

GIANT, IMPORTANT DISCLAIMER: WE AREN'T GIVING LEGAL, TAX OR FINANCIAL ADVICE. PLEASE SEEK YOUR OWN COUNSEL FOR ANY DONATIONS. MANY OF THESE QUESTIONS ARE OPEN TO SOME INTERPRETATION, ARE GENERAL IN NATURE OR ARE UNIQUE TO A PARTICULAR JURISDICTION. ASSUME ALL ANSWERS ARE WRONG UNTIL YOU/YOUR DONOR CONFIRMS WITH HER/HIS ADVISOR.

**Q & A from “Strategic and Practical Ways Community Foundations
(and Other Charities) Can Say "No" ... With Love”
<Apr, 2025>**

<p>If you can, could you repeat what the organizational cost is for processing one check? Did you say it was \$10 per check? IS that for memorial gifts or in general?</p>	<p>Based on a study of some of the 12 largest community foundations, on average, they were roughly \$10-12 to process one check (any type of check). Note that activities based costing adds the time/overhead/benefits necessary for every single step (e.g., who gets the mail, who opens the check, who records the check, who copies the check, who creates the deposit slip, who deposits the check, who reconciles the check, who invests the check, who acknowledges the check, etc., etc. – and then builds in factors for bounced checks procedures and possibly different reporting...)</p>
<p>What was the break-even on internally managed scholarship funds again?</p>	<p>In the same study, it tended to be \$150K on the low end (for those with A LOT of scholarship funds) or \$1,500/year in carrying expenses, to as much as \$350K on the higher end – so it averaged around \$250K as a breakeven fund size if the Foundation is managing the entire application process, including managing volunteers, handling questions, reviewing and documenting application, check disbursement, etc.</p>