

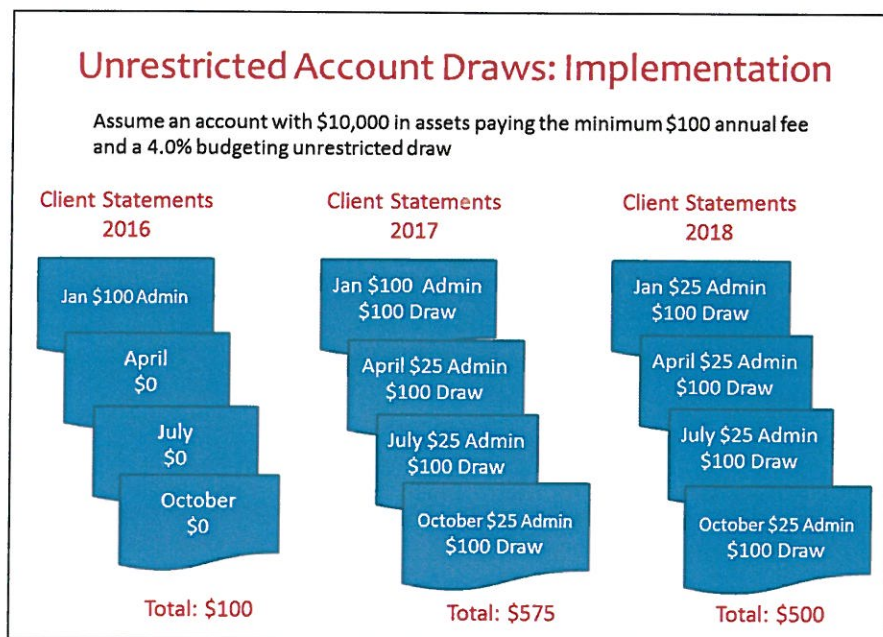
DATE March 2017
TO All Unrestricted Fund Holders

2016 was a very successful year for the Foundation. We played an integral role in responding to the July 2016 flood in Ellicott City, we have continued to support the nonprofit sector in Howard County and we have worked with our donors to help them achieve their philanthropic goals.

As part of our ongoing efforts to effectively manage the Foundation's resources we have undertaken an extensive analysis of our administrative fee structure. After comparing our fees with those of similar community foundations we have determined that the amounts of our fees are in sync and no increases are necessary. After extensive conversation with members of our Finance Committee, we have determined that the timing methodology for fee payments is in need of adjustment and that quarterly fee assessment will be implemented in lieu of annual in arrears.

You opened an Unrestricted Fund with trust that the Foundation will make annual grants from that the pool of all unrestricted fund dollars. The administrative fee for unrestricted funds is currently .75% of the fund balance (with a minimum fee of \$100).

The billing of fees under this new quarterly schedule will be as follows:



□ All unrestricted accounts will be subject to an unrestricted draw at the board approved annual spend rate of 4.0% for 2017. The draw will be made quarterly at the beginning of each quarter.

□ Administrative fees Draws will be made quarterly, at the beginning of the quarter.

Accordingly, the final annual billing for the year ended December 31, 2016 will be made in January 2017. The first quarterly billing will be in April 2017 for the quarter ending March 31, 2017. Again, the **fee rates will not increase** at this time.

Please don't hesitate to give me a call if you have any questions about this adjustment to our fee billing schedule.