

SUBMITTED BY: Ana Urqujo, City Manager

MANAGEMENT TEAM REVIEW: Donald C. Huish, Mayor

SUBJECT: **Endowment Fund**

EXECUTIVE SUMMARY:

This is for presentation purposes only. The City Manager's Office has met with the Arizona Community Foundation (ACF) to research the concept of an endowment fund for the City of Douglas. This presentation brings forth information on how an endowment fund could provide a platform to accept non-profit donations that are tax free to donors for municipal purposes. The primary municipal purposes would be identified by the donor, for example, a donation for cemetery maintenance in perpetuity; a donation for seed money for the construction of a Boys and Girls Club or community center; a donation for municipal airport operations or capital improvements. In these examples, the Arizona Community Foundation would manage the City of Douglas Endowment Fund and manage an investment portfolio, based on how much investment it is handling. Donations can be made as direct cash donations, bequeathals as part of a last will and testament or donations of real property. To establish an endowment fund with the ACF requires a \$25,000 deposit as well as a designation of a board of directors. The ACF has provided backup information for the City of Douglas to review and staff is working on a formal decision packet to bring for consideration at a future meeting.

BACKGROUND:

There are perhaps many missed opportunities when members of the community would want to donate to a cause within their city or town, which could be dedicated to preservation of the city or town's heritage, or other capital or operating needs of a community. The endowment fund concept can provide a mechanism to have available and be prepared should an opportunity for a substantial bequeathal arrives, or any type of routine donation for a specific purpose.

A discussion item will follow in subsequent meetings for a decision on this matter.

FISCAL IMPACT:

N/A

Fiscal Year: 2022/2023

Amount Requested: \$

Budgeted: N/A

Account (s):