



THE DENVER FOUNDATION

Announcing a Reduction to the Foundation's Spending Policy

The Denver Foundation has been taking care of the future since 1925. As the largest and most experienced community foundation in the Rocky Mountain West, The Denver Foundation has served as a trusted steward of charitable assets for nearly a century.

For several years the Leadership Team, Finance Committee, and Board of Trustees have carefully considered the Foundation's long-term commitment to Metro Denver. A core responsibility of the Foundation is stewardship of The Fund for Denver, a permanent endowment made up of gifts from generations of generous people. Throughout the past decades, total assets in The Fund for Denver have grown due to continued gifts and consistent returns on investments.

Annually, The Denver Foundation allocates 4.0% from The Fund for Denver for its Community Grants Program. Additionally, the Foundation assesses a 1.75% administrative fee from The Fund for Denver to support operating costs. While this spending policy is well within industry standards, growing the endowment—to steadily increase dollars available for community grantmaking—is a primary goal of The Denver Foundation.

After careful thought and consideration, the Board of Trustees and Leadership Team of The Denver Foundation is reducing the administrative fee from our permanent endowment from 1.75% to 1.0% by 2021. The goal is to steadily increase the assets in The Fund for Denver and, in turn, increase funds available for community grantmaking. This will lower the Foundation's total spending policy to 5.0%.

A major contribution to achieving the spending policy goal was the 2018 purchase of a permanent home for the Foundation. The Denver Foundation will relocate to the historic building Casa Grande, located on Denver's Capitol Hill, in 2020. The building includes ample office space, on site visitor parking, and a dedicated space for community meetings. While meeting our business and mission needs, the move will provide a substantial reduction in occupancy costs.

The Foundation will reduce additional operating expenses over the next three years. Stepping down expenses over three years will allow the Foundation to achieve its core business goals and maintain its commitments to the community through the conclusion of the current strategic plan. Reducing the administrative fee drawn on the endowment to 1.0% is estimated to add an additional \$2 million to our Community Grants Program budget over the next ten years.

Regretfully, decreasing the Foundation's spending policy necessitates a reduction in personnel expenses. The Denver Foundation has eliminated five staff positions. As highly valued members of the team who have made tremendous contributions to the Foundation, they will be greatly missed.

While all budget cuts are difficult—most especially the elimination of staff positions—the Leadership Team and Board of Trustees believe that these changes are aligned with the Foundation's commitment to meeting today's needs and tomorrow's opportunities. Lowering the administrative fee on The Fund for Denver to 1.0% is a pledge to take care of the future for generations to come.

If you have questions about The Denver Foundation's commitment to lowering its spending policy, you are welcome to contact Virginia Bayless, Interim President and CEO.

Taking care of the future since 1925.

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