

**center for
nonprofit excellence**
COMMUNITY FOUNDATION FOR MONTEREY COUNTY

Demystifying Donor Advised and Other Fund Types at CFMC

March 27, 2024, 11:30 a.m. – 1:00 p.m.

Susie Polnaszek, Director, CNE
(she/her)

Reid Norris, Leadership Development Specialist, CNE
(he/him)



Presentation Purpose

Increase nonprofits' understanding of Community Foundation fund types and how to make the most of donor development opportunities.



Mission: To inspire philanthropy and be a catalyst for strengthening communities throughout Monterey County

Introductions

Ceci Romero

Director of Gift Planning
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Alisa Smith

Philanthropic Services Officer
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Laurel Lee-Alexander

Vice President of Community Impact
laurel@cfmco.org



Partner in Giving

The CFMC provides a bridge between people and local needs.

Types of Funds

- Affiliate Funds: E.g., SMCF, NMCF, CFCV
- Agency Funds: Endowed and Stewardship
- Designated Funds
- Donor Advised Funds
- Field of Interest Funds: E.g., SLF, Fund for Homeless Women
- Scholarship and Awards Funds
- Special Purpose Funds: E.g., MC Storm Relief Fund
- Unrestricted Funds



Donor Advised Funds

What is a DAF?

- Ready reserve for philanthropy
- Donor gets an immediate tax benefit
- Donor Advisor-CFMC/ due diligence

How is a DAF funded?

- Cash, publicly traded securities, stocks, crypto, real estate, etc.

How is a DAF established?

- Fund agreement with the CFMC
- Required Minimum: \$5,000
- Endowed/ Non-Endowed

Making the Most out of Donor Opportunities

Acknowledgement letters

Donor education: Planned giving,
complex gifts, DAFs

GuideStar/AG's office: make sure your
EIN, website, 990s, etc. are all up to date.

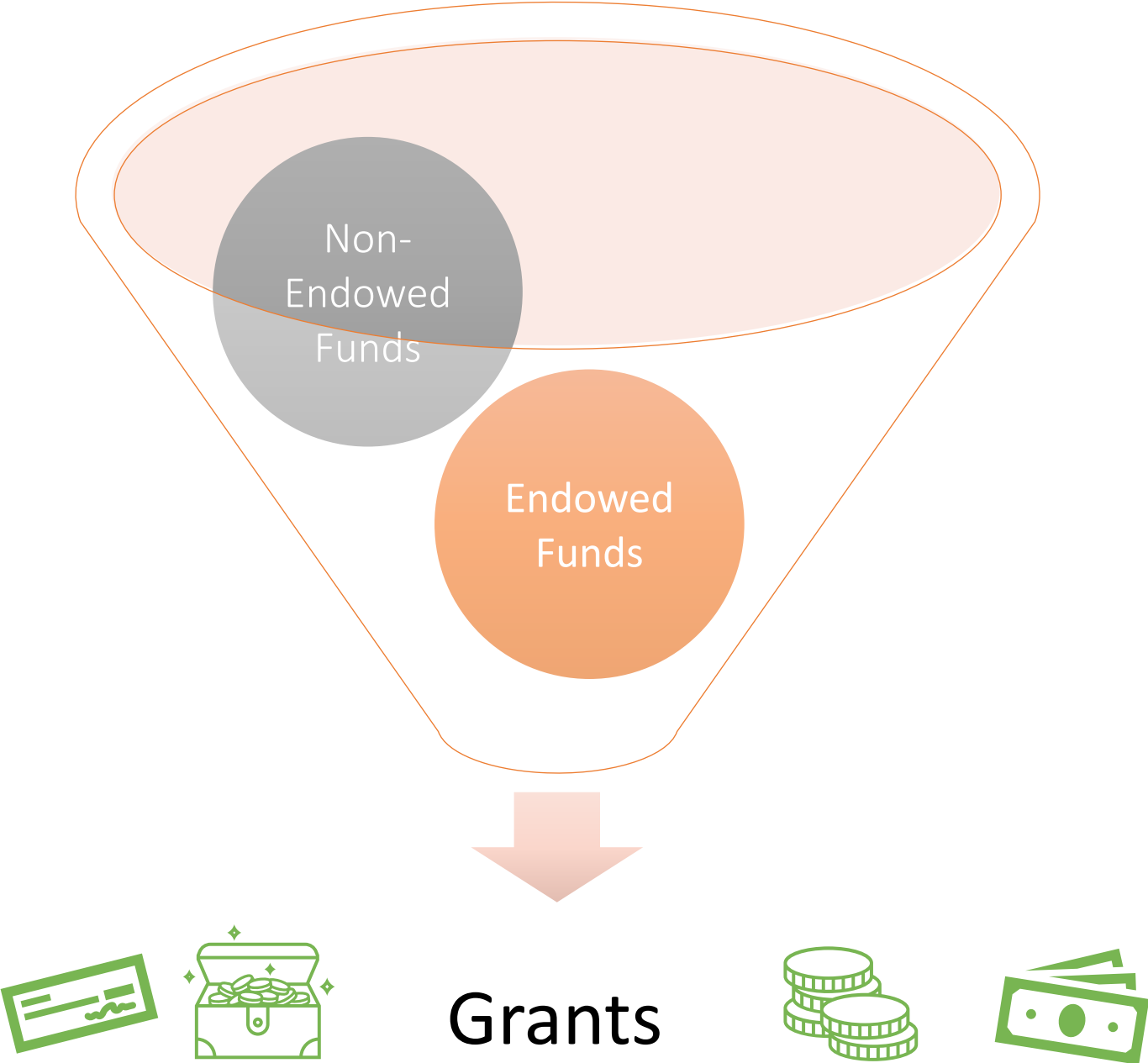
You are your best advocate

Sources for Non- Application based Grantmaking

Donor Advised Funds

Agency Funds

Donor Advised Funds



Grants

Due Diligence

Internal Revenue Service and
Franchise Tax Board

Alignment with CFMC
mission, vision, and values

Grant Purpose

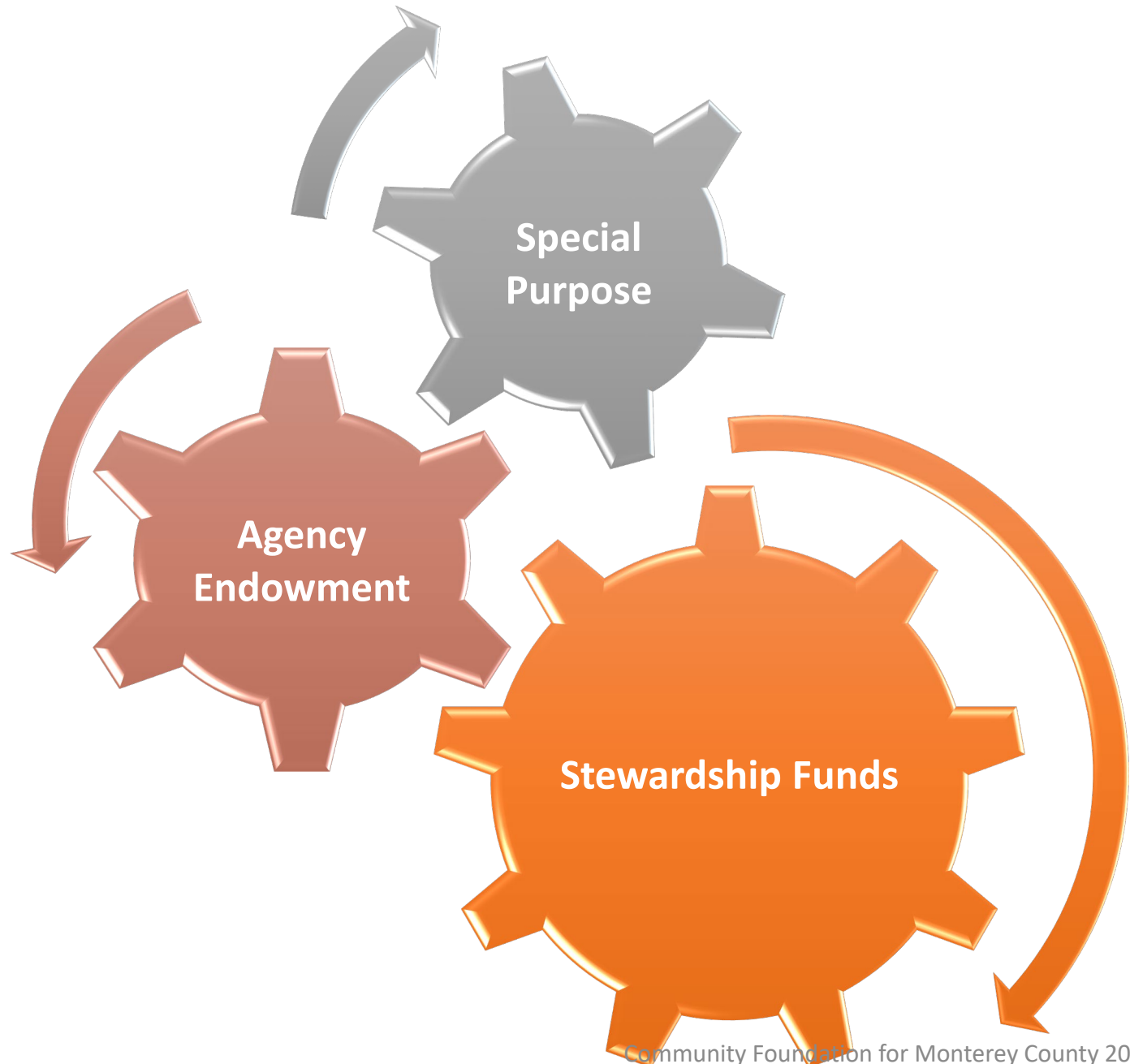
Grant Purpose

Allowable

- To a 501(c)(3) nonprofit
- Re-occurring
- Charitable Purpose

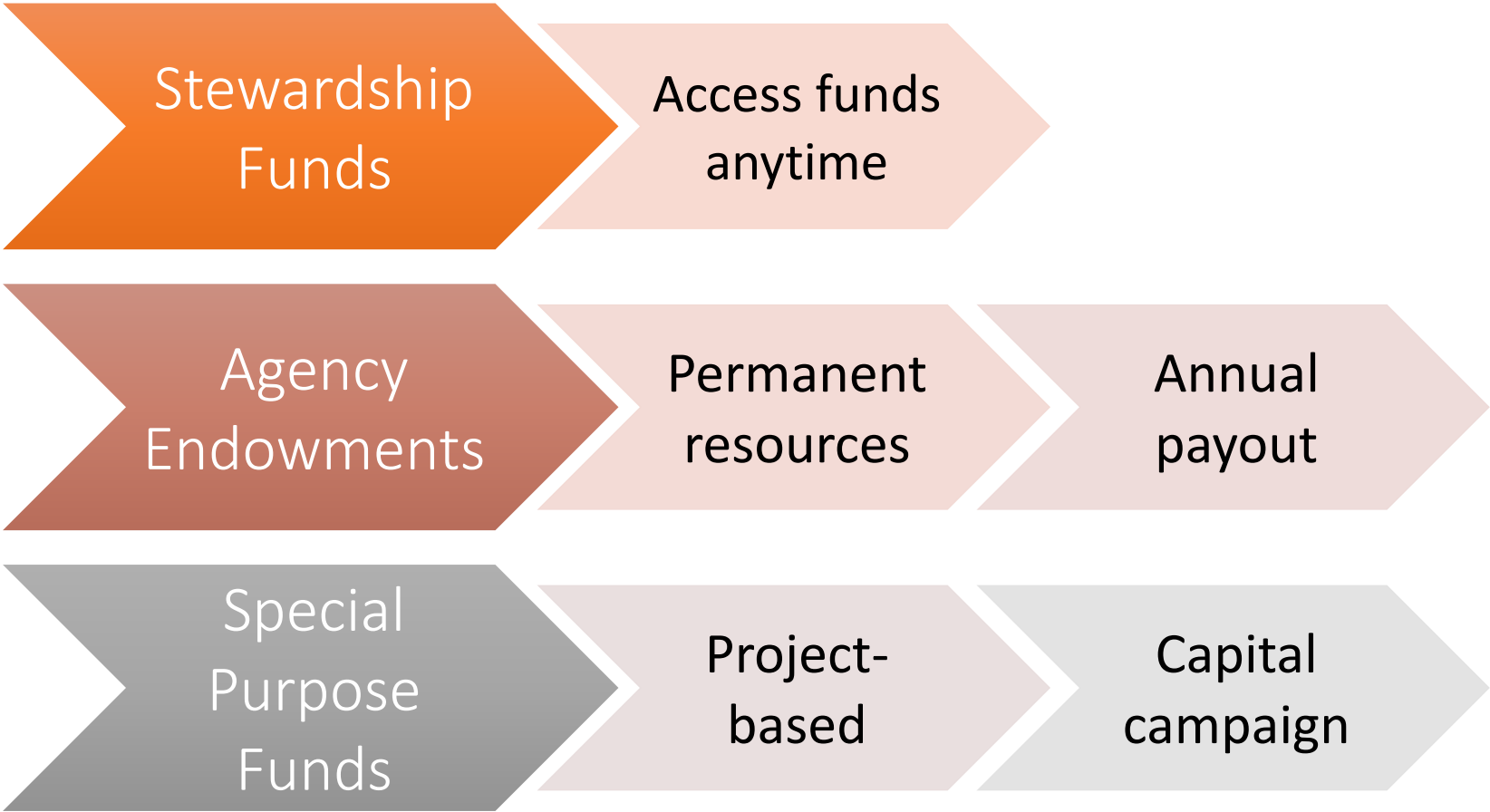
Not allowable

- To an individual or Private Foundation
- Benefits (memberships or tickets)
- Bifurcated Grants



Agency Funds

Agency Fund Differences



Sources for Application- based Grantmaking

Field of Interest Funds (52)

Unrestricted Funds (31)

Process for Determining Amount of Funding for Application- based Grantmaking

Each year, starting balances for each appropriate endowed fund are calculated.

Allocations are approved by the CFMC Board.

Example: \$50,000 for the Neighborhood Grants Program, \$150,000 Opportunity Fund.

Example: Monterey County Gives! Awards, Philanthropy Day Awards, grant for CFMC Distinguished Trustee to designate.

After specific allocations, the remaining balance is available for Community Impact grants.

Working with Fund Restrictions in Application- based Grantmaking

We check the starting balance ("available to spend") for each fund.

We review the purpose/specified program areas for each fund.

We allocate available funding to the appropriate program area, noting specific intentions ("Seniors on the Peninsula").

For funds with multiple areas of interest, we spread the available funds accordingly.

Specific Example: Matching a Field of Interest Fund with Application-Based Grantmaking

HISTORY

Kathleen and Howard Marks established the Marks Living Trust in January 1993 to benefit their two children.

Upon the termination of the trust (death of the settlors' child), the remaining trust estate was distributed to the CFMC in the form of a special fund to support:

- “community organizations and programs that provide services and/or support to the local elderly population and to animals (50% to each category).”



Specific Example: Matching a Field of Interest Fund with Application-Based Grantmaking

CFMC

- The establishing gift was \$320,000 and the fund was established in December 2004.
- The fund is a named Field of Interest Fund “to benefit the elderly and animals - fifty percent to each category.”



Specific Example: Matching a Field of Interest Fund with Application-Based Grantmaking

Restrictions:

- **50% of the available annual funding to Seniors**
- **50% of the available annual funding to Animals**

2023 Available Annual Funding: **\$20,333**

Grants were awarded to two nonprofits:

- **\$10,167** to Blind and Visually Impaired Center for: expansion of programs – noting majority of clients are seniors. (Total grant: \$15,000)
- **\$10,167** to SNIP (Spay Neuter Imperative Project) for: Low-cost mobile spay and neuter clinics. (Total grant: \$26K in 2023/\$50K over two years)



Community Foundation Contacts



Ceci Romero ceciliar@cfmco.org

- Establishing funds: Individual/Corporate/Agency
- Support as you work with your donors around their philanthropy



Alisa Smith alisas@cfmco.org

- Donor Advised grant thank you's
- Questions about existing Agency/Stewardship Funds



Laurel Lee-Alexander laurel@cfmco.org

- Navigating application-based grant opportunities
- Review the website first! cfmco.org/nonprofits/grants



Brian Thayer briant@cfmco.org

- Donor Advised grant thank you's
- Questions about existing Agency/Stewardship Funds

Nonprofit Seminar (Horan Lloyd)

Top Legal Compliance Issues for
Tax-Exempt Organizations
March 28 @ 12:00 pm - 1:30 pm

Register by 12 p.m. on March 27, 2024

To register, email
Alisa Balesteri
abalesteri@horanlegal.com



Virginia Howard



Sharla Klingel

More Opportunities

- *4/5 (AFP) Association of Fundraising Professionals Monterey Bay: Coffee Meet-up*
- *4/18 How DAF Donors are Giving Away Their Money (Chronicle of Philanthropy Webinar, \$)*

<https://www.cfmco.org/tag/fund-development/>