

TYPES AND CHARACTERISTICS OF FUNDS AT NEW MEXICO FOUNDATION

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