17 local Jewish organizations (including the Minneapolis Jewish Federation) that have entrusted MN JCF to oversee investments of their endowment funds.

In 2023, we helped our individual and family fund holders send out over **\$9.5 million** in grants to a variety of non-profits.

### Who else do we serve??

With years of Jewish philanthropic experience under our belts, we provide **individuals and families** with unique expertise, advice and support, valuable tools, and the professional know-how to make their philanthropic giving personalized, thoughtful, and tax beneficial. MN JCF offers a variety of planned giving vehicles, such as donor-advised funds.

We also serve **professional advisors** by helping them learn how to have or elevate their philanthropic conversations with clients. When advisors include philanthropy in their client conversations, they are serving their clients comprehensively, creating deeper relationships with them.

## What MN JCF Provides

As part of our responsibility of administering organizations' endowment funds ("Non-Profit Funds"), we provide unique value and a suite of services that are customizable for each non-profit client (see below).

### Back Office Support

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| <b>Custodian of Non-profit Funds</b>      | <p>We operate as your administrative back office as the custodian of your funds. You own them and are responsible for compliance with each fund's purpose and spending policy; we administer and manage them on your behalf. In accounting terms, these are counted assets on your books and liabilities on ours.</p> <p>We save your staff and Investment Committee hours of work and costs by doing the heavy lift for you in handling all of your day-to-day administrative, distribution, accounting, audit, tax, and detailed investment management. This allows your organization to focus on its mission instead of portfolio management and fund operations, as well as freeing up staff time and costs.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Turn Complex Assets into Donations</b> | <p>Many non-profits don't have the ability or experience in turning an unusual or complex gift into an asset to add to a Non-Profit Fund; but we do.</p> <p>When approached by a donor regarding an unusual or complex gift, we conduct an analysis under our Gift Acceptance Policy to help provide advice on and assistance with whether and how to accept the gift.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Reporting</b>                          | <p><b>Monthly Reporting.</b> We provide our non-profit clients monthly activity reporting on each of their individual funds (contributions in, distributions out, and balances), as well as total information for all of their funds combined. By providing that information both MN JCF and the non-profit can keep track of each individual Non-Profit Fund.</p> <p><b>Quarterly Reporting.</b> We provide quarterly reporting showing the high-level picture (contributions in, distributions out, fund earnings, and administrative fee) for each fund.</p> <p><b>Brandable Reports.</b> We can provide reports that you can brand in-house with your organization's logo.</p> <p><b>Fund Fact Sheet.</b> We provide a comprehensive summary for your specific investment option: asset allocation, investment committee update, performance, returns, and professional market commentary. This is included in every quarterly statement.</p> <p><b>Presentations.</b> If desired, we are happy to present to your non-profit's Board of Directors, Finance, or Investment Committee to give an update on your specific Non-Profit Funds, about MN JCF what we do, and the value we provide to your non-profit.</p> <p><b>Annual Statement.</b> We also can provide an end-of-year statement, if desired. This will summarize total financial and endowment support of the non-profit by MN JCF and Federation (if relevant), including from the It's Your Legacy program (if the non-profit is a participant).</p> |

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| <b>Compliance</b>           | <p>MN JCF’s commitment to all its fund holders includes strict compliance with all legal and tax regulations required as part of our work for your non-profit. Because a non-profit continues to own its own funds, it remains responsible for compliance with each fund’s purpose and spending policy.</p> <p>We also are able to assist you with investment audit workpapers and provide your auditors with any requested documentation.</p> <p>In addition, third-party oversight makes sure we uphold your donors’ and board’s intentions over the long term.</p> |
| <b>Customer Service</b>     | <p>Personal service by people who know your organization. You receive the highest level of personal and timely customer service by people who know your organization, its culture, staff, and mission, its importance to the community, and goals.</p>                                                                                                                                                                                                                                                                                                                |
| <b>Fund Establishment</b>   | <p>Your organization can have two different types of funds at MN JCF: 1) Your own fund; and/or 2) funds for your donors.</p> <p>When a non-profit provides us a signed fund document, we set it up as a separate fund for that particular non-profit. Any money received for that particular fund is entered as a gift for that specific fund just like any other fund at MN JCF.</p> <p>We can also provide a template fund agreement for the non-profit to use with their donors, saving your organization time and money.</p>                                      |
| <b>Distributions</b>        | <p>Request distributions from your endowment funds on a periodic basis of your choosing.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>DonorCentral Website</b> | <p>MN JCF offers 24/7 online access to information about your Non-Profit Funds through our granting website DonorCentral. This information is confidential and only available to those who have established a fund.</p> <p>If desired, we provide the Executive Director online access to our grant portal where they can check the Non-Profit Fund balances, gifts in, grants out, investment performance, histories, and more.</p>                                                                                                                                  |

### Jewish Lens

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| <b>Jewish Philanthropy</b>         | <p>Our unique mission helps you organization and your donors fulfill <i>tikkun olam</i> and align your non-profit’s investments with Jewish values through another local Jewish organization.</p> <p>We are the <u>only</u> entity in our community with the mission to elevate Jewish philanthropy through planned giving.</p>                                                                                                                                          |
| <b>Keeping it in the Community</b> | <p>100% of what you do through MN JCF is charitable. Also, the administrative fee is like a donation that goes to another Jewish non-profit; it supports a local Jewish organization and stays within the community (a double <i>mitzvah!</i>). This allows us to do the important work in and for our community.</p> <p>In comparison, when you have a fund a corporation or non-Jewish entity, some or all of their fee goes to corporate profits, not to charity.</p> |

## Investment

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| <p><b>Fees</b></p>                          | <p>A competitive administrative fee* is charged and funds MN JCF’s expenses, operations, and work. It is an all-inclusive fee. Currently, the administrative fee is <b>0.75%</b> for Non-Profit funds.</p> <p>MN JCF’s guiding principle is to charge the lowest administrative fee that, nonetheless, enables MN JCF to effectively support its mission. We periodically review our administrative fee structure to ensure that it remains competitive.</p> <p>Extremely competitive investment management fees.</p> <p>Liquidity maintained in the investment pools to timely meet distribution requests.</p> <p><i>*The administrative fee is charged monthly based on the average balance of the fund (calculated using the beginning and ending month balances) and deducted directly from your fund in the following month.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><b>Strong Investment Performance</b></p> | <p><b>We invest your charitable dollars for tax-free growth over time<sup>1</sup>, so your organization has more money to support your mission.</b></p> <p>Investment management is conducted by our Investment Committee (IC) is comprised of 6-10 volunteers who are members of the local Jewish community and have a variety of business and professional expertise relating to the investment world.</p> <p>The IC is primarily responsible for: a) developing a risk-related investment strategy to achieve the fund holders’ spending policies and needs; b) evaluating and monitoring the investment performance of the portfolios on a regular basis so as to be reasonably assured of their compliance with the Investment Policy Statement (IPS); and c) overseeing the professionals entrusted with providing investment services (Outsourced Chief Investment Officer (OCIO) and asset custodian services).</p> <p><b>Because we have a large volume of assets, which are pooled together for investment purposes, MN JCF can leverage it to access investment products you may not be able to access if you have a retail brokerage or advisory account.</b></p> <p>The Long-Term pool includes alternative investments (e.g., hedge funds, private equity, private debt, real estate, infrastructure) striving to earn non-correlated investment results.</p> |
| <p><b>Investment Options</b></p>            | <p>You get to choose in which investment option your fund is invested. We offer four (4) investment options with different investment objectives to help meet your organization’s philanthropic goals and needs: Short-Term pool, Long-Term pool, Jewish Advocacy Investment pool (Jewish values-aligned), and Israel Bond pool.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

<sup>1</sup> Past performance of the investment options does not guarantee future results. More detailed information can be provided upon request.

## Advisory Services

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| <p><b>Matchmaking</b></p>                         | <p>As a Jewish entity, we are uniquely suited to leverage our relationships and expertise to keep our finger on the pulse of what is happening with the Jewish organizations locally and globally. We also have experience and knowledge about other non-profits in the general community.</p> <p>We consistently strive to <b>match-make our fund holders with those community needs and organizations</b> (in particular our non-profit clients). We proactively to spotlight each non-profit client as many times as possible to all of our fund holders (approximately 400 households), as well as put specific non-profit needs in front of targeted fund holders who have an interest in that specific area. This is done with the goal of trying to help direct assets from those individuals and families to these organizations.</p> <p>As such, we serve as a conduit between fund holder’s charitable interests and the critical needs in our community.</p> |
| <p><b>Donor Inquiries</b></p>                     | <p>If your donors have detailed questions about how an endowment fund works at MN JCF, we would be happy to work with you to help educate your donors about the importance of endowments, the details of setting up a fund, how it functions, etc.</p> <p>We could provide this information to you to share with your donors, attend a meeting with you and your donors to answer any questions they may have, or even present to a group of donors on an <i>ad hoc</i> basis or as part of an endowment campaign.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><b>Expertise in the Jewish Community</b></p>   | <p>Over 90 years of expertise in the Jewish community (via Federation): we know the Jewish institutions, this community, and the needs inside and out; here and around the world.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><b>Philanthropic Expertise</b></p>             | <p>Our staff has decades of collective experience in philanthropy and charitable giving practices. As such, we are able to provide the highest level of service to our Non-profit clients.</p> <p>We also can provide advisory services specific to your donors’ circumstances regarding which planned giving vehicles or gift types to choose for their fund. If their philanthropic goals change over their lifetime, MN JCF is there to continuously help you support those evolving goals.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p><b>Connect with a Professional Advisor</b></p> | <p>If you donors need a financial or wealth advisor, an estate and trust attorney, or accountant, we can connect them with a professional advisor from our Network of Philanthropic Advisors who is dedicated to building relationships and integrating charitable planning as a strategy for achieving clients’ goals.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |