



Donor Advised Funds

A Donor Advised Fund allows donors to recommend grants to charitable organizations of their choice while achieving maximum tax benefits. They also provide an efficient alternative to a private foundation.

Below are answers to frequently asked questions about Donor Advised Funds.

Q. How do I establish a Donor Advised Fund?

A. Funds can be established easily and quickly. The Foundation assists donors and their financial advisors with the fund-establishment process. Once the details have been discussed with the Foundation, simply sign a fund agreement letter and transfer the assets to establish the fund.

Q. Is there a required minimum balance?

A. It is not economical for the Community Foundation to administer funds with a long-term balance less than \$10,000. That balance may be reached over several years with a fundraising/donation plan approved by the Foundation. Amounts in excess of that minimum each year (including earnings from the fund's investment) would be available for recommended distribution.

Q. How are funds invested?

A. Our funds are professionally invested under the supervision of expert community volunteers. Funds are pooled and invested with other assets of the Foundation for fuller diversification, with each fund accruing its own share of the earnings. Each fund is accounted for separately. Donors may choose from a selection of portfolios and will receive quarterly financial statements.

Q. What are the administrative fees and expenses?

A. The fee for Donor Advised Funds is currently 1.25% of the principal annually with a minimum annual fee of \$125, in addition to the expenses of the fund's investment.



Q. What do the fees cover?

A. The fees cover all administrative tasks assumed by the Foundation. Tasks include recordkeeping, investment, filing all required reports, monitoring the charitable status of recipients of such grants, and the provision of tax receipts for gifts to the fund.

Q. What's the grant distribution recommendation process for donors?

A. Donors may make non-binding recommendations to the Foundation for distributions of both principal and earnings to charities of their choice, on the donor's timetable, in amounts not less than \$100.

Q. Can I transfer stock or mutual fund shares to my Donor Advised Fund?

A. Yes. Transferring appreciated stock or mutual fund shares into Donor Advised Funds is one of the ways to take advantage of the full value of these assets without paying the tax on long-term capital gains. Please note that any donations to Donor Advised Funds are tax-deductible when made, not when later distributions to charities are granted. The Foundation can also accept cash, real estate, personal property, retirement assets, life insurance, planned gifts and private foundation assets.