

## TYPES AND CHARACTERISTICS OF FUNDS AT NEW MEXICO FOUNDATION

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

