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GUIDELINES FOR ADMINISTRATION OF TEMPORARY DONOR-ADVISED FUNDS

I. ESTABLISHMENT AND PURPOSE OF TEMPORARY DONOR-ADVISED FUNDS

The Community Foundation for Monterey County (hereinafter, "Foundation") has adopted the following procedures for the administration of Temporary Donor-Advised Funds. The Board of Directors may amend these procedures from time to time as necessary.

Temporary Donor-Advised Funds can be created by the donation of money or property by an individual, corporation, foundation, or charitable organization, by gift, will, or devise, to carry out the general charitable purposes of the Foundation, as set forth in its Articles of Incorporation.

The purpose of Temporary Donor-Advised Funds is to permit the involvement by donors in the charitable activities and interests of the Foundation. They are designed to stimulate meaningful exchange of ideas between donors and the Foundation, and to supplement and increase the impact of the general charitable activities of the Foundation.

Every Temporary Donor-Advised Fund is the property of the Foundation as a component fund in its corporate capacity. The Foundation has the ultimate authority and control of all property in such funds, and the income from them, for the charitable purposes of the Foundation. Each fund may be recorded on the Foundation's accounts with any name or designation chosen by the donor.

II. ACCEPTANCE OF FUNDS

The President/CEO of the Foundation (and any such additional officers or employees as may be designated by the Board of Directors) have the authority to accept, on behalf of the Foundation and with the approval of the Executive Committee, contributions to create or add to a Temporary Donor-Advised Fund. A donor may not impose any material restriction or condition that prevents the Foundation from freely and effectively employing the contributed assets, or the income from those assets, in furtherance of a charitable purpose of the Foundation.

The Foundation will not place a value on property or assets contributed to establish a Temporary Donor-Advised Fund. The Community Foundation will use an independent third party to prepare appraisals on donated property for its own use.

III. INVESTMENT OF ASSETS/MANAGEMENT FEES

The Foundation has the sole responsibility and authority for investment of the assets of each Temporary Donor-Advised Fund. Because the net proceeds from the original gift amount, net of fees, are expected to be paid out relatively quickly, the Fund will generally be held in a cash account.

The Foundation will assess each Temporary Donor-Advised Fund a fee of \$500 or 2% of the amount of the Fund, whichever is greater. This fee will be assessed at the date of establishing the Fund, and if the Fund is still in existence 12 months following the date of establishment of the Fund, the fee will be assessed again on any amounts remaining in the Fund. If additional gifts are made into the Fund or there is a balance remaining after the initial 24 months, the fee will continue to be assessed on an annual basis.

No fee will be assessed against amounts granted to other funds of the Community Foundation.

All Temporary Funds will be held in a Money Market account and any earned income will be credited to the Fund.

IV. GRANTS FROM TEMPORARY DONOR-ADVISED FUNDS

A. General Policy

The Board of Directors has the right to make all grants from Temporary Donor-Advised Funds. The donor of a Temporary Donor-Advised Fund (or his or her designee, as explained below) may recommend to the Foundation grants from the Fund which are consistent with the general giving program of the Foundation. The Foundation will consider and evaluate all such recommendations, and they will normally be approved if the grantees are within the broad program areas supported by the Foundation.

B. Donors and their Designees

Grant recommendations will be made by donors and/or their designees. When an individual creates a Temporary Donor-Advised Fund, the donor/s (and only the donor/s) may designate a person or persons other than the donor/s to exercise the grant recommendation privilege. This privilege will continue only during the lifetime of the donor/s, unless it is terminated earlier as described below.

Normally, the privilege of making recommendations is limited to the donor/s (acting as an individual or family) and the donor's designee, if any. These recommendations may be made separately or jointly. The grant recommendation privilege terminates with either (1)

the death of the donor/s; (2) written notice to the Foundation of resignation or release; or (3) a finding by the Foundation that the person or persons involved are not available or not competent to exercise the privilege.

If persons other than the donor/s make recommendations, such as a service club or organization, for example, the Foundation may require those persons to designate one person to act for them in submitting recommendations of the group to the Foundation. In the case where multiple family members are involved as donors, the Foundation may also require a single person to make grant recommendations for the family, if the family chooses the joint recommendations option when the Fund is established.

C. Charitable Needs – Staff Investigation

The Foundation is constantly assessing the charitable needs of the community. Through the Annual Report, newsletter, and other means, the Foundation will inform donors of these needs and encourage them to consider such needs when they make their recommendations for grants.

Donors may make recommendations for grants that do not fall within the current priorities of the Foundation, and such recommendations will be evaluated fully by the Foundation's staff to determine their appropriateness. The staff will confirm the tax-exempt status of the proposed grantee, its current activities, and its ability to use the proposed grant for the intended purpose. The staff will then report these findings to the Board of Directors at a regular meeting of the Board, and the Board will act upon them. If the staff determines that a recommendation for a grant does not fall within the charitable purposes of the Foundation or is not appropriate for any other reason, the donor will be advised that the recommendation does not meet the standards for approval.

All grants from Temporary Donor-Advised Funds will identify to the grantee the name of the Fund from which the grant is being made, unless otherwise requested by the donor.

V. LIMITATIONS

The minimum amount required to establish a Temporary Donor-Advised Fund is \$10,000 for funds invested at the Community Foundation.

In general, only funds of \$200,000 or more will be considered for separate investment management, and only by professional, third party investment advisors. The Board retains full authority to change management of these funds at its sole discretion.

Unless otherwise approved by the Board, the minimum grant from a Temporary Donor-Advised Fund is \$2,000.

The Foundation will only make grants from Temporary Donor-Advised Funds for its charitable purposes, and no grant may be used to discharge or satisfy a legally enforceable pledge or obligations of any person, including the donor, the donor's spouse,

and the donor's designees, if any. The Foundation will not make grants from Temporary Donor-Advised Funds that are restricted for costs associated with tickets or with individual attendance at events, including galas, benefits, fundraisers, etc. Donors are encouraged to recommend unrestricted grants, program support grants, or capital grants to agencies they wish to support.

VI. REPORTS - EDUCATIONAL PROGRAM

Reports of grants from Temporary Donor-Advised Funds may be included in the Annual Report of the Foundation. The Foundation may also include a listing of such grants from time to time in its newsletter or elsewhere.

The staff of the Foundation will actively publicize to donors and other interested persons in the community the general characteristics of Temporary Donor-Advised Funds and their relationship to the charitable giving programs of the Foundation. This educational program will serve to acquaint the community with current charitable needs and worthy organizations, to demonstrate the Foundation's role as a professional grantmaking organization, to increase donor confidence in the Foundation's ability to serve the community, and to attract new donors.

VII. CONTINUITY OF FUNDS

Unless prior written approval has been obtained from the Board of Directors, the assets of a Temporary Donor-Advised Fund that has been inactive for a period of 24 months will automatically become unrestricted assets of the general funds of the Foundation. The Foundation will make every reasonable effort to maintain contact with donor advisors to keep the Funds active.