

Foundation Accounting

THE MUSIC CENTER FOUNDATION OF LOS ANGELES

The Music Center Foundation, established in 1973, provides endowment support to The Music Center/Performing Arts Center of Los Angeles County, its educational activities, dance programs and Resident Companies. The Music Center is located in downtown Los Angeles and is the home of the Walt Disney Concert Hall, Dorothy Chandler Pavilion, Mark Taper Forum and Ahmanson Theatre. Other Resident Companies include the Center Theater Group, Los Angeles Master Chorale, Los Angeles Opera Association, and the Los Angeles Philharmonic Association. The Music Center Foundation is building its endowment through asset management, planned giving fundraising, creating a permanent and sustainable funding base for The Music Center.



THE BUSINESS CHALLENGE

Managing the eight endowment for the performance organizations that are part of The Music Center of LA can be complex. The Music Center Foundation endowment has around 2000 named funds that support the activities of the eight organizations, or Resident Companies, and the total

value of the endowment is over \$400 million.

Over the years since it was established, The Music Center Foundation endowment has grown exponentially. By 2003, when the endowment had reached \$100 million, The Music Center Foundation realized it was time to progress from the basic money management software it was using to a

more robust solution that is designed for the management of endowments.

“We needed the ability to keep track of our donors in-house and have donor information readily available

to us instead of having that information with an outside accounting firm,” explained Melinda Callahan, accountant for The Music Center Foundation.

THE ACCUFUND SOLUTION

The Music Center Foundation chose the AccuFund Accounting Suite, which is developed to meet the unique needs of non-profits, but also offers specific capabilities required to manage accounting for an endowment. The Music Center Foundation uses the core system of the AccuFund Accounting Suite plus its Allocations module, which allocates income, dividends, realized and unrealized gains and



expenses to each of the named funds.

“We were interested in AccuFund because we can set up a report that allows us to allocate all the current activity down to the donor level,” said Callahan.

“Each month, we can get a report showing the amount of each donor’s original gift, what the market value was at the beginning of the year, all the activity that occurred and the current market value of that gift. Having this update each month with this level of detail is very important to us.”



Donors make endowment gifts in a number of ways, such as through cash gifts, pledges, estate notes and Charitable Remainder Trusts (CRTs). A donor can give a gift to a single, specific Resident Company or specify multiple Resident Companies to which they would like to bestow their gift. AccuFund tracks the ways in which donors make their gifts and each stipulation the donor makes with their gift for each Resident Company.

In 2003, The Music Center Foundation had only two financial statements to prepare, as there were only two endowment funds to manage at that time. Since then, The Music Center Foundation has taken on six more financial statements due to the addition of six more endowment funds from the Resident Companies. The endowment has grown because the activity and number of facilities on The Music Center campus has grown. Using AccuFund has allowed The Music

Center Foundation to efficiently handle that growth.

Each Resident Company has their own funds which they have The Music Center Foundation manage for them. The Music Center Foundation invests their money in marketable and non-marketable investments. They manage 52 private equity investments of which each Resident Company owns a different percentage, as well as 30 marketable investments. With AccuFund, The Music Center Foundation can easily manage and track all those investments.

“AccuFund has provided us with the capabilities and flexibility we need as a non-profit to manage our accounting function,” said Steve Benson, president of The Music Center Foundation. “The software provides clear and concise reporting that allows us to easily oversee our financial activity.”

ACCUFUND DELIVERS

The Music Center Foundation has found that being able to run the Allocations report in AccuFund has allowed them to free up a tremendous amount of time, as they previously kept all the donor detail in an Excel spreadsheet. AccuFund has also helped them avoid having the inaccuracies that occur with doing manual accounting and endowment management.

“Since the system was set up, AccuFund has worked smoothly and been very easy to use,” reported Callahan. “Another thing that’s great about AccuFund is its customer support. I can pick up the phone and call any time, and I’ll get help with whatever I’m trying to do. The AccuFund support system is great.”

TO LEARN MORE ABOUT ACCUFUND

Visit our Website at www.accufund.com, call your local reseller, or contact our sales department at 877-872-2228. We would be pleased to discuss this case study, explain the benefits of *AccuFund* for your fiscal department, and put you in touch with a local reseller certified to install and support the *AccuFund Accounting Suite*.