



Thank you for setting up a donor advised fund. This donor advised fund is your charitable giving account, helping you maximize and organize your giving.

Your fund will be administered by the Long Beach Community Foundation, a 501(c)(3) public charity. Please complete the attached form and email it to [info@longbeachcf.org](mailto:info@longbeachcf.org).

Questions? Contact (562) 435-9033 or [info@longbeachcf.org](mailto:info@longbeachcf.org).

Long Beach Community Foundation

400 Oceangate - Suite 800, Long Beach, CA 90802 | [www.longbeach.org](http://www.longbeach.org)

# DONOR ADVISED FUND AGREEMENT (Endowed)

## 1. YOUR FUND

Name your Fund as you like. You can include your name or remain anonymous. Examples: James Family Foundation, Pay It Forward Fund

Name of Fund

## 2. FUND ADVISOR(S)

Fund Advisors make recommendations for all Fund-related matters, including grants and investments. Fund Advisors have online access to view fund statements and recommend grants. List additional Fund Advisors in Section 6.

Mr.  Mrs.  Ms.  Dr.  \_\_\_\_\_

First Name

Middle Initial

Address  Home  Work

Last Name

City

State

Zip Code

Date of Birth

Email Address

Phone

Home  Work  Cell

Mr.  Mrs.  Ms.  Dr.  \_\_\_\_\_

First Name

Middle Initial

Address  Home  Work

Last Name

City

State

Zip Code

Date of Birth

Email Address

Phone

Home  Work  Cell

### 3. SUCCESSOR ADVISOR(S)

Successor Advisors make grant and investment recommendations for the Fund after the Fund Advisors are no longer able or willing to do so. List additional Successor Advisors in Section 6.

*If you do not want to name anyone as a Successor Advisor, please check here and skip to Section 4. We will contact you regarding your charitable intent for the Fund.*

Successor Advisors May Act (Select One):

- Individually
- By Majority
- By Unanimous Consent

Mr.  Mrs.  Ms.  Dr.  \_\_\_\_\_

First Name	Middle Initial
<input type="text"/>	<input type="text"/>
Last Name	
<input type="text"/>	
Date of Birth	
<input type="text"/>	
Phone	
<input type="text"/>	

Address	<input type="checkbox"/> Home	<input type="checkbox"/> Work
<input type="text"/>		
City	State	Zip Code
<input type="text"/>	<input type="text"/>	<input type="text"/>
Email Address		
<input type="text"/>		
Relationship to Fund Advisor(s)		
<input type="text"/>		

Home  Work  Cell

Mr.  Mrs.  Ms.  Dr.  \_\_\_\_\_

First Name	Middle Initial
<input type="text"/>	<input type="text"/>
Last Name	
<input type="text"/>	
Date of Birth	
<input type="text"/>	
Phone	
<input type="text"/>	

Address	<input type="checkbox"/> Home	<input type="checkbox"/> Work
<input type="text"/>		
City	State	Zip Code
<input type="text"/>	<input type="text"/>	<input type="text"/>
Email Address		
<input type="text"/>		
Relationship to Fund Advisor(s)		
<input type="text"/>		

Home  Work  Cell

## 4. REFERRER INFORMATION

If a professional advisor guided you in the decision to establish the Fund, please complete the following:

- Accountant       Attorney  
 Financial Advisor       Other: \_\_\_\_\_

Professional Advisor Name

Address

City

State

Zip Code

Firm Name

Email Address

Phone

## 5. PROFESSIONAL ADVISOR INFORMATION

Please list any other professional advisors (accountants, attorneys, financial advisors) with whom the Long Beach Community Foundation may share information about your Fund should they inquire.

Professional Advisor Name and Title

Firm Name

Professional Advisor Name and Title

Firm Name

## 6. ADDITIONAL INSTRUCTIONS

Please include any additional information you would like us to know.

# 7. INVESTMENT RECOMMENDATION

Please select one of the following options for your Fund's investments.

**OPTION 1** The assets in the Fund will be managed directly by your financial advisor. (Please note, family members or fund advisors may not be named as the Fund's investment manager.)

Financial Advisor Name

Firm Name

Address

Email Address

City

State

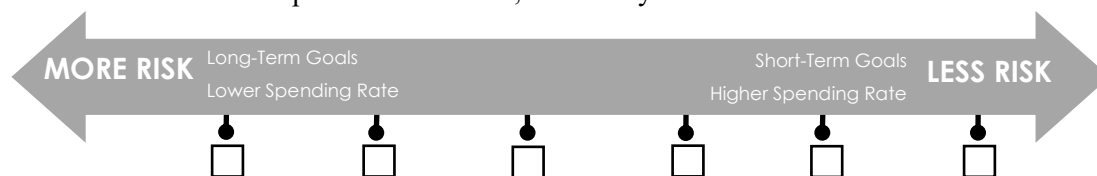
Zip Code

Phone

Please check here if you would like your financial advisor to have online access to view the Fund.

**OPTION 2** The assets in the Fund will be invested in the Long Beach Community Foundation investment pools.

Please select one mix from the mix options listed below, or create your own mix.



Investment Pool	Aggressive	Moderately Aggressive	Moderate	Conservative	Short Term	Risk Averse	Custom Mix (Combined total must equal 100%)
Money Market	3%	5%	15%	25%	35%	100%	
Short-Term Fixed Income	10%	21%	27%	33%	65%	0%	
Intermediate-Term Fixed Income	10%	14%	18%	22%	0%	0%	
Domestic Equity	55%	43%	29%	14%	0%	0%	
International Equity	22%	17%	11%	6%	0%	0%	

*If Selecting Investment Option One:* The Fund will be managed directly by the named financial advisor participating in the Long Beach Community Foundation financial advisor program until such time that the Long Beach Community Foundation or the Fund Advisor(s) exercise(s) the option to make a different selection for management of this Fund. The named financial advisor will manage the assets of this Fund in accordance with the most current financial policies and standards of the Long Beach Community Foundation. The Long Beach Community Foundation will regularly review the financial performance of this Fund.

*If Selecting Investment Option Two:* The responsibility for managing the Long Beach Community Foundation investment program is vested in the Long Beach Community Foundation Board of Directors through its Investment Committee. The percentages in the mix options may change from time to time upon Investment Committee review.

As required by IRS regulations:

- a) the investment recommendation is advisory only and the Long Beach Community Foundation may, at its sole and absolute discretion, follow or decline to follow the recommendation;
- b) the Long Beach Community Foundation may at any time, at its sole and absolute discretion, change the investment of all or any portion of the assets in the Fund;
- c) if the investment recommendation is accepted, the investments will be administered in accordance with the financial policies and fiduciary standards of the Long Beach Community Foundation; and
- d) investments are subject to normal market and interest rate fluctuation risks, and any gain or loss generated by the above investments will be credited or charged to the Fund.

# 8. TERMS AND REQUIRED SIGNATURE(S)

## I. Contribution

I/we \_\_\_\_\_ / \_\_\_\_\_ (the "Donor(s)") hereby irrevocably give

\$ \_\_\_\_\_ [describe assets] to the Long Beach Community Foundation (the "Foundation"), a California nonprofit public benefit corporation having its principal office in the City of Long Beach and the State of California and a charitable organization described in sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code. The Donor(s) understand that this is an irrevocable gift, which will be used to establish and maintain a charitable fund of the Foundation, subject to the Foundation's governing documents and bylaws. This charitable fund (the "Donor Advised Fund" or "DAF") will be known as the

\_\_\_\_\_ FUND and will be identified as such in the course of its administration and distribution, unless the Donor(s) request otherwise. The Foundation may also receive additional contributions of cash and/or marketable securities from the Donor(s) or other individuals or businesses as well as distributions of cash and/or marketable securities from trusts, wills, private foundations or other donor advised funds to either initially fund or add to this Donor Advised Fund.

## II. Advisors

The following individuals may serve as Advisors to the Donor Advised Fund. If there are no Advisors identified, the Donor will serve as the Advisor to the DAF.

- i. \_\_\_\_\_
- ii. \_\_\_\_\_
- iii. \_\_\_\_\_

Upon the death, incapacity, or other disqualification of the last of the Advisors named above the fund becomes an endowed fund and the following individual(s) may serve as successor Advisor(s) to the DAF and make grants from the fund's net income.

- i. \_\_\_\_\_
- ii. \_\_\_\_\_
- iii. \_\_\_\_\_

If at any time there is more than one Advisor to the Donor Advised Fund, the Advisors will appoint a designee and all communications to and from the Foundation will be through the designee. If there is no designee appointed, the designee will be the first Advisor listed above, and, if no Advisor is listed, the First Donor listed below will be the designee.

At such time as the Donor Advised Fund ceases to have any Advisors, it will be used for general charitable purposes at the discretion of the Foundation's Board without consideration of advice or recommendation from an Advisor.

## III. Distributions (Endowed Fund)

The donors intend to create a fund that is permanently endowed. Each year the Foundation will determine the amount allowed for distributions by applying its spending policy for endowed funds to assets in the fund. The Foundation welcomes recommendations from Advisors about distributions from the spendable portion of the Donor Advised Fund.

- a. All recommendations are advisory in nature. The Foundation may accept or reject recommendations. The Foundation is not required to wait for recommendations before making distributions from the Donor Advised Fund.
- b. The Foundation cannot make distributions to fulfill any pledge, obligation, or membership, or to support any activity from which a Donor, Advisor or related party will receive a benefit.

## IV. Fees

The Foundation will assess administrative and investment management fees against the Donor Advised Fund in accordance with the Foundation's published fee schedule (see attached), as amended from time to time.

## V. Investments

The Foundation's investment program offers flexibility to customize fund investments. The Advisor may make

## 8. TERMS AND REQUIRED SIGNATURE(S) cont.

recommendations to the Foundation for investment of the Fund using the LBCF Investment Recommendation Form. All recommendations must be in writing.

The responsibility for managing the Foundation's investment program is vested in the Foundation's Board of Directors through its Investment Committee. This committee works closely with staff and the Community Foundation's investment advisors to set policy, establish performance benchmarks and monitor performance. The percentages in the mix options may change from time to time upon Investment Committee review.

### VI. Variance Power

The Fund is protected from obsolescence. If for any reason, the purposes for which the Fund was created ever become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by the Foundation, the Board of Directors of the Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specify organizations if in the sole judgment of the Board (without the necessity of the approval of any participating donor, advisor appointed by a donor, trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

### VII. Anonymity/Publicity

To recognize and honor our donors, the Foundation's policy is to include our donors' names in publicity about the Foundation unless they wish to remain anonymous. Please check the box below that best describes your wish regarding publicity:

- I have no objection to the inclusion of my name in Foundation publicity.
- I do not wish to have my name included in Foundation publicity.
- Other \_\_\_\_\_

### VIII. Administration

The Donor Advised Fund will be effective upon the acceptance of this agreement by the Foundation. The DAF will be administered in accordance with the normal and customary policies for donor advised funds of the Foundation (see attached). Signing below indicates acceptance of these policies.

Donor Signature

Date

Printed Name

Donor Signature

Date

Printed Name

Accepted by: \_\_\_\_\_  
Long Beach Community Foundation Date

## ADMINISTRATIVE FEES

Certain fees are deducted from all funds monthly on a prorated basis. Foundation Administrative Fees (in chart below) cover general operating costs including: gift establishment, receipt of contributions and assets, grant processing and fund administration, due diligence procedures and research on nonprofit agencies, and other charitable purposes. In addition, an LBCF Investment Administration Fee of 0.15% of the average fair market value of the fund's assets covers the cost of internal investment accounting and management. Funds may also be charged additional fees for direct expenses incurred or rendered such as: commissions on the sale of contributed stock; extraordinary legal, banking and investment services; or other non-standard services. *Investment managers and consultant fees related to the portfolio investment pools are charged directly to the pools.*

<b>Donor Advised Fund Annual Foundation Administrative Fees</b>
Fee tiered as follows: 1.25% to \$1.0 million 1.00% at > \$1.0 to \$2.5 million 0.75% at > \$2.5 to \$5 million Quoted on assets > \$5 million Minimum fee = \$300 (\$25 per month)

Note: Special or Non-Standard Foundation Support Fees may be higher or lower than fees shown above due to special arrangements, unusual situations, differences in services performed or differences in underlying agreements.



# DONOR-ADVISED FUND POLICIES

## **What is a Donor Advised Fund?**

A donor advised fund defined under the Internal Revenue Code possesses three characteristics:

- The Fund is separately identified with reference to the contributions of a donor or donors. (*For example the Smith Family Fund established by the Smith family children.*)
- The Fund is owned and controlled by a sponsoring organization such as the Foundation.
- The donor or persons appointed by the donor expect to have the privilege of providing advice with respect to the fund's investments or distributions.

## **Minimum Fund Size**

The minimum gift to establish a donor advised fund is \$2,500. There are no ongoing minimums required to maintain the fund, however funds are subject to a minimum annual fee of \$300 (\$25 per month). These policies and amounts are subject to change at any time.

## **Contributing to a Fund**

Gifts to a fund are irrevocable. The assets of donor advised funds are owned and controlled by the Foundation. As long as the Fund meets the minimum balance requirements, contributions to a fund may be made in any amount and at any time. Contributions may be made using cash, publicly traded securities or other property, including closely held stock, partnership interests, real estate, personal property, trusts and life insurance. IRA charitable rollovers to donor advised funds are not permitted, although they may be used to contribute to other types of funds at the Community Foundation. Contributions are subject to the Foundation's Gift Acceptance Policy. All contributions should be clearly designated by fund name.

Many donors make contributions using appreciated, publicly traded stock that has been held for longer than a year, to enjoy maximum tax benefits. Contributions of property that may not have immediate liquidity are accepted at the discretion of the Foundation, and subject to completion of our due diligence procedures. Donors considering a gift in any form other than cash should contact the Foundation to discuss its appropriateness and to obtain delivery instructions.

## **Variance Power**

Donor advised fund agreements may restrict distributions to a specific charitable purpose, such as education or the environment. Others may limit distributions to particular named organizations. These restrictions may apply from the inception of the fund or may come into effect at the conclusion of the advisory period. Any such restrictions are subject to modification by the Foundation if it determines, in its sole discretion, that the restriction or condition is unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.

## **Fund Advisors**

The initial advisors to the fund are those persons named in the fund agreement. Donor advisors may name their children, or others, as successor advisors. The Foundation only allows for one generation of successor advisors to advise on the fund. Unless otherwise specified, successor advisors may recommend grants only from the fund's net income (an amount defined by the Foundation's spending policy for permanent funds). Once all successor advisors named by the donor, if any, are deceased, the fund becomes an unrestricted fund, field of interest fund or other fund depending on the specifications of the donor.

If at any time there is more than one advisor to the fund, the advisors will appoint a designee and all communications to and from the Foundation will be through the designee. If no designee has been appointed, the Foundation will consider the first advisor named in the agreement to be the designee.

## **Recommending a Grant**

Grants must be for charitable purposes. There is no minimum grant amount.

# DONOR-ADVISED FUND POLICIES (CONT.)

Fund advisors may recommend grants to any organization described in section 501(c)(3) of the Internal Revenue Code except that the Foundation does not make grants to private foundations. The advisors may also recommend grants to most units of government (e.g., public schools, colleges and universities, town and municipal governments, police departments, etc.).

The Foundation does not make grants from donor advised funds, even for charitable purposes, to other types of nonprofit organizations (non-charities) or to businesses. Examples of organizations to which the Foundation will not grant include social welfare organizations (501(c)(4)); veterans' organizations; cemeteries; Chambers of Commerce and similar business associations; fraternities and sororities; social clubs; and fraternal organizations.

The Foundation makes grants to US organizations that carry on their work in other countries. However, the Foundation does not make grants from donor advised funds to non-US organizations or governmental entities.

Recommendations for grants from Donor Advised Funds can be made two ways:

1. Complete and submit an *LBCF Grant Recommendation Form* to the Foundation via email or US Postal mail; or
2. Submit an online grant recommendation at [www.edonorcentral.com/login\\_AT48.asp](http://www.edonorcentral.com/login_AT48.asp).

Grants are generally disbursed within 5 -10 days of receiving the request.

From time to time the Foundation may bring to the advisor's attention grant making opportunities in which the advisor may have an interest. The advisor is not obligated to recommend a grant for the identified program.

## **Grant Restrictions**

The Internal Revenue Code prohibits grants to individuals from donor advised funds. Also prohibited are grants for political contributions or to support political campaigns. Grants may not result in benefits, goods, or services to the donor, the fund advisor, members of their families, and businesses they control. Failure to observe this restriction can subject the fund advisor to tax penalties. Benefits include the payment of pledges, event tickets, meals, sponsorships, registration fees, discounted merchandise, preferred parking and/or seating, and memberships unless the membership confers nothing of value. Please contact the Foundation if you have specific questions about whether a grant you are considering recommending will result in a prohibited benefit.

## **Payments from a Donor Advised Fund**

Expense reimbursements, loans, compensation, and other similar payments are not permitted from a donor advised fund to a donor, fund advisor, or related party.

## **Grant Acknowledgment**

Unless other arrangements have been made (e.g. anonymity requested), the grant letter will indicate that the contribution is "on behalf of the (*YOUR FUND NAME*) Fund, a fund held at the Long Beach Community Foundation" and that it has been given upon the recommendation of the named advisor. The recipient organization is asked to confirm receipt of the grant with a signed acknowledgement. Additional language confirms that no benefits have been offered or provided to the Foundation or the advisor in exchange for the accompanying grant.

## **Investments**

The Foundation's investment program offers flexibility to customize fund investments to meet individualized charitable goals, whether they are intermediate or long term. A fund advisor may choose to use his/her own trusted financial advisor or select a mix using one or more of the Foundation's investment pools. These options are outlined on the *LBCF Investment Recommendation Form*.

The responsibility for managing the Community Foundation's investment program is

vested in the Foundation's Board of Directors through its Investment Committee. This committee works closely with staff and the Community Foundation's investment advisors to set policy, establish performance benchmarks and monitor performance. The percentages in the mix options may change from time to time upon Investment Committee review.

## **Fees and Minimums**

# DONOR-ADVISED FUND POLICIES (CONT.)

The Foundation assesses fees, including investment management fees, against all its funds to cover the cost of administration and to continue the Foundation's important work in our community. Fees provide the necessary resources to operate efficiently and effectively, ensuring fiscal responsibility in grant due diligence, donor and nonprofit education, research, and other activities. The Foundation's current administrative fee schedule for donor advised funds is tiered as follows:

1.25% for funds up to \$1 million  
1.00% at > \$1.0 to \$2.5 million  
0.75% at > \$2.5 to \$5 million  
Fee quoted on assets > \$5 million

\*Minimum fee= \$300 (\$25 per month)

Investment management fees are .015%

## **Inactive Funds**

As the legal owner of assets contributed to the Foundation, the Foundation is responsible for ensuring the funds are used for grantmaking, exclusively for charitable purposes, and do not confer any private benefit on the Donor or any other person. With donor advised funds, the Foundation works with the Donor and/or Donor Advisor(s) to determine when grants will be made from those funds. To that end, the Foundation monitors the use of donor advised funds to ensure their activity leads to charitable distributions.

Examples of Fund Activity. The following are examples of Fund activity that lead to distributions. If this policy ever conflicts with federal law or state law (including the Uniform Prudent Management of Institutional Funds Act, commonly known as UPMIFA), the relevant law controls. A Fund is considered active when there is regular communication between a Donor, Donor Advisor(s) (or named successors) and the Foundation regarding the existence and purpose of that Fund. Examples of some of the activities that would deem a Fund active include, but are not limited to:

Regular Grant Recommendations. Donor advisor generally recommends grants at least annually to qualified charitable organizations. The amount of grantmaking can vary from year to year.

Developing a Philanthropic Program. Donor makes a substantial contribution to a Fund, for example upon the sale of his or her business, and refrains from recommending grants for a given initial period while the Donor consults with the Foundation and/or does his or her own research to determine what types of grants will best meet community needs and/or the Donor's philanthropic goals.

Long-term Giving Plan. Donor Advisor deliberately reduces the frequency or size of grant recommendations from the Fund, for example:

During his or her working years, with the intention of increasing the Fund balance to support grantmaking during retirement when the Donor Advisor expects his or her income to change.

To build a Fund over time so the Donor's children can make grants later (the idea being the Donor is leaving a charitable legacy for the next generation to administer).

When the Fund is invested in an illiquid or undervalued investment and the Donor Advisor intends to begin making grant recommendations when the investment can be sold at a reasonable price.

Project Grants. Donor makes a substantial contribution to a Fund and determines to recommend grants to a specific qualified charitable organization over a period of years so that the Donor can monitor how the charitable organization performs, and to consider whether another organization would better achieve the Donor's charitable objectives.

Starter Fund. Donor wants to build the Fund balance to make substantial grants to the community. Therefore, there may be no distributions made until the Fund balance reaches an amount stated in the Fund file based on the Foundation's conversations with the Donor and/or Donor Advisor(s).

## DONOR-ADVISED FUND POLICIES (CONT.)

Specific Occasion Grant. Donor Advisor refrains from recommending grants for a number of years with the specific charitable goal of recommending a grant upon a specific occasion. Examples may include, but are not limited to:

Donor is incapacitated with no successor Advisor(s) named so the Foundation waits until the Donor's death to distribute the Fund according to the Donor's original intent on file with the Foundation;

The Fund has transitioned to named successor Advisors but they are minors and no adult representative is named to represent them (so grants resume when successor Advisors are adults);

Founders of Fund who are also the Donor Advisors are getting divorced so that grants are suspended until both the spouses agree on grants, which may include splitting the Fund into two separate funds, one for each spouse to advise, or eventually dissolving the Fund by the making of charitable grants;

Grants are suspended during litigation involving a Fund (e.g., the Donor left his/her estate to a Fund, but the Donor's heirs are disputing the bequest so the Foundation does not allow grants until the litigation is resolved); or

Donor leaves a bequest to a Fund and distributions are made periodically to the Fund during the estate settlement process, but grants are not made until the estate is fully settled and the Fund receives a final distribution from the estate.

Re-Activating Grantmaking. Should there be no grant activity in a donor advised fund for at least three years, steps will be taken by the staff of the Foundation to activate the Fund. These steps may include, but are not limited to:

Notifying the Fund Advisor regularly and periodically (at least annually over a period of three years) to encourage the Advisor to activate the fund.

Distributing grants from the Fund to qualified grant recipients that align with the Donor's intent, but if the Community Foundation determines such intent is obsolete, incapable of being fulfilled, impractical, or inconsistent with the community's charitable needs, then the Foundation shall exercise its variance power to enable the Foundation to continue to use its resources to meet the needs of the community and to address the charitable purposes for which the funds were committed.

### **Termination**

Unless otherwise specified in the fund agreement, upon the death, resignation or incapacity of the last advisor to the fund, or if the fund is determined to be inactive as determined above, the assets of the fund will become a part of the Foundation's unrestricted permanent endowment. If the principal balance of the fund exceeds \$100,000, the Fund will continue to be maintained as a separate named endowed fund for discretionary purposes or as a field of interest, if the donor(s) or successor-advisor(s) have specified in writing one or more broad fields of interests for the fund.