

## Donor Advised Funds

*Donor Advised Funds allow 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.

### How do I establish a Donor Advised Fund?

The Foundation's philanthropic services team works with donors and/or their financial advisors to establish the fund. Once the details have been discussed, a fund agreement letter is drafted and signed, and then assets may be transferred to establish the fund.

### Is there a required minimum balance?

The Community Foundation requires a \$10,000 minimum balance. 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) are available for recommended distribution.

### How are the funds invested?

Foundation funds are professionally invested under the supervision of community volunteers with expertise in investment management. 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.

### What are the administrative fees?

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.

### What do the fees cover?

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.

### How do I recommend grants?

Fund advisors may recommend grants to public charities in amounts of \$100 or more. Grants may be recommended at any time from principal or earnings above the \$10,000 fund minimum. Recommendations will be followed as long as they comply with current IRS guidelines. See the Advised Fund Policies for more information.