

Richmond Community Foundation

Using the Power of Philanthropy to build Healthy, Sustainable Communi-



Because of their flexibility and simplicity, Donor Advised Funds are a popular way for individuals and families to actively engage in philanthropy and support nonprofits in their communities. Donors are able to direct their giving according to their values and interests.

When you establish a Donor Advised Fund, the gift assets are converted into charitable dollars for your philanthropy. The Foundation's financial administration, personalized service and grantmaking expertise are all available whenever you want to recommend contributions or discuss grantmaking strategies.

Establishing a Donor Advised Fund is simple. A gift of cash or other assets is made to the Richmond Community Foundation. The money is held in a fund named by the donor, such as the "Thompson Family Fund", or "Hope Fund". The donor can recommend grants to charities from the fund at any time. Final approval of grants rests with the Richmond Community Foundation Board of Directors.

Donor Advised Funds are easier and less expensive to establish than a private foundation and are subject to fewer restrictions and regulations. Donors can start small and build their fund over time. Many donors use their Donor Advised Fund to make contributions to the charitable organizations that they normally would write checks to each year. Others use the Foundation's expertise and community knowledge to help plan or expand their grantmaking.

Donor Advised Fund Advantages

Flexibility. Through the Foundation, an individual, family, business or civic group can create a fund with broad purpose or tailored to a specific interest. Donor Advised Funds can be used to make grants in the Richmond community, throughout our area or across the US.

Simplicity. You can establish a fund today and make grant recommendations now or in the future. Grant requests from a Donor Advised Fund may be made at any time online, or with Foundation staff assistance. We take care of all the paperwork and required reporting. Grant awards are made in the name of the fund, unless you request anonymity.



Donor Advised Fund Advantages *(continued)*

Special Tax Benefits. Gifts of appreciated assets qualify donors for tax deductions based on current market value and avoid capital-gains taxes. We offer the maximum tax advantage for most gifts under federal law, and can facilitate gifts of complex assets. You can add to the fund at any time, receiving tax benefits with each new gift.*

Expertise. Foundation staff stands ready to help you identify worthwhile programs, evaluate grant applicant needs, assess program quality, and monitor grants to ensure that funds are used as intended.

Cost Effectiveness. The administrative fee for a Donor Advised Fund is 2% and drops when funds are established for over \$1 million dollars. This fee covers full staff services, the filing of an annual tax return, an annual audit, the monitoring of investment managers, evaluating grant requests, and grant processing.

Professional Investment Management. Advised fund assets are pooled and invested in diversified, professionally managed portfolios. This means that donors may set assets aside for future disbursement to charity without having to manage those assets themselves or hire an investment manager.

Community Impact. Giving through the Richmond Community Foundation ensures your contributions make the biggest difference possible. We have created well informed and effective ways to make an impact on the organizations and issues that mean the most to you here in Richmond or elsewhere in the US.

Establishing a Donor

Advised Fund

The process of establishing a Donor Advised Fund is simple and can take as little as 30 minutes. You select a name for the fund and designate the fund advisor(s). The paperwork can be completed quickly and easily. You receive quarterly statements tracking the fund's activity. Foundation staff is happy to work with you to find programs and causes that best match your charitable interests and goals.

Endowed or Expendable

At the time you establish the fund you can select whether to make this an endowed fund or one that is expended and replenished with future donations. An Endowed Fund, allows for the distribution through grant awards utilizing the growth and earnings of the fund and the Foundation Spending Policy to support your recommended grants. A Donor Advised Fund that is established as expendable allows the donor to recommend grant distributions from both earnings and principal.

For more information and ideas on ways to integrate financial planning and charitable giving, please give us a call. We are happy to arrange a private consultation with you or your advisor.

Minimum Gift Size:

The Foundation requires a gift of \$10,000 or more to establish a Donor Advised Fund.

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