

The Richard West Freeman Endowment and Board-restricted Reserve Challenges

Committee Grantmaking Guidelines

The purpose of The Richard West Freeman Endowment and Board-Restricted Cash Reserve Challenges (The Challenges) is to create endowment funds or board-restricted cash reserves for nonprofit organizations serving the Greater New Orleans thirteen-parish region. The Challenges are designed to assist nonprofit organizations in (1) establishing and/or building endowments or board-restricted cash reserves and (2) educating the nonprofit sector and the donor community on the importance of building financial independence to ensure long-term financial stability.

Organizations will have 12 months to meet their challenge. Only those organizations that meet their challenge goal will receive the grant award.

To be eligible for either of The Challenges nonprofit organizations must meet the following requirements:

1. Have 501(c)(3) public charity status in good standing with the IRS.
2. Have been in operation for a minimum of five years.
3. Be headquartered in one of the parishes served by the Greater New Orleans Foundation: Assumption, Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John, St. Tammany, Tangipahoa, Terrebonne or Washington.
4. Does not currently have an endowment with a market value that exceeds \$1,000,000.00.
5. Exhibit readiness for an endowment campaign or fundraising for a board-restricted cash reserve.
6. Have board approval to take part in the challenge. In the case of either an endowment or a reserve, the resolution must include language committing to house the fund at the Greater New Orleans Foundation.
7. Attend the prerequisite workshop “Are You ready for an Endowment?” sponsored by The Richard West Freeman Challenges and Greater New Orleans Foundation Nonprofit Leadership and Effectiveness Program.
8. If declined during an application stage, has waited to reapply until the second consecutive cycle. To note, organizations may apply for the alternate Challenge during the immediate consecutive cycle.
9. Have attended the prerequisite workshops within the same calendar year of application.
10. Have agreed to not count funds raised for other matching grants towards their Challenges goal.
11. Have not completed an endowment or cash-reserve policy challenge during a past cycle (can only participate in each challenge type once).

The Endowment Challenge will match one dollar for every two dollars raised by nonprofits. Nonprofits will have the opportunity to select a preference for one of the three matching categories:

- The nonprofit raises \$50,000. The Challenge matches \$25,000.
- The nonprofit raises \$100,000. The Challenge matches \$50,000.
- The nonprofit raises \$150,000. The Challenge matches \$75,000.

Endowment Definition: A fund that is made up of donations to a nonprofit organization that are subject to a requirement that the principal be maintained intact in perpetuity and invested to create a permanent source of income for the organization. Organizations cannot access the principal, but can access the accrued income from the endowment dividends for its charitable purpose.

The Board-restricted Reserve Challenge will match one dollar for every two dollars raised by nonprofits. The board-restricted reserve is a one-time only grant opportunity. Nonprofits will have the opportunity to select a preference for one of the three matching categories:

- The nonprofit raises \$10,000. The Challenge matches \$5,000.
- The nonprofit raises \$20,000. The Challenge matches \$10,000.
- The nonprofit raises \$30,000. The Challenge matches \$15,000.

The Board of Directors is responsible for approving a policy on the purpose and process for accessing and replenishing the reserve. This policy is required with the proposal.

Board-Restricted Reserve Definition: A fund balance set aside for use under the guidance and approval of the organization's Board of Directors to stabilize a nonprofit's finances and provides a cushion against unexpected events including large unbudgeted expenses, losses of income, or working capital for an unplanned opportunity.
