



Foundation Fundamentals

► by Milford Jenkins, Angus Foundation

The importance of unrestricted gifts

The Angus Foundation has benefited greatly from generous supporters for more than 36 years. Innovative and important educational programs for you, our members, as well our affiliates, have come about because of generous financial support from individuals, allied industry interests and friends.

Progress

Cutting-edge and timely research funded by the Angus Foundation will help make progressive strides in our continued quest for improvement of the Angus breed and the value received by users of Angus genetics.

Increased levels of scholarship support and expanded leadership training supporting Angus youth have been realized from your financial support. The benefits of these educational investments will provide long-term benefits to our breed. Your commitment to grow these programs is critical to our mission and will likewise require additional focus and investment with unrestricted funds.

Significant growth of the Angus Foundation's asset base has raised the need for increased understanding about the composition, uses and availability of these funds, and understandably so, as the Angus Foundation's net assets totaled \$19.2 million at fiscal year-end Sept. 30, 2016, representing 37% of the American Angus Association's consolidated assets of \$52.3 million.

Before going further, it's important to remember why the American Angus Association created the Angus Foundation.

Origins

Angus breeders, as with all agricultural producers across rural America, are compassionate and giving people. Whether



it's helping a neighboring farmer or rancher work cattle, harvest crops or, yes, giving charitably of our hard-earned financial resources, the desire to help others is entrenched in all of us. That's the way we were raised on the farm, always willing to lend a helping hand.

More specifically, the desires to help our Angus youth, along with other Angus breeders and commercial producers through support of education and beef cattle research, were found to be long-time shared goals of Angus breeders.

A formal platform was needed within the American Angus Association's structure, and in 1980, the Angus Foundation was established under section 501(c)(3) of the Internal Revenue Code. This recognition provides the organization benefits of being exempted from federal income tax, as well as eligibility to receive tax-deductible charitable contributions to the extent allowed by law.

Several requirements must be met for a charitable organization to obtain 501(c)(3) status, including being organized as a corporation, trust or unincorporated association. The organization's organizing

document, the Angus Foundation's *Articles of Incorporation*, limit its purposes to being charitable and permanently dedicate its assets to charitable purposes. Most tax-exempt organizations are required to file annual financial reports at the state and federal levels, and make these forms publicly available.

Composition of the Angus Foundation's asset portfolio includes endowed and non-endowed funds (see Fig. 1).

Endowed funds (endowments) are established for the purpose of permanently carrying the name and legacy of the donor(s), their Angus farm or ranch, beloved family member, friend, etc., in perpetuity.

From a mechanics standpoint, only the investment earnings determined by the organization's board-approved spending policy are available annually from the endowment for expenditure toward the use (e.g., awards, scholarships, education, research, etc.) agreed upon between the Angus Foundation and donor when the charitable gift was made.

A complete list of the wide array of existing endowments and non-endowed funds currently administered and managed by the Angus Foundation can be found in the sidebar to this column.

One appealing feature of an endowment is that donors can make additional gifts to the endowment at any time during their lifetimes. Another feature is donors who wish to include the Angus Foundation as a charitable beneficiary in their estate plans can designate their existing endowment to receive the funds.

Restricted and unrestricted

Regardless of whether the net assets are

Fig. 1: Angus Foundation net assets Sept. 30, 2016 = \$19,244,118

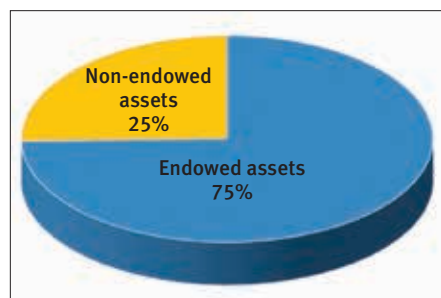


Fig. 2: Angus Foundation net assets Sept. 30, 2016 = \$19,244,118

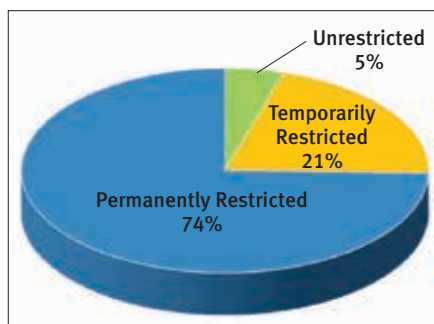
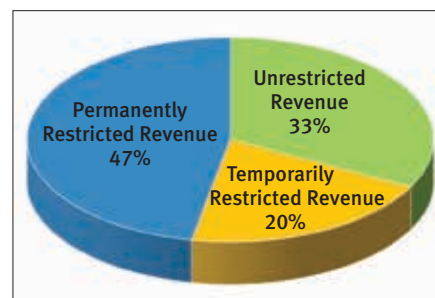


Fig. 3: Angus Foundation contributions during FY 2016* = \$1,769,118



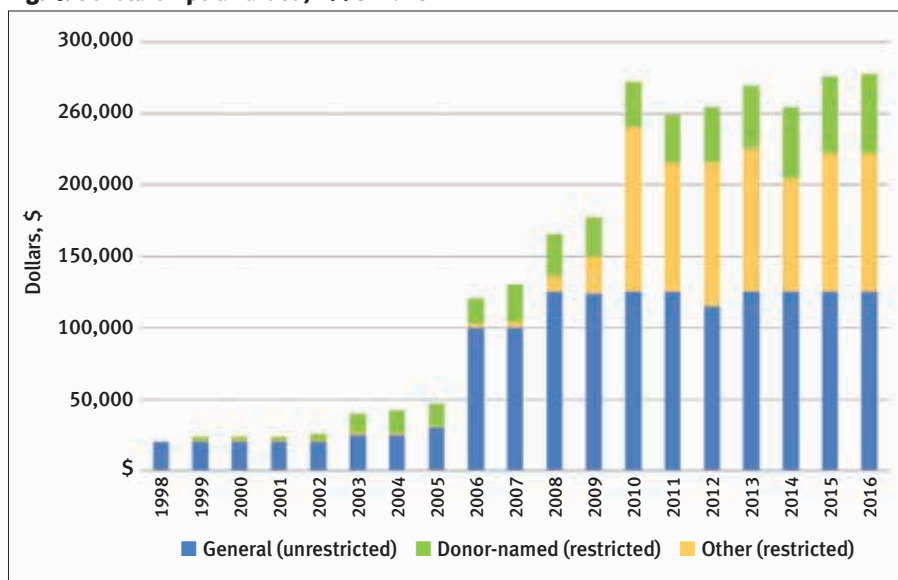
*FY 2016 = Oct. 1, 2015, to Sept. 30, 2016.

endowed or non-endowed, the funds are either restricted or unrestricted. Fig. 2 shows 74% permanently restricted and 21% temporarily restricted net assets at Sept. 30, 2016. Unrestricted gifts received by the Angus Foundation to be expended in the immediate future are temporarily held in a restricted account. These funds remain non-endowed so they can be available when needed for their subsequent expenditure.

In fiscal year (FY) 2016, as shown in Fig. 3,

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Fig. 4: Scholarships awarded, 1998-2016



Endowment Funds

- American Angus Auxiliary Educational Awards Endowment Fund
- American Angus Auxiliary Scholarship Endowment Fund
- Arkansas Activities Endowment Fund
- Arkansas Angus Auxiliary Scholarship Endowment Fund
- Jean Ann (Neumeyer) Bojorquez Memorial and Robert H. and Hollyce Neumeyer Angus Scholarship Endowment Fund
- Gary Brost Leaders Engaged in Angus Development (LEAD) Awards Endowment Fund
- Joe and Susanne Bush/J & S Angus Youth Scholarship and Activities Endowment Fund
- CAB/NJAA Scholarship Endowment Fund
- Chambers Angus Endowment Fund
- Louis M. "Mick" Colvin Certified Angus Beef Scholarship Endowment Fund
- C.L. Cook Angus Scholarship Endowment Fund
- Dale and Betty Davis/Rollin' Rock Angus Research Endowment Fund
- Richard Dyar Scholarship Endowment Fund
- Pat Goggins Memorial Angus Scholarship Endowment Fund
- Pat Grote Memorial Award Endowment Fund
- Oliver A. Hansen Family/Laudmere Farm Angus Scholarship Endowment Fund
- Joel Harrison Memorial Angus Scholarship Endowment Fund
- Heart of the Ozarks Angus Breeders' Ass'n Scholarship Endowment Fund
- James and Mary Lou Henderson/Bradley 3 Ranch Angus Scholarship Endowment Fund
- Howard and JoAnne Hillman/Bon-View Farms Angus Scholarship Endowment Fund
- James E. Horton Jr. Angus Scholarship Endowment Fund
- Iowa Junior Angus Ass'n Scholarship Endowment Fund
- Hamilton James Memorial Endowment Fund
- Kansas Angus Ass'n Scholarship Endowment Fund
- Gordon and Robin Keys and Family Angus Scholarship Endowment Fund
- Robert "Bob" Laflin Memorial Endowment Fund
- Briarwood Angus Farms/Curtis and Ann Long NJAS Carcass Contest Endowment Fund
- Ed and Wilma Minix/Black Witch Farm Angus Youth Scholarship Endowment Fund
- Missouri Junior Angus Ass'n Scholarship Endowment Fund
- Montana Angus Ass'n/Montana Angus Auxiliary Scholarship Endowment Fund

- National Junior Angus Show Endowment Fund
- NJAA Alumni Scholarship Endowment Fund
- North Dakota Angus Ass'n Endowment Fund
- Oklahoma Junior Angus Ass'n Scholarship Endowment Fund
- Mack C. Olson Memorial Angus Scholarship Endowment Fund
- Pennsylvania Angus Ass'n Scholarship Endowment Fund
- Roscoe L. Richardson Memorial Scholarship Endowment Fund
- John Rucker Family Angus Scholarship Endowment Fund
- Joseph and Ruby Schaff/Schaff Angus Ranch Scholarship Endowment Fund
- Robert and Marillyn Schlutz Angus Scholarship Endowment Fund
- Ray Sims Angus Scholarship Endowment Fund
- Richard L. "Dick" Spader Endowment Fund
- Angus/Talon Youth Educational Learning Program Endowment Fund
- Texas Angus Ass'n "Texas Challenge" Scholarship Endowment Fund
- Texas Angus Auxiliary Scholarship Endowment Fund
- Texas Showmanship Endowment Fund
- Cory Watt Memorial Scholarship Endowment Fund
- Bill and Betty Werner Angus Scholarship Endowment Fund in Memory of Jim Baldrige
- DeEtta Wood Memorial Scholarship and Achievement/Leadership Award and Endowment Fund
- Woodlawn Farms Angus Scholarship Endowment Fund

Non-endowed Funds

- 2012 In A League of Their Own Future NJAS Support Fund
- 2012 In A League of Their Own Scholarship Fund
- Indiana Angus Ass'ns/National Junior Angus Show Support Fund
- Kentucky Angus Ass'n/National Junior Angus Show (NJAS) Support Fund
- Briarwood Angus Farms/Curtis and Ann Long Missouri Angus Carcass Contest Fund
- Ohio Junior Angus Ass'n/National Junior Angus Show (NJAS) Support Fund
- Stan Prox Memorial LEAD Award Fund
- Gary M. Stoller Jump Start Your LEADership Award Fund
- Vance Uden Memorial Angus Scholarship Fund
- Western States National Junior Angus Show Support Fund

of the charitable funds contributed to the Angus Foundation, donors restricted 67%.

All charitable gifts play crucial roles in our ability to carry out the Angus Foundation's mission of funding education, youth and research. As evidenced in the endowment list, numerous opportunities and benefits for our Angus youth, adult members and commercial producers have been made possible through gifts from our generous benefactors.

One example of the importance of both restricted and unrestricted funds in our organization's operations is the scholarships administered by the Angus Foundation, as evidenced in Fig. 4. General undergraduate and graduate scholarships are funded solely by unrestricted contributions and revenue

generated by fundraising activities such as the Angus Foundation heifer package, golf tournament, silent auction, annual fund and other fundraising activities. Donor named and other scholarships are funded by investment earnings from endowments that, as referenced earlier, were established with gifts restricted by the donor(s) for that purpose.

Maintaining programs

Readily recognized existing education and youth programs such as Leaders Engaged in Angus Development (LEAD), Raising the Bar, the National Junior Angus Association (NJAA) Board of Directors, Cattlemen's Boot Camp, Women Connected Conference and

Beef Leaders Institute (BLI) historically have been funded in whole or in part from unrestricted gifts.

In closing, please know it's your Angus Foundation's continued wish to maintain current funding levels. However, our ability to do so will depend entirely on the availability of funds, either restricted or unrestricted.



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Author's Note: *Milford Jenkins is president of the Angus Foundation. Visit www.angusfoundation.org for more information regarding the Angus Foundation.*