



# WELCOME!

Thank you for choosing the Long Beach Community Foundation as the administrator of this donor advised fund.

IMAGE BY UNSPLASH FRANK MCKENNA

## INSIDE YOU'LL FIND:

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### Donor Advised Fund Grant Guidelines

### Statement of Philanthropic Intent (SOPI)

Long Beach Community Foundation  
400 Oceangate, Suite 800, Long Beach, Ca 90802  
[info@longbeachcf.org](mailto:info@longbeachcf.org) | [longbeachcf.org](http://longbeachcf.org)  
Social Media @LBCommunityFdn

### Contact your partners in philanthropy

Marcelle Epley - President & CEO  
[marcelle@longbeachcf.org](mailto:marcelle@longbeachcf.org)  
(562) 435-9033 x 2371



Tara Sievers - Donor Relations  
[tara@longbeachcf.org](mailto:tara@longbeachcf.org)  
(562) 435-9033 x 2378



## DONOR ADVISED FUND AGREEMENT

This Donor Advised Fund (DAF) will be administered by the Long Beach Community Foundation (LBCF), a 501(c)(3) public charity. Please email this completed form to [info@longbeachcf.org](mailto:info@longbeachcf.org).

### 1. NAME THE FUND

This is the name that will appear on the checks that are mailed to the charitable organizations that Fund Advisors choose to support. You can use a family name or not. For example, the Fund could be named *James Family Foundation* or *Pay It Forward*.

### 2. NAME THE ADVISOR(S)

**A. FUND ADVISOR(S)** – Fund Advisors make recommendations for fund activity including how the funds are invested and which organizations will receive grant funding. Fund Advisors also have online access to view fund statements.

**FIRST FUND ADVISOR** ☐ Mr. ☐ Mrs. ☐ Ms. ☐ Miss ☐ Dr. ☐ Mx. ☐ Other \_\_\_\_\_

\_\_\_\_\_  
First Name Middle Initial Last Name

\_\_\_\_\_  
Preferred Name or Nickname Date of Birth Occupation

\_\_\_\_\_  
Address: ☐ Home ☐ Work City State Zip Code

\_\_\_\_\_  
Phone: ☐ Home ☐ Work ☐ Mobile Email Address

**SECOND FUND ADVISOR (optional)** - If more than one Fund Advisor is named, each Advisor can make investment and grant recommendations independently.

☐ Mr. ☐ Mrs. ☐ Ms. ☐ Miss ☐ Dr. ☐ Mx. ☐ Other \_\_\_\_\_

\_\_\_\_\_  
First Name Middle Initial Last Name

\_\_\_\_\_  
Preferred Name or Nickname Date of Birth Occupation

\_\_\_\_\_  
Address: ☐ Home ☐ Work City State Zip Code

\_\_\_\_\_  
Phone: ☐ Home ☐ Work ☐ Mobile Email Address



**DONOR(S)** – If the Donor(s) is different than the Fund Advisor(s), please provide Donor information. Donor refers to the person(s) giving the charitable contribution who will receive a tax receipt.

**FIRST DONOR**

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
Phone: ☐ Home ☐ Work ☐ Mobile

\_\_\_\_\_  
Email Address

**SECOND DONOR (optional)**

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
Phone: ☐ Home ☐ Work ☐ Mobile

\_\_\_\_\_  
Email Address

**B. SUCCESSOR ADVISOR(S)** – Successor Advisors make investment and grant recommendations for the Fund after the Fund Advisors are no longer able or willing to do so. If you do not wish to name a Successor Advisor at this time, please complete a [Statement of Philanthropic Intent \(SOPI\)](#) found in this packet.

If no Successor Advisors are named, there is no SOPI on file with LBCF, and the DAF ceases to have any Fund Advisors, Successor Advisors, or Donor(s) affiliated with the Fund, funds will be used for general charitable purposes at the discretion of LBCF's Board of Directors with consideration of donor intent.

Successor Advisors may act (select one): ☐ Individually ☐ By Majority ☐ By Unanimous Consent

**FIRST SUCCESSOR ADVISOR**

☐ Mr. ☐ Mrs. ☐ Ms. ☐ Miss ☐ Dr. ☐ Mx. ☐ Other \_\_\_\_\_

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Middle Initial

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
Date of Birth

\_\_\_\_\_  
Relationship to Fund Advisor(s)

\_\_\_\_\_  
Address: ☐ Home ☐ Work

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

\_\_\_\_\_  
Phone: ☐ Home ☐ Work ☐ Mobile

\_\_\_\_\_  
Email Address



**SECOND SUCCESSOR ADVISOR (optional)**

☐ Mr. ☐ Mrs. ☐ Ms. ☐ Miss ☐ Dr. ☐ Mx. ☐ Other\_\_\_\_\_

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Middle Initial

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
Date of Birth

\_\_\_\_\_  
Relationship to Fund Advisor(s)

\_\_\_\_\_  
Address: ☐ Home ☐ Work

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

\_\_\_\_\_  
Phone: ☐ Home ☐ Work ☐ Mobile

\_\_\_\_\_  
Email Address

If needed, list additional Successor Advisors in Section 6.

**C. PROFESSIONAL ADVISOR(S)**

If working with a Professional Advisor, you can give them viewing rights to the Fund. Click below to grant the Advisor online view-only access to the Fund.

**FIRST PROFESSIONAL ADVISOR**

☐ Accountant ☐ Attorney ☐ Financial Advisor

\_\_\_\_\_  
Professional Advisor Name

\_\_\_\_\_  
Firm Name

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Email Address

**SECOND PROFESSIONAL ADVISOR**

☐ Accountant ☐ Attorney ☐ Financial Advisor

\_\_\_\_\_  
Professional Advisor Name

\_\_\_\_\_  
Firm Name

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Email Address



### 3. INVESTMENT RECOMMENDATION

**OPTION 1 – LBCF MANAGED** - Assets in the Fund will be invested in LBCF investment pools. The responsibility for managing LBCF's investment program is vested in the LBCF Board of Directors through its Investment Committee. The percentages in the mix options may change from time to time upon Investment Committee review of [LBCF's Investment Policy](#).

As required by IRS regulations:

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

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

		MORE RISK Long-Term Goals Lower Spending Rate			LESS RISK Short-Term Goals Higher Spending Rate		
Mix Options ▶		AGGRESSIVE	MODERATELY AGGRESSIVE	MODERATE	CONSERVATIVE	RISK AVERSE	CUSTOM MIX*
Investment Pools	Money Market	3%	5%	10%	20%	100%	
	Short-Term Fixed Income	10%	25%	35%	42%	0%	
	Intermediate-Term Fixed Income	10%	10%	15%	18%	0%	
	Domestic Equity	55%	43%	29%	14%	0%	
	International Equity	22%	17%	11%	6%	0%	

\*Combined total must equal 100%

**OPTION 2 – SEPARATELY MANAGED** - The Fund will be managed directly by the below named Financial Advisor until such time that LBCF or the Fund Advisor(s) exercise(s) the option to make a different selection for management of the Fund. This Financial Advisor will have view-only access to the Fund. The named Financial Advisor will manage the assets of this Fund in accordance with the most current financial LBCF policies and standards. LBCF will regularly review the financial performance of the Fund. The Financial Advisor must be approved by LBCF and meet certain criteria. *(Family members or Fund Advisors may not be named as the Fund's Financial Advisor.)*

Financial Advisor Name

Firm Name

Phone Number

Email Address

## 4. ADMINISTRATIVE FEES

Fees are deducted from all funds monthly on a prorated basis. LBCF 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 cover 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, gross of these fees. Special or non-standard LBCF support fees may be higher or lower than fees shown below due to special arrangements, unusual situations, differences in services performed or differences in underlying agreements.

### Donor Advised Fund - Administrative Fees

Minimum Fee = \$300 Annually (\$25 per month)

#### OPTION 1 – LBCF MANAGED

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

#### OPTION 2 – OUTSIDED MANAGED

Fee tiered as follows:

1% First \$1 million

0.60% Next \$1 million

0.30% Next \$2 million

0.10% Next \$3 million

0.19% Flat Fee (\$7,000,000 - \$9,999,999)

0.17% Flat Fee (\$10,000,000 - \$19,999,999)

0.15% Flat Fee (\$20,000,000 - \$34,999,999)

0.13% Flat Fee (\$35,000,000 - \$49,999,999)

0.12% Flat Fee (\$50,000,000 - \$74,999,999)

0.11% Flat Fee (\$75,000,000 - \$99,999,999)

Call \$100,000,000+

## 5. CONTRIBUTION

The Donor(s) hereby irrevocably gives \$ \_\_\_\_\_ in the form of a:

☐ Check ☐ Credit or Debit Card/Checking or Savings Account ☐ Wire (Bank Name) \_\_\_\_\_

☐ Securities or Mutual Funds (# of shares and symbols) \_\_\_\_\_

☐ Bequest – The Donor does not plan to use the Fund during their lifetime. The contribution will be made upon death to LBCF, a California nonprofit public benefit corporation (Nonprofit ID# 20-5054010) 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. Directives will be outlined in the [Memorandum of Philanthropic Intent \(MOPI\)](#) on file with LBCF.

☐ Other (please describe): \_\_\_\_\_

☐ I will donate \_\_\_\_\_% of this contribution or the amount of \$ \_\_\_\_\_ to the LBCF Community Impact Fund to serve the pressing needs in Long Beach.



### CHOOSE ENDOWED OR NON-ENDOWED

☐ *This DAF is Endowed* - An endowment is a permanent fund that supports charities in perpetuity. Earnings are available each year to make grants to charitable organizations while the principal (the amount deposited into the Fund) remains intact. The amount available each year to grant is based on LBCF's spending policy. [View LBCF's Spending Policy.](#)

☐ *This DAF is Non-Endowed* - A non-endowed fund may be granted in whole or in part and is not based on a spending policy.

### MAKE YOUR CONTRIBUTION

*LBCF, 400 Oceangate – Suite 800, Long Beach, CA 90802*

*Web: [www.longbeachcf.org](http://www.longbeachcf.org) Email: [info@longbeachcf.org](mailto:info@longbeachcf.org)*

*Phone: (562) 435-9033 Fax: (562) 590-0493*

*Tax ID#: 20-5054010*

**CHECK:** Make checks payable to the Long Beach Community Foundation, noting your six-digit fund ID on the memo line. If you do not know your fund ID, the name of your fund is sufficient. Mail check to the above address.

**CREDIT CARD, DEBIT CARD, CHECKING, OR SAVINGS ACCOUNT:** Visit [longbeachcf.org/donate](http://longbeachcf.org/donate) to access the donation page for secure credit card, debit card, or wire transfer of contributions to any fund held at LBCF. If you don't see your fund listed, visit [longbeachcf.org/donate-to-another-fund/](http://longbeachcf.org/donate-to-another-fund/) and enter your fund name and fund ID in the first form field. (100% of your donation is deductible for income tax purposes, but a credit card service charge of about 3% will be deducted from your donation.)

**ELECTRONIC WIRE TRANSFER OF CASH:** To process your contribution quickly, please alert LBCF and include the fund name, six-digit fund ID, and the amount of the gift.

*Transfer to: Farmers and Merchants Bank, 302 Pine Avenue, Long Beach, CA 90802, Fed Wire and ACH ABA #122201198, For credit to: Greater Horizons, Fbo Long Beach Account: 01-14642-4, and Contribution to: (Your Fund's Name)*

### TRANSFER OF STOCK, CORPORATE BONDS, OR OTHER MARKETABLE SECURITIES:

To process your contribution quickly, please alert LBCF and include your fund name, your six-digit fund ID, a description of the shares and the name of the brokerage firm.

*Transfer to: National Financial Services LLC, DTC #0226, For credit to: Greater Horizons, Account: #645-771593, Contribution to: Your fund's name and six-digit fund ID, A description of the shares, and The name of the brokerage firm*

If you would like to make a gift of restricted or closely-held securities or mutual funds, please call us for instructions.

The Donor understands that this is an irrevocable gift, which will be used to establish and maintain a charitable fund of LBCF, subject to LBCF's governing documents and bylaws. This DAF will be identified as a DAF during administration and distribution unless the Donor requests otherwise. LBCF 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 DAFs to either initially fund or add to this DAF.

## 6. ADDITIONAL INSTRUCTIONS

Please include any additional information.

## 7. SIGNATURE(S)

### FIRST FUND ADVISOR

Date \_\_\_\_\_

Printed Name \_\_\_\_\_

Signature \_\_\_\_\_

*(By typing your name above, you agree this serves as your binding signature to the Donor Advised Fund Policy & Terms of this agreement)*

### SECOND FUND ADVISOR (if applicable)

Date \_\_\_\_\_

Printed Name \_\_\_\_\_

Signature \_\_\_\_\_

*(By typing your name above, you agree this serves as your binding signature to the Donor Advised Fund Policy & Terms of this agreement)*

Date \_\_\_\_\_

Accepted by \_\_\_\_\_

*Long Beach Community Foundation*

**REFERRER INFORMATION** If someone referred you to LBCF, let us know so we can thank them.

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Email (optional)



## 8. DONOR ADVISED FUND POLICY & TERMS

### A. 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(s).
- The Fund is owned and controlled by a sponsoring organization such as LBCF.
- The Donor or Fund Advisors appointed by Donor expect to have the privilege of providing advice with respect to the fund's investments or distributions.

### B. MINIMUM FUND SIZE

The minimum gift to establish a DAF held at LBCF 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.

### C. CONTRIBUTING TO A FUND

Gifts to a Fund are irrevocable. The assets of the DAFs are owned and controlled by LBCF. 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. Direct IRA charitable rollovers to DAFs are not permitted, although they may be used to contribute to other types of funds at LBCF. Donors may elect to take their IRA distribution into income first, then make a charitable contribution of cash into their DAF. Contributions are subject to the LBCF's [Gift Acceptance Policy](#). All contributions should be clearly designated by the 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 LBCF, and subject to completion of our due diligence procedures. Donors considering a gift in any form other than cash should contact LBCF to discuss its appropriateness and to obtain delivery instructions.

### D. FUND ADVISORS

The initial advisors to the Fund are those persons named in the fund agreement. Fund Advisors may name family members, or others, as Successor Advisors. LBCF 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 [LBCF's Spending Policy](#) for permanent funds). Once all Successor Advisors named by the Donor, if any, are deceased or not able to serve, the Fund becomes an unrestricted fund, field of interest fund, or other fund depending on the specifications of the Donor.

If at any time a committee acts as advisors to the Fund, the committee will appoint a designee and all communications to and from LBCF will be through the designee. If no designee has been appointed, LBCF will consider the first advisor named in the agreement to be the designee.

### E. RECOMMENDING A GRANT

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

Fund Advisors may recommend grants to any organization described in Section 501(c)(3) of the Internal Revenue Code except grants to private foundations are not allowed. The Advisors may also recommend grants to most units of government (e.g., schools, colleges and universities, town and municipal governments, police departments, etc.). Organizations that administer their work in other countries are allowed as long as they have a US based 501(c)(3) organization to receive the grant.



Recommendations for grants from DAFs can be made two ways:

1. Submit an online grant recommendation at <https://lbcf.donor-portal.org/login>
2. Complete and submit an [LBCF Grant Recommendation Form](#)

Grants are generally disbursed within 7-10 days of receiving the request.

From time-to-time LBCF may bring to the Fund 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.

All recommendations are advisory in nature. LBCF may accept or reject recommendations. LBCF is not required to wait for recommendations before making distributions from the DAF.

## **F. GRANT RESTRICTIONS**

Please contact LBCF if you have specific questions about whether a grant you are considering recommending will result in a prohibited benefit. View [the Donor Advised Guidelines](#) found in this packet. Failure to observe the restrictions below can subject the Fund Advisor to tax penalties.

- The Internal Revenue Code prohibits grants to individuals from DAFs.
- 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. Benefits include grants for memberships, athletic programs, events, scholarships, pledges, religious and other programs, event tickets, meals, sponsorships, registration fees, discounted merchandise, preferred parking and/or seating, and memberships unless the membership confers nothing of value.
- Expense reimbursements, loans, compensation, and other similar payments are not permitted from a DAF to a Donor, Fund Advisor, or related party.
- Grants from DAFs, even for charitable purposes, to other types of nonprofit organizations (non-charities) or to businesses are not allowed. Examples of these types of non-allowable organizations 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.

## **G. 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."* 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 LBCF or the Advisor in exchange for the accompanying grant.

## **H. INVESTMENTS**

LBCF'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 LBCF's investment pools. These options are outlined on the [LBCF Investment Recommendation Form](#). The Fund Advisor may make recommendations to LBCF for investment of the Fund using LBCF's Investment Recommendation form in Section 3. All recommendations must be in writing.

The responsibility for managing the LBCF's investment program is vested in LBCF's Board of Directors through its Investment Committee. This committee works closely with staff and LBCF'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.

## I. INACTIVE FUNDS

As the legal owner of assets contributed to LBCF, LBCF is responsible for ensuring that funds are used for grantmaking exclusively for charitable purposes, and do not confer any private benefit on the Donor or any other person. With DAFs, LBCF works with the Donor and/or Donor Advisor(s) to determine when grants will be made from those funds.

*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 prevails. A Fund is considered active when there is regular communication between the Donor, Fund Advisor(s) (or named successors) and LBCF regarding the existence and purpose of the Fund. Examples of some of the activities that would deem a Fund active include, but are not limited to:

- *Regular Grant Recommendations* - Fund Advisor(s) regularly recommend grants 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 LBCF 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.* Fund 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 Fund Advisor expects his or her income to change.
  - To build a Fund over time so the Fund Advisor's children can make grants later (the idea being the Fund Advisor is leaving a charitable legacy for the next generation to administer).
  - When the Fund is invested in an illiquid or undervalued investment and the Fund 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 based on LBCF's conversations with the Donor and/or Fund Advisor(s).
- *Specific Occasion Grant.* Fund Advisor refrains from recommending grants for several years with the specific charitable goal of recommending a grant upon a specific occasion. Examples may include, but are not limited to:
  - Fund Advisor is incapacitated with no Successor Advisor(s) named so LBCF waits until the Donor's death to distribute the Fund according to the Donor's original intent on file with LBCF.
  - 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);
  - Original Fund Donor(s) who are also the Fund 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 LBCF 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 LBCF 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 LBCF determines such intent is obsolete, incapable of being fulfilled, impractical, or inconsistent with the community's charitable needs, then LBCF 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.

#### **J. TERMINATION**

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, funds will be used for general charitable purposes at the discretion of LBCF's Board of Directors with consideration of donor intent, unless there is a [Statement of Philanthropic Intent \(SOP\)](#) on file with LBCF.

#### **K. 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 LBCF, LBCF's Board of Directors 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.


#### **L. FUNDRAISING**

LBCF will not sponsor or assist with any fundraising or other events for any Fund and will not process event registrations or tickets or be responsible for any funds collected by a third-party or crowdfunding source. LBCF will only be responsible for purely charitable donations. Any advertising, promotional or other materials must be consistent with this policy and any additional fundraising guidelines published by LBCF.

## Donor Advised Fund Grant Guidelines

With a donor advised fund (DAF), you can support any 501(c)(3) public charity in the US, including governmental, educational, and religious institutions. Rest assured that the Long Beach Community Foundation (LBCF) will exercise due diligence to make sure grants from the fund are given to organizations that have met the 501(c)(3) IRS requirements.

In some cases, LBCF may need to contact you and/or the suggested grant recipient for additional information before approving the grant. Following these guidelines will help expedite LBCF's approval process.



**Helpful Tips**  
for using a charitable  
giving account

### Grant Suggestions, Recommendations and Requests

Grants from a DAF must be made to charitable organizations. When making a grant, you may see the terms grant suggestion, recommendation, and/or request. This is because LBCF technically owns the assets in the fund, and any grant suggestions are subject to review and approval by LBCF. However, LBCF makes every effort to approve all grant suggestions that are made in accordance with IRS regulations.

### Grant Suggestion Form

The LBCF grant suggestion form will ask you to agree to the following Terms of Agreement: *To ensure fund activity follows IRS rules, I agree that every penny of this grant will be used for a charitable purpose, and neither I nor anyone I know will receive anything more than a coffee mug or other incidental benefit in return.*

### Memberships

You may use a DAF to cover the cost of a membership if the charity confirms that the full cost is 100% tax deductible. You may also use a DAF to cover the cost of a membership if your grant suggestion states that you waive the more than incidental benefits related to the membership.

Here are examples of incidental membership benefits that you can receive in exchange for a grant from a DAF:

- Free admission to all exhibits
- Discounted or free parking
- Discounts at the gift shop
- Preferred access to special ticketed events where you pay for tickets separately
- Invitations to members-only exhibits
- Low-cost items, such as a newsletter, calendar, key chain or coffee mug

### Athletic Funds

You may use a DAF to support a college or university athletic program if your grant suggestion states that you waive all benefits, including priority seating at athletic events, ticket rights, or points.



## Events

You may use a DAF to make grants to charities in support of their events, but here are a few things to keep in mind:

### *Tickets, Tables and Sponsorships*

The full cost to attend events (both the tax-deductible and non-tax-deductible portions) must be paid from your personal bank account. You may pay any remaining sponsorship costs from a DAF, as long as you do not receive more than an incidental benefit in return. Logo or name recognition in event materials is not considered more than an incidental benefit. When submitting a grant request for a sponsorship, please note in your grant suggestion that you will cover the full cost of the tickets or table separately.

Here is an example of what you can pay from a DAF for an event: A \$5,000 event sponsorship includes a table for 10 and your name or logo in event materials. If the lowest ticket price to attend the event is \$100, you will pay \$1,000 for the table personally from your bank account ( $\$100 \times 10$  seats at the table) and you can use the DAF to cover the remaining \$4,000.

Keep in mind the amount that can be paid from a DAF is not always the tax-deductible amount published by the charity. LBCF staff can help you calculate what portion of the event sponsorship can come from the DAF based on the benefits received. If you choose not to accept any benefits associated with a sponsorship, the entire amount may be paid through the fund.

### *Raffles and Auctions*

You may use a DAF to support fund-a-need calls for donations at charitable events, but you may not use a DAF to purchase raffle tickets or auction items.

## Scholarships and Tuition

You may use a DAF to support a scholarship program administered by a 501(c)(3) public charity or educational institution, but you may not earmark dollars to assist a specific individual.

## Mission Trips, Races, and Other Donations in Honor of Individuals

You may make a contribution to a 501(c)(3) public charity or religious institution in honor of an individual as long as the charity exercises complete discretion and control over the donation.

LBCF understands that many donations do not provide a direct benefit to an individual but are in recognition of an individual's fundraising efforts. Therefore, when submitting grants in honor of individuals, please explicitly state that the donations are "in honor of [individual's name]." For example, *In honor of John Smith's Mission Trip* or *In honor of Jane Smith's 5k Race Team*.

## Pledges and Commitments

You may use a DAF to fulfill commitments to 501(c)(3) public charities. However, Treasury and the IRS prohibit using the term "pledge" on grant checks or related correspondence. Instead, please reference "donation" or "gift" in your grant suggestion.



## Statement of Philanthropic Intent

Fund

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_ 2022, between \_\_\_\_\_ ("Donor"), and the Long Beach Community Foundation ("Foundation"), a California nonprofit corporation, is as follows:

The purpose of this agreement is to define the charitable purposes of the \_\_\_\_\_ ("Fund"), a Donor Advised Fund of the Foundation. From time to time during the Donor's lifetime, the Donor may provide additions to the Fund and request that contributions be made from the Fund to specific charitable organizations as provided for in the Fourth section of the "Instrument of Gift."

The Fund has been designated as the charitable beneficiary of the Donor's \_\_\_\_\_ (Trust/Account or Other Designating Instrument). Upon the death of the Donor, the Fund shall become an endowed Fund subject to the spending policy for permanent funds adopted from time to time by the Foundation's Board of Directors, thus limiting annual grant distributions to a grantable amount. *Please consider including the LBCF Community Impact Fund, used to make discretionary grants in the community, and/or the LBCF Operating Endowment, used to support Foundation operations, in your distribution.*

The grantable amount from the Fund shall be distributed by the Foundation annually as follows:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Donor reserves the right to modify or change any of the above allocations to accommodate changes of charitable interest. Any such changes must be made in writing. Upon the Donor's death, all allocations shall remain intact as last written except as noted below.

The Foundation shall charge the Fund to the extent sufficient, for reasonable and proper compensation for services and expenses. The fee shall at all times be consistent with other component funds in the same category.

If the balance in the Fund is less than the minimum balance to create a new Fund with the Foundation, the balance in the Fund will be fully distributed within a one-year period to the beneficiaries named above in the respective percentage allocations herein designated.

If, in the sole judgment of the Board of Directors of the Foundation, 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 Foundation's Board of Directors shall modify any restriction or condition on the use or distribution of the income and principal of the Fund consistent with the Instrument of Gift that created the Fund.

This agreement will be incorporated by reference as an attachment to the Instrument of Gift that created the Fund, originally executed by the Donor and Foundation on \_\_\_\_\_, 2022.

FOUNDATION:

By: \_\_\_\_\_  
Marcelle Epley  
President & CEO

DONOR:

By: \_\_\_\_\_  
Printed Name \_\_\_\_\_