

# funding for the future

HELPING BUILD THE COMMUNITY'S ENDOWMENT



Oklahoma City  
Community  
Foundation

OCTOBER 2002

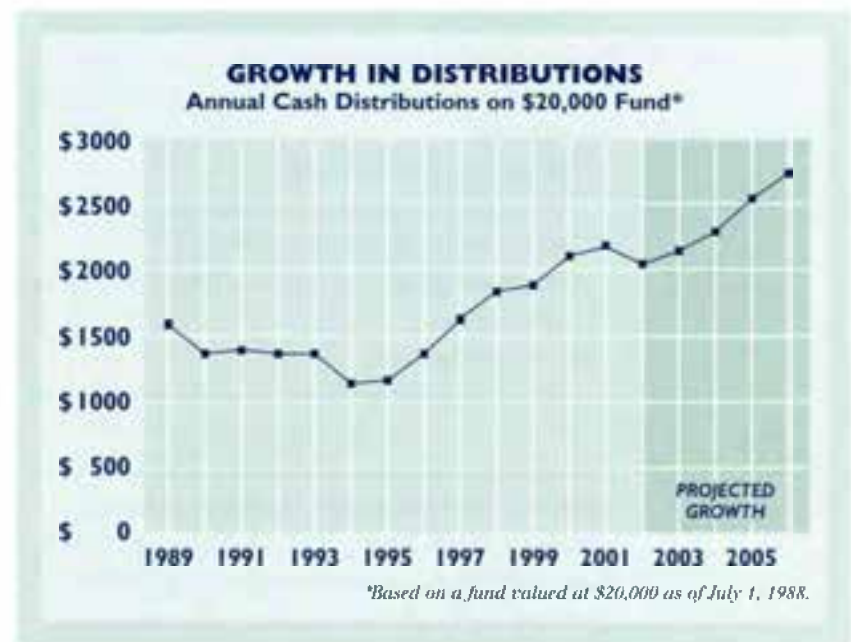
## What Is an Endowment?

More than \$5 million was distributed to 239 non-profit agencies by the Oklahoma City Community Foundation during the last year. The Community Foundation is able to make these disbursements thanks to endowment funds. It didn't require anyone making telephone sales calls, washing cars or selling a raffle ticket. Instead, each of the organizations received an automatic allotment to help cover operating expenses and other needs.

Endowment funds are permanent funds at the Community Foundation which are invested in order to provide annual income to benefit a specific non-profit organization or charitable purpose. Because endowments provide an annual source of income, they are very important to the non-profit groups. Endowments are not savings accounts or reserve funds but instead are a resource to provide revenue for both current and future operating expenses. Endowments provide stability and support to ensure that a non-profit organization can provide its services to the community for years to come.

But endowments are more than money. Endowments represent a donor's hopes and dreams for the mission of a favorite charity to continue well into the future. Most endowments are built from contributions from individual donors who want to provide ongoing support for an organization or charitable cause. Endowment gifts are a way for a donor to provide for the future of an organization and to continue to give even after they are no longer active or are gone.

Managing an endowment is more than just investing money. The Community Foundation provides good stewardship which means good investments, protection of the endowment's principal so that it is always available to generate income and distribution of earnings to provide for a stable income that keeps up with inflation. It also means working with individuals who want to make a lasting gift in support of a particular charity and, most importantly, helping them to find the best way possible



to accomplish that goal. At the Community Foundation, managing an endowment means caring about the organization and its mission and helping to find sources of support that will enhance its future services.

For more than 30 years, the Oklahoma City Community Foundation has been working with donors who want to support endowment funds for non-profit organizations. The Community Foundation provides a variety of ways for donors to make gifts as well as provide all of the services needed to manage the gift. The staff will also work to ensure that a donor's intention is preserved into the future. The Community Foundation makes it easy for donors to support endowments and makes it simple for non-profit organizations to have the benefit of an endowment.

If you would like to know more about contributing to an existing endowment fund or starting a new fund, visit the Community Foundation web site at [www.occf.org](http://www.occf.org) or call the Community Foundation office at 405-235-5603.



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## *New Agency Partnership Promotes Endowment Gifts*

**T**he Planned Giving Partnership, or PGP, is a new effort launched by the Community Foundation to help non-profit organizations attract endowment fund contributions. PGP will allow even small organizations to establish a planned giving program, an important source of endowment gifts.

“Planned giving” is a term used to describe charitable gifts made by individuals as part of a long-term estate and tax planning process. “Planned gifts” include the following:

- Bequests in wills and trusts
- Creation of charitable trusts which provide income for the donors during their lifetime
- Charitable gift annuity contracts which also provide donor income
- Life insurance gifts
- Gifts of other assets which have tax benefits to donors

For many years, the Community Foundation has worked with donors to create planned gifts that accomplish their charitable goals, including contributing to endowment funds for non-profit organizations. The Community Foundation staff works with donors in making the gift and then administers the trust or annuity contract so that both the donor and the charitable cause receive maximum benefit.

Now the Community Foundation is providing this

service to non-profit organizations that have donors who want to make gifts but do not have the administrative staff to support the process. PGP is a partnership between the Community Foundation and individual organizations interested in implementing a planned gift program to support and encourage endowments.

The Community Foundation will work with these interested organizations in generating promotional materials to interest donors, to train their staff so they are able to discuss options with donors and to provide the technical support to ensure that the donor receives the best information about giving options. The Community Foundation will also facilitate the gift and administer the annuity contract or charitable trust if needed. At the death of the donor, the value of the gift will be placed in a permanent endowment fund at the Community Foundation to provide permanent income for the organization.

PGP is a win-win situation for the donor and the organization. The donor will receive the best quality services to make and administer the gift and the organization will get the benefit of having a planned giving support staff. The result will be more gifts by individuals to organizations of all sizes and greater endowment fund resources for the future.

This is a program the Community Foundation is

pleased to have initiated. All that is required of a participating organization is a three-year commitment to promoting this type of gift option. The Community Foundation will assist with promotional materials and ideas with the understanding that the organization is committing both staff and board resources to making their donors aware of these giving options.

For more information about participating in PGP, contact Donna McCampbell or Gayle Farley at the Community

### **AGENCY ENDOWMENTS REPRESENT A CROSS SECTION OF THE COMMUNITY\***

Area	Agencies	Fund Value	% of Total
Education	45	\$ 12.4 million	30.0
Social Services	66	\$ 9.5 million	22.9
Civic	51	\$ 6.8 million	16.5
Cultural	31	\$ 5.0 million	12.0
Health, Medical	25	\$ 4.7 million	11.3
Youth	13	\$ 3.1 million	7.4

*\*Excludes Affiliated Funds*

# agency endowments

OCTOBER 1, 2002



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| <p>45th Infantry Division Association<br/>Education Fund</p> <p>Aid for Individual Development</p> <p>Allied Arts Foundation</p> <p>Ambassadors' Concert Choir</p> <p>American Cancer Society</p> <p>American Diabetes Association</p> <p>American Lung Association of Oklahoma</p> <p>American Red Cross of Central Oklahoma</p> <p>Arcadia Historical &amp; Preservation Society</p> <p>Areawide Aging Agency</p> <p>Arthritis Foundation - Oklahoma Chapter</p> <p>Arts Council of Oklahoma City</p> <p>Association of Fundraising Professionals</p> <p>B'nai B'rith Hillel Foundation</p> <p>Ballet Oklahoma</p> <p>Baptist Retirement Center</p> <p>Belle Isle Neighborhood Association</p> <p>Big Brothers Big Sisters of Greater Oklahoma City</p> <p>Boy Scouts of America -<br/>Last Frontier Council</p> <p>Camp Cavett</p> <p>Camp Fire USA</p> <p>Canterbury Choral Society</p> <p>Capitol View Neighborhood Association</p> <p>Casady School</p> <p>Catholic Charities of the Archdiocese<br/>of Oklahoma</p> <p>CELEBRATIONS! Educational Services<br/>Center for Nonprofit Management</p> <p>Central Oklahoma Association for<br/>Deaf/Hearing Impaired</p> <p>Cerebral Palsy &amp; Handicapped of Oklahoma</p> <p>Chamber Music In Oklahoma</p> <p>A Chance to Change</p> <p>Child Abuse Response &amp;<br/>Evaluation Center (CARE)</p> <p>The Children's Center</p> <p>Children Medical Research Institute</p> <p>Christ the King School</p> <p>Cimarron Circuit Opera Company</p> <p>Citizen's Caring for Children</p> <p>City Arts Center</p> <p>City Rescue Mission</p> <p>Civic Music Association</p> <p>Coffee Creek Riding Center</p> <p>Community Health Center/<br/>Mary Mahoney Memorial Health Center</p> <p>Consumer Credit Counseling Service</p> <p>Contact Crisis Helpline</p> <p>Crimestoppers</p> <p>Crown Heights-Edgemere Heights<br/>Neighborhood Association</p> <p>Daily Living Centers</p> <p>Deaconess Hospital</p> | <p>Deer Creek Community Enrichment<br/>Foundation</p> <p>Edmond Historical Society</p> <p>Edmond Public Schools Foundation</p> <p>Edmond Senior Community Center</p> <p>The Education and Employment Ministry -<br/>TEEM</p> <p>Eldercare Access Center</p> <p>Epilepsy Association of the Sooner State</p> <p>Exchange Club Child Abuse<br/>Prevention Center</p> <p>Executive Women International</p> <p>Fellowship of Christian Athletes</p> <p>Fine Arts Institute of Edmond</p> <p>Firststep-Oklahoma City Metro Alliance</p> <p>Foundation for Senior Citizens</p> <p>Free to Live</p> <p>Friends of Martin Nature Center</p> <p>Friends of the Metropolitan Library System</p> <p>Friends of Norman Public Library</p> <p>Friends of the Oklahoma Historical<br/>Society Archives</p> <p>Genesis Project</p> <p>Redlands Council of Girl Scouts</p> <p>William Fremont Harn Gardens and<br/>Homestead</p> <p>Guy Fraser Harrison Academy of the<br/>Performing Arts</p> <p>Heritage Hall School</p> <p>House of Representatives -<br/>Campaign for Oklahoma Kids</p> <p>Humanities in Oklahoma</p> <p>Individual Artists of Oklahoma</p> <p>Infant Crisis Services</p> <p>Institute of International Education</p> <p>Integris Baptist Medical Center of Oklahoma</p> <p>Integris - James L. Hall Center for<br/>Mind, Body and Spirit</p> <p>Integris Southwest Medical Center<br/>Foundation</p> <p>International Photography Hall of Fame<br/>&amp; Museum</p> <p>Jacobson Foundation</p> <p>Jesus House</p> <p>Jewish Federation of Greater Oklahoma City</p> <p>Junior Achievement of Oklahoma City</p> <p>Junior Hospitality Club</p> <p>Junior League of Oklahoma City</p> <p>Kerr-McGee Swim Club</p> <p>Kirkpatrick Center</p> <p>Kiwanis Club of Oklahoma City</p> <p>Erna Krouch Preschool</p> <p>Ladies Music Club</p> <p>Langston University Development<br/>Foundation</p> <p>Leadership Oklahoma City</p> | <p>League of Women<br/>Voters of Oklahoma</p> <p>Legal Aid Services<br/>of Oklahoma</p> <p>Leukemia and<br/>Lymphoma Society</p> <p>Library Endowment Trust</p> <p>Lutheran Social Services of Kansas<br/>and Oklahoma</p> <p>Lyric Theatre of Oklahoma</p> <p>Make-A-Wish Foundation of Oklahoma</p> <p>Make Promises Happen -<br/>Central Oklahoma Christian Camp</p> <p>Mayfair Center</p> <p>McCall's Chapel School</p> <p>Dean A. McGee Eye Institute</p> <p>Bishop McGuinness High School</p> <p>The Meadows Center for Opportunity</p> <p>Melton Art Reference Library</p> <p>Mental Health Association in<br/>Oklahoma County</p> <p>Mercy Health Center</p> <p>Midwest City/Del City Public School<br/>Foundation</p> <p>Moore Public School Foundation</p> <p>Jasmine Moran Children's Museum</p> <p>Morris Animal Foundation</p> <p>Mount Saint Mary High School</p> <p>Myriad Gardens Foundation</p> <p>National Cowboy and Western<br/>Heritage Museum</p> <p>National Multiple Sclerosis Society -<br/>Oklahoma Chapter</p> <p>National Society of Colonial Dames<br/>of America</p> <p>The Nature Conservancy of Oklahoma</p> <p>Neighbor for Neighbor of Oklahoma City</p> <p>Neighborhood Alliance</p> <p>Neighborhood Services Organization</p> <p>The Ninety-Nines</p> <p>OK Chorale</p> <p>Oklahaven Children's Chiropractic Center</p> <p>Oklahoma Air and Space Museum</p> <p>Oklahoma Archeological Survey</p> <p>Oklahoma Arts Institute</p> <p>Oklahoma Baptist University</p> <p>Oklahoma Children's Theatre</p> <p>Oklahoma Christian University</p> <p>Oklahoma City All Sports Association</p> <p>Oklahoma City Beautiful</p> <p>Oklahoma City Community College</p> <p>Oklahoma City/County Historical Society</p> <p>Oklahoma City Housing Services<br/>Redevelopment Corp</p> <p>Oklahoma City Jewish Community<br/>Day School</p> <p>Oklahoma City Literacy Council</p> |
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# agency endowments

OCTOBER 1, 2003



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Oklahoma City Museum of Art  
Oklahoma City Orchestra League  
Oklahoma City Police Athletic League  
Oklahoma City Public Schools Foundation  
Oklahoma City University  
Oklahoma City University Film Institute  
Oklahoma City University School of Law  
Oklahoma Community Theatre Association  
Oklahoma County Bar Association  
Oklahoma County Senior Nutrition Program  
Oklahoma FFA Foundation  
Oklahoma Foundation for the Education of  
Blind Children and Youth  
Oklahoma Foundation for Excellence  
Oklahoma Foundation for the Disabled  
Oklahoma Goodwill Industries  
Oklahoma Halfway House  
Oklahoma Heritage Association  
Oklahoma Historical Society  
Oklahoma Horticultural Society  
Oklahoma League for the Blind  
Oklahoma Lions Service Foundation  
Oklahoma Lupus Association  
Oklahoma Medical Research Foundation  
Oklahoma Museums Association  
Oklahoma Philharmonic Society  
Oklahoma School of Science and  
Mathematics  
Oklahoma Shakespeare in the Park  
Oklahoma Society for Crippled Children  
Oklahoma State Firefighter's Museum  
Oklahoma State University College of  
Environmental & Civil Engineering  
Oklahoma State University -  
Oklahoma City  
Oklahoma Visual Arts Coalition  
Oklahoma Westerners Indian Territory Posse  
Oklahoma Youth Symphony  
Oklahoma Zoological Society  
Oklahomans for Special Library Services  
Omniplex Science Museum  
Opportunities Industrialization Center  
Overholser Mansion  
Paseo Artist Association  
Payne Education Center

Planned Parenthood of Central Oklahoma  
Positive Tomorrows  
Prairie Dance Theatre  
Presbyterian Urban Mission  
Putnam City Public Schools Foundation  
Putnam Heights Preservation Area  
Rainbow Fleet  
Rebuilding Together with Christmas in April  
Red Earth Indian Center  
Redbud Foundation  
Redlands Community College  
Referral Center for Alcohol & Drug Services  
Regional Food Bank of Oklahoma  
Retired & Seniors Volunteer Program of  
Oklahoma County  
Dale Rogers Training Center  
Rosary Catholic School  
Rotary Foundation of Oklahoma City  
Sacred Heart School - El Reno  
Salvation Army  
Salvation Army Boys & Girls Club of  
Oklahoma City  
Scope Ministries  
Skyline Urban Ministries  
Southeast Area Health Center  
Southern Nazarene University  
Special Care  
Special Olympics Oklahoma  
Speck Homes  
St. Anthony Hospital Foundation  
St. Charles Borromeo School  
St. Elizabeth Ann Seton Catholic School  
St. Gregory's University  
St. James School  
St. John Christian Heritage Academy  
St. John's Episcopal School  
St. Mary's Episcopal School of Edmond  
Stillwater Museum Association -  
Sheerar Museum  
Sugar Creek Camp  
Sunbeam Family Services  
Traveler's Aid Society  
The Tree Bank  
Trinity School  
Francis Tuttle Vo-Tech Foundation

United Cerebral Palsy  
United Methodist  
Boys Ranch  
United States  
Air Force Academy  
United States Military Academy  
United States Naval Academy  
United Way of Metro Oklahoma City  
University of Central Oklahoma Foundation  
University of Central Oklahoma -  
Department of History and Geography  
University of Oklahoma -  
Bizzell Memorial Library  
University of Oklahoma -  
Fred Jones Jr. Museum of Art  
University of Oklahoma - Marching Band  
University of Oklahoma -  
College of Medical Alumni Association  
University of Oklahoma - Naval ROTC  
Urban League of Greater Oklahoma City  
United States Navy E6-A Squadron  
USS Oklahoma City  
Variety Health Center  
Villa Teresa School  
Westerners International  
Westminister School  
Willow Springs Boys Ranch  
Women of the South  
Work Activity Center  
World Neighbors  
YMCA of Greater Oklahoma City  
Youth Services for Oklahoma County  
YWCA of Oklahoma City

#### LAWTON COMMUNITY FOUNDATION

Arts for All  
The Boulevard of Lights  
Fort Sill Armed Services YMCA  
Giddy Up 'N Go  
Great Plains AMBUCS - Lawton Kid's Zone  
Hackberry Flat  
Lawton Community Theatre  
Lawton Philharmonic Orchestra  
Lawton Public Schools Foundation  
Museum of the Great Plains  
On the Chisholm Trail - Heritage Center  
Percussive Arts Society  
Robert E. Greiner School for the  
Handicapped of Comanche County  
Southwest Oklahoma Genealogical Society  
United Way of Lawton - Fort Sill  
YMCA of Lawton

For more information about  
the Oklahoma City Community Foundation and  
endowment funds, visit our website at:

[www.occf.org](http://www.occf.org)



## *M.G. "Mac" McCool Impacting the Future Through an Endowment*

M.G. "Mac" McCool worked in the oil fields of Texas prior to stints at Standard Oil of New Jersey and Phillips Petroleum. In 1940, Mr. McCool moved to Oklahoma City to work as a manager for American Iron and Machine Works. After that company was sold, he entered the oil field manufacturing business and acquired Little Giant Pump Company in 1955. As Mr. McCool built Little Giant into an outstanding local manufacturing business, he personally was becoming a significant civic leader, serving on 39 charitable boards at one time or another.

When Mr. McCool died in 1978, a bequest through a charitable trust in his estate made a \$187,000 gift to the Oklahoma City Community Foundation. The purpose of the bequest was to establish an endowment fund for Speck Homes, a residential facility for adolescent boys who are delinquent or neglected. Speck Homes is not a large facility and, through lean years, the organization probably could have used the full bequest to make up shortfalls. But thanks to Mr. McCool's bequest to create an

endowment fund, Speck Homes has enjoyed a stable source of income, one that they've grown to appreciate and rely upon. Since 1982, when the funds were received, the value of Mr. McCool's endowment has grown to \$541,501. More importantly, for Speck Homes, total cash distributions from the endowment have exceeded \$250,000. This year, Speck Homes will receive a check for \$19,866. The check represents an annual distribution that is an important and reliable resource for their continued operations.

Mac McCool has been gone for 25 years but the endowment gift he made years ago continues to connect him with today and with the future of Speck Homes. One man. One gift through a bequest. One great example of how an endowment can impact the future.

## *Investment Structure and Strategy Bring the Best People and Practices to Endowment Management*

“**T**he Oklahoma City Community Foundation trustees take the job of investing endowment assets seriously,” says Nancy Anthony, Community Foundation executive director. “The Community Foundation serves as the steward of the community's endowment and the trustees intend to provide the best service possible for the donors and non-profit organizations that we serve.”

To accomplish this task, the Community Foundation utilizes an investment process comprised of three components:

First, the Community Foundation's Investment Committee, whose members are appointed by the trustees, is composed of current and past trustees as well as community leaders who are professionally involved in the field of investments and investment management. Led by chairman James R. Holloman Jr., partner at Crowe and Dunlevy law firm, the 2002 committee included: Robert Butkin, Oklahoma State Treasurer; George Records; J. Edward Barth; Patrick Ryan; Jenee Lister; and Nicholas Duncan. The firm of James Hotchkiss and Associates serves as investment counsel and provides expert advice to the committee on selection of managers and the allocation of assets.

Second, the investment policy of the Community Foundation – which is adopted by the trustees – emphasizes both capital preservation and the growth necessary to protect the endowment from being eroded by inflation. The objectives of the policy lead to a portfolio of high-quality

domestic equity investments and fixed income securities. Standards for performance are high and are oriented toward a three- to five-year time horizon. A related spending policy for most endowment funds bases the annual cash distributions from a fund on a percent of the average market value of the fund over a period of time. This distribution policy gives the investment committee the best opportunity to maximize the total investment return for the funds.

Lastly, the Investment Committee chooses managers based upon a strategy of diversification of equity styles. Often described as a “modern portfolio theory” approach, this method ensures that assets are allocated to a number of different investment styles and equities which represent a broad range of the financial markets in both company size and equity type. Assets are allocated to a style and then the Investment Committee secures the best managers available to manage the assets according to those parameters.

This method has paid off this year with the Community Foundation's investment return exceeding the benchmark market indices by more than 300 basis points (3.0 percent). The return for calendar year 2001 was in the top 10 among community foundations in the United States, as announced by the Council of Foundations based in Washington, D.C.

For more information about the investment practices of the Community Foundation, contact Carla Pickrell, director of administration, at 405-255-5605 or [c.pickrell@occf.org](mailto:c.pickrell@occf.org).



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## *www.occf.org: Your Source For Central Oklahoma Charities*

**H**ave you ever wanted to find out more about an area charitable organization than just an address or telephone number? Have you wondered what organizations in the community provide help for the elderly? Children? Animals? The answers to these questions and more can be found on the Oklahoma City Community Foundation web site, [www.occf.org](http://www.occf.org) by clicking onto Central Oklahoma Charities. You will find not only a list of the charitable community organizations which have Community Foundation endowment funds, but also comprehensive contact information including telephone and fax numbers, address, a direct link to the organization's Web site and an e-mail address. In addition to providing the contact information, the Community Foundation site also informs visitors what population group the organization serves.

Through serving as a one-stop address book for information on Central Oklahoma Charities, the Community Foundation makes it easy and convenient for compassionate and caring citizens to help their community. Learn more about the charities that serve central Oklahoma by visiting [www.occf.org](http://www.occf.org) and clicking onto Central Oklahoma Charities.

*Funding for the Future* is a publication for agencies that have endowment funds at the Oklahoma City Community Foundation. There are 231 organizations which benefit from Agency Endowments and 8 which benefit from Affiliated Funds. For more information about starting an endowment fund or any of the other services for donors at the Community Foundation, contact Gayle Farley at 405-235-5603 or go to the Community Foundation Web site, [www.occf.org](http://www.occf.org), "How to Start a Fund."

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