Donor Advised Fund Agreement

1 World Trade Center, 8th Floor Long Beach, CA 90831 | (562) 435-9033 | www.longbeachcf.org

Welcome!

Marcelle Hope Epley | *President & CEO*
marcelle@longbeachcf.org

Tara Sievers | *Donor & Community Relations Manager*
tara@longbeachcf.org

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

Your Partners in Philanthropy since 1996

DONOR ADVISED FUND (DAF) AGREEMENT PACKET

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LONG BEACH
COMMUNITY
FOUNDATION

PART ONE

FORMS

NAME YOUR FUND

_____

Your fund name will appear on grant checks. You may choose a family name (e.g. "Jones Family Fund") or remain anonymous ("Pay it Forward Fund").

FUND ADVISORS

Fund Advisors make grant recommendations and changes to the investment strategy of the fund.

FUND ADVISOR

☐ Mr. ☐ Mrs. ☐ Ms. ☐ Dr. ☐ Mx. ☐ Other _____

First Name | Middle Initial | Last Name

Preferred Name or Nickname | Date of Birth | Occupation

Address: ☐ Home ☐ Work | City | State | Zip

Phone: ☐ Home ☐ Work ☐ Mobile | Email Address

FUND ADVISOR (optional)

If more than one Fund Advisor is named, each can independently make grant recommendations and changes to the investment strategy of the fund.

☐ Mr. ☐ Mrs. ☐ Ms. ☐ Dr. ☐ Mx. ☐ Other _____

First Name | Middle Initial | Last Name

Preferred Name or Nickname | Date of Birth | Occupation

Address: ☐ Home ☐ Work | City | State | Zip

Phone: ☐ Home ☐ Work ☐ Mobile | Email Address

PROFESSIONAL ADVISOR (optional)

If working with a Professional Advisor, you can provide them view-only access to your fund.

☐ Accountant ☐ Attorney ☐ Financial Advisor

Professional Advisor Name | Firm Name

Phone Number | Email Address

SUCCESSOR ADVISORS

Successor Advisors make grant and investment recommendations after the Fund Advisors are no longer able or willing to do so. If you do not wish to name a Successor Advisor, please complete a Statement of Philanthropic Intent (SOPI) on page 9.

If the fund ceases to have any Fund Advisors or Successor Advisors affiliated with the fund and if there is no SOPI on file, the fund will be used for general charitable purposes at the discretion of the LBCF Board of Directors.

SUCCESSOR ADVISOR

☐ Mr. ☐ Mrs. ☐ Ms. ☐ Dr. ☐ Mx. ☐ Other _____

First Name | Middle Initial | Last Name

Preferred Name or Nickname | Date of Birth | Relationship to Fund Advisor

Address: ☐ Home ☐ Work | City | State | Zip

Phone: ☐ Home ☐ Work ☐ Mobile | Email Address

SUCCESSOR ADVISOR (optional)

☐ Mr. ☐ Mrs. ☐ Ms. ☐ Dr. ☐ Mx. ☐ Other _____

First Name | Middle Initial | Last Name

Preferred Name or Nickname | Date of Birth | Relationship to Fund Advisor

Address: ☐ Home ☐ Work | City | State | Zip

Phone: ☐ Home ☐ Work ☐ Mobile | Email Address

ADDITIONAL INSTRUCTIONS

Please include additional information here.

LONG BEACH COMMUNITY FOUNDATION

INVESTMENT RECOMMENDATION FORM

Name of Fund

There are three (3) options for your Fund's investments. Please review these options then indicate your selection here. After reviewing your options, be sure to complete the information pertaining to your selection and sign the terms agreement at the end of this form.

- ☐ OPTION 1: Long Beach Community Foundation Investment Pools
- ☐ OPTION 2: Long Beach Community Foundation Investment Pools with an emphasis on environmental, social and governance (ESG) factors
- ☐ OPTION 3: Financial Advisor Managed Account

OPTION 1 LBCF Investment Pools

The assets in the Fund will be invested in Long Beach Community Foundation's (LBCF) Investment Pools.

Select a mix from the options listed below or create your own mix.

MORE RISK
LONG-TERM GOALS
LOWER SPENDING RATE

LESS RISK
SHORT-TERM GOALS
HIGHER SPENDING RATE

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

*combined total
Must equal 100%

LONG BEACH COMMUNITY FOUNDATION

INVESTMENT RECOMMENDATION FORM

OPTION 2 LBCF Environmental, Social and Governance Investment Pools

The assets in the Fund will be invested in LBCF's Investment Pools with an emphasis on ESG factors.

PRE-SELECTED	CUSTOM ESG MIX
If you wish to use a pre-selected investment mix, follow the two steps below.	If you prefer to create your own mix, complete the Custom Mix table with the percentages of each pool you wish to include.

PRE-SELECTED

Step 1: Select your risk tolerance.

More Risk: Long-Term Goals, Lower Spending Rate ← → **Less Risk:** Short-Term Goals, Higher Spending Rate

AGGRESSIVE	MODERATELY AGGRESSIVE	MODERATE	CONSERVATIVE
77% Equity *20% Fixed Income* *3% Money Market*	*60% Equity* *35% Fixed Income* *5% Money Market*	*40% Equity* *50% Fixed Income* *10% Money Market*	*20% Equity* *60% Fixed Income* *20% Money Market*
☐	☐	☐	☐

Step 2: Choose an ESG option for the equity allocation.

- ☐ SOCIAL IMPACT: The Social Impact Pool invests in organizations that are treating employees and customers fairly and are creating opportunities for the least advantaged. Additionally, the Pool focuses on investment managers from groups that have been traditionally excluded from the asset management industry.
- ☐ ENVIRONMENTAL IMPACT: The Environmental Impact Pool invests in organizations that are best positioned to address and cope with rising climate risks by reducing carbon emissions, conserving resources, and adopting environmental policies.
- ☐ BROAD ESG IMPACT: The Broad ESG Impact Pool invests in organizations that tackle global challenges through commitments to environmental action, diversity and inclusion, and good governance.

CUSTOM ESG MIX

Build your own custom mix with these ESG Pools. The combined total must be equal to 100%.

Investment Pools	%
Social Impact (70% U.S. Stock / 30% Foreign Stock)	%
Environmental Impact (70% U.S. Stock / 30% Foreign Stock)	%
Broad ESG Impact (70% U.S. Stock / 30% Foreign Stock)	%
Domestic Equity (100% U.S. Stock)	%
International Equity (100% Foreign Stock: 75% Developed Markets / 25% Emerging Markets)	%
Intermediate-Term Fixed Income	%
Short-Term Fixed Income	%
Money Market	%

OPTION 3 Financial Advisor Managed Account (upon LBCF approval)

The assets in the Fund will be invested separately in a financial advisor managed account on your advisor's platform. Your financial advisor will have online access to view your Fund information in Long Beach Community Foundation's donor portal, including balance, contribution and grant history, and will make investment selections for your Fund on your behalf. *Long Beach Community Foundation will contact your financial advisor to set up the investment account. A Fund Advisor or family member may not be named as the Fund's financial advisor.*

Professional Advisor Name _____ Firm Name _____

Address _____ City _____ State _____ Zip _____

Phone Number _____ Email Address _____

☐ Check here to authorize your financial advisor firm to communicate your grant requests to LBCF.

TERMS & REQUIRED SIGNATURE(S)

If LBCF does not receive an investment recommendation for the Fund, assets will be held in the Money Market Pool.

For assets in LBCF's Investment Pools: Allocations are rebalanced to targets once a month. In the interim, cash coming into the Fund will be held in the Money Market Pool. The responsibility for managing LBCF's investment program is vested in LBCF's Board of Directors through its Investment/Finance Committee. The percentages in the mix options may change from time to time upon Investment/Finance Committee review. For additional details regarding investment mixes and pools, refer to longbeachcf.org/about/financials to view the Investment Performance Summary and the Supplemental Report.

For assets in a financial advisor managed account: The assets in the Fund will be managed directly by the named financial advisor on a discretionary basis, until such time that LBCF 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 Fund advisor(s)' charitable objectives. LBCF will regularly review the financial performance of this Fund.

As required by IRS regulations:

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

Signature _____ Printed Name _____ Date _____

Signature _____ Printed Name _____ Date _____

LONG BEACH COMMUNITY FOUNDATION

STATEMENT OF PHILANTHROPIC INTENT

(OPTIONAL)

FUND NAME

_____

Name of Fund

THIS AGREEMENT, made this _____day of _____ 20_____, 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 serving the current needs of Long Beach, and/or the LBCF Operating Endowment, used to support LBCF operations, in your distributions.*

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 _____, 20_____.

FOUNDATION:

By: _____

Marcelle Hope Epley, President & CEO

DONOR:

By: _____

Print Name: _____

LONG BEACH COMMUNITY FOUNDATION

FUND AGREEMENT

CONTRIBUTION

I/we _____ (the "Donor(s)")

hereby irrevocably give _____ (dollar amount or asset description)

to Long Beach Community Foundation (the "Foundation"), 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.

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 (available upon request).

ADVISORS

The individuals noted in the Fund Information Form will serve as Advisors to the Donor Advised Fund.

Upon the death, incapacity, or other disqualification of the last of the Advisors, the individual(s) noted as Successor Advisors in the Fund Establishment Form will serve as Successor Advisor(s) to the DAF.

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 or first Successor Advisor listed in the Fund Establishment Form.

At such time as the Donor Advised Fund ceases to have any Advisors, or Successor Advisors and if a Statement of Philanthropic Intent is not on file with Long Beach Community Foundation, the fund will be used for general charitable purposes at the discretion of the Foundation's Board.

DISTRIBUTIONS

☐ **This is NOT an Endowed Fund.**

The Foundation welcomes recommendations from Advisors about distributions from the income and principal of the Donor Advised Fund.

☐ **This is an 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 will independently determine whether recommendations it receives are consistent with the Foundation's charitable purposes. 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.

FEES

The Foundation will assess administrative and investment management fees against the Donor Advised Fund in accordance with the Foundation's published fee schedule, as amended from time to time. The Foundation may also assess the fund to cover any unusual expenses incurred in connection with the contributed assets, including the cost of disposing of them, and in the administration of the Fund.

INVESTMENTS

The assets of the Fund shall be invested according to the Foundation's investment policy, as it may be amended from time to time by the Foundation's Investment/Finance Committee with the approval of the Board.

The Foundation maintains investment pools with varying risk and return objectives. These pools are described in the Investment Recommendation Form. All investment options are reviewed and approved by the Foundation's Investment/Finance Committee and may change from time to time as the Committee determines. You may make recommendations to the Foundation for investment of your Fund in one or more of these pools. All recommendations must be in writing.

By signing below, you agree this serves as your binding signature to the Donor Advised Fund Policy, Fund Agreement Terms and Grant Guidelines.

_____ Fund Advisor

_____ Signature

_____ Fund Advisor (optional)

_____ Signature

Date: _____

Accepted:

_____ Long Beach Community Foundation

_____ Signature

Date: _____

LONG BEACH
COMMUNITY
FOUNDATION

PART TWO

REFERENCES

ADMINISTRATIVE FEES

- Fees are deducted from all funds monthly on a prorated basis. Minimum Fee = $300 Annually ($25 per month)
- 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.

Fee Structure (Tiered Rates Applied Only to the Amount Within Each Band)

- $1 – $1,000,000: 1.25%
- $1,000,001 – $2,500,000: 1.00%
- $2,500,001 – $5,000,000: 0.75%
- Above $5,000,000: Quoted rate

POLICY AND TERMS

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 Long Beach Community 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. 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

Some 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.

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.

Fund 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. At such time the fund ceases to have any advisors or successor advisors, it will be used for general charitable purposes at the discretion of the Foundation without consideration of advice or recommendation from an advisor unless there is a Statement of Philanthropic intent on file.

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 that the Foundation does not make grants to private foundations. 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-based 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 are made through the LBCF GoFund portal.

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, or 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." 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.

FUNDRAISING

Donors sometimes want to raise money to add to their advised funds. Fundraising must be approved by Long Beach Community Foundation in advance and adhere to any restrictions imposed as a condition of the Foundation's consent.

INVESTMENTS

The Foundation has the sole responsibility and authority for the investment of the assets of each Donor Advised Fund. Decisions with respect to the retention, investment, or reinvestment of assets and with respect to commingling of assets shall be made by the Foundations Investment Committee. Donor Advised Funds are customarily invested and commingled with the assets of other funds of the Foundation.

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. Investment recommendations are made using the LBCF Investment Recommendation Form and must be in writing.

FEES AND MINIMUMS

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 .15%

INACTIVE FUNDS

A fund is deemed inactive if:

- The fund advisor dies or resigns or evidence of his or her incapacity is provided to the Foundation, and if no successor advisor has been named.
- All named successor advisors are unable or unwilling to serve as such.
- No recommendations are made with respect to grants from the fund for a period of three years and, during such period, the advisor or successor advisor does not reply to the Foundation's attempts to contact them.
- The Foundation reviews grant activity on an annual basis. After one year of inactivity, the Foundation will contact the donor by phone or email and a letter will be sent to the address on file. The Foundation may distribute a list of community projects to the donor as suggested recommendations. After two years of inactivity, the Foundation will again contact the donor by phone or email and a letter will be sent to the address on file. The donor will be reminded of the Foundation's fund activity policy.
- If the fund becomes inactive, the Foundation will deem the advisory period to have ended and will initiate distributions from the fund in accordance with the provisions of the fund agreement. These distributions could include grantmaking to qualified grant recipients that align with donor intent demonstrated in previous grant distributions, asset transfer to a grantmaking fund of the foundation or any other distributions in accordance with the provisions of the fund agreement and Foundation policies. If those provisions are incomplete, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served, the Foundation may exercise its variance power to direct these resources to meet the needs of the community.

FUND ACTIVITY AND EXCEPTIONS

Exceptions may be made in certain inactive fund scenarios, such as:

1. **Developing a Philanthropic Program:** Fund Advisor makes a substantial contribution to donor advised fund, for example, upon the sale of their business, and then refrains from recommending grants for an initial period while consulting with the sponsoring charity and/or doing research to determine what types of grants would best meet community needs and/or their philanthropic goals. This period is not to exceed two years.
2. **Long-Term Giving Plan:** Donor/Fund Advisor deliberately reduces the frequency or size of grant recommendations from fund, to:
    a. Build the fund balance to ensure grantmaking during retirement and/or when income changes.
    b. Build the fund balance to leave a charitable legacy for the next generation to advise. This period is not to exceed two years.
    c. Grantmaking is deferred for a set period in order to make a larger grant or grants for a specific project.
3. **Starter "Acorn" Fund:** Donor plans to build the fund balance over time according to LBCF policies. Typically, no distributions are made until the fund balance reaches the minimum amount and timeframe stated in the fund agreement and foundation's policies.
4. **Asset transition:** The Fund Advisor defers recommending grants while DAF assets are illiquid (such as real estate or restricted stock). LBCF will document steps being taken to liquidate assets and establish the fund's grantmaking ability.
5. **Legal Issues:** In some cases, legal issues may require suspension of grantmaking from a Fund until resolution. LBCF will document steps being taken toward clarifying advisory authority and the fund's grantmaking ability. Examples might include:
    a. Donors/Fund Advisors are in the process of divorce. Grants may be suspended until the fund's status is resolved.
    b. Assets are being transferred to the fund during an estate settlement process; grants will not be made until the estate is fully settled.
6. **Other Issues:** Other exceptions to this Fund Activity Policy made for an individual fund must be approved by the Foundation's President/CEO and documented in the Fund record.

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 fund, if the donor(s) or successor-advisor(s) have specified in a Statement of Philanthropic Intent one or more broad fields of interests for the fund.

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 the following guidelines will help expedite LBCF's approval process.

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.

NO INCIDENTAL BENEFIT ACKNOWLEDGMENT

When suggesting a grant from your fund, you will be required to acknowledge that your grant will be used for charitable purposes in accordance with IRS guidelines. These guidelines include prohibiting a donor from receiving personal benefits including tickets or tables to events.

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.

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.

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 × 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.

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.

We offer several easy ways to contribute to your fund:

CHECK

Make checks payable to the Long Beach Community Foundation, noting your fund name on the memo line.

Mail check to:

Long Beach Community Foundation

1 World Trade Center, 8th Floor,

Long Beach, CA 90831

CREDIT/DEBIT CARD

Visit our website to make a secure contribution via credit or debit card, to any fund held at LBCF. Applicable credit card fees will be assessed.

Go to: longbeachcf.org/donate

ELECTRONIC WIRE TRANSFER OF CASH

Please alert Tara Sievers via email (tara@longbeachcf.org) that you will be making a transfer.

Include your name, $ amount and note the fund name you are donating to.

Transfer to:

Farmers and Merchants Bank
302 Pine Avenue
Long Beach, CA 90802

Fed Wire and ACH ABA #122201198
For credit to: Long Beach Community Foundation
Account: 01-13313-6
Contribution to: (Your Fund's Name)

TRANSFER OF STOCK, CORPORATE BONDS OR OTHER MARKETABLE SECURITIES

Please see following page for instructions.

OTHER ASSETS

Contact us to discuss a donation of real estate, life insurance policies or other assets.

STOCK IN A BROKERAGE ACCOUNT

STEP 1: Contact your broker to have the stock transferred to:

Long Beach Community Foundation
Corporate Nonprofit Tax ID: 20-5054010

Milagros Manipon
Farmers and Merchants Bank
302 Pine Ave, Long Beach, CA 90802
(562) 485-3463

Firm Name: FIS Wealth Outsourcing/Reliance Trust Company
DTC #5409
Account: #74-2082-01-9 Farmers and Merchants Trust Company
Further credit to: 82-71-0225-01-2 Long Beach Community Foundation

STEP 2: Complete the "Authorization for Transfer of Gift Securities" form.

Email to:

Tara Sievers	Milagros Manipon	F&M Trust Company
tara@longbeachcf.org	milagros.manipon@fmb.com	trustoperations@fmb.com
562-435-9033	562-485-3463	562-436-5048

STOCK CERTIFICATE IN YOUR NAME

Deliver

The stock certificate with a guaranteed stock power + A signed "Authorization For Transfer of Gift Securities" form

To: Farmers and Merchants Trust Company
Attn: Transfers
302 Pine Ave 2nd Floor
Long Beach, CA 90802

The value of your donation will be the median price of your stock on the date the stock transfers to the Long Beach Community Foundation or the date you deliver the stock certificates to the bank.

Tax ID#: 20-5054010

LONG BEACH COMMUNITY FOUNDATION

AUTHORIZATION FOR TRANSFER OF GIFT SECURITIES

Brokerage/Firm where shares are held:

_____
Firm Name

_____ _____
Phone Number Email

_____ _____
Name on Account/Donor Name Account Number

Please be advised, I(we) intend to make a gift of stock via book entry to the Long Beach Community Foundation: to be credited to the

_____fund.

Name of Stock	Number of Shares	Ticker Symbol

Deliver to:

Firm: FIS Wealth Outsourcing/Reliance Trust Company

DTC #5409

Account: #74-2082-01-9 Farmers and Merchants Trust Company

Further credit to: 82-71-0225-01-2 Long Beach Community Foundation

Sincerely,

_____ _____
Account Holder Signature Date

For questions regarding this transfer request, please contact:

Rachel Gallito, F&M Trust Company
Rachel.gallito@fmtrust.com
562-485-3452