Greater Washington Community Foundation
1325 G Street, NW | Suite 480 | Washington, DC 20005

202-955-5890 | phone
202-955-8084 | fax

LOCAL OFFICES

District of Columbia
1325 G Street, NW | Suite 480 | Washington, DC 20005

202-955-5890 | phone
202-955-8084 | fax

Montgomery County
8720 Georgia Avenue | Suite 202 | Silver Spring, MD 20910

301-495-3036 | phone
301-495-3037 | fax

Prince George’s County
8181 Professional Place | Suite 275 | Landover, MD 20785

301-918-8480 | phone
301-918-8483 | fax

WWW.THECOMMUNITYFOUNDATION.ORG
**DONORS - WHY JOIN US?**

**Sound Asset Management** For more than 40 years, The Community Foundation has expertly managed millions of philanthropic dollars; we currently manage over $300 million in assets.

**Flexibility** Becoming a member of our donor family offers an easy way for you to accomplish your philanthropic goals. As our partner in giving, you receive the simplicity and tax advantages of a public charity combined with the personal recognition, involvement, and flexibility of a private foundation.

**Cost Savings** Each of our funds shares the costs of a knowledgeable, service-oriented staff and expert investment advisors.

**Convenience** We make charitable giving easy. Using our website, donors can recommend grants, receive contributions to the fund, and check fund balances 24 hours/day. The Community Foundation performs due diligence on nonprofit organizations, issues grant checks and award letters, and issues quarterly fund activity reports.

**Community Expertise** Our staff’s knowledge of pressing issues and nonprofit organizations throughout the region is unmatched. Our staff possesses more than 40 years of experience working closely with organizations in the full range of nonprofit fields – education, youth development, health care, arts and culture, emergency services, and more.

**Reporting** We issue personalized fund statements, along with our Combined Investment Fund performance report, to each of our donors on a quarterly basis.

**Easy Access to Historical Data** Tired of going through last year's records to refresh your memory on which organizations you supported? If you have a fund at The Community Foundation, we do all your bookkeeping. We provide a complete history of all gifts you make to the fund and the grants from the fund in a convenient and searchable format.
MISSION
The mission of the Greater Washington Community Foundation (The Community Foundation) is to strengthen the metropolitan Washington region by encouraging and supporting effective giving and by providing leadership on critical issues in our community.

HISTORY
We were formed in 1973 by a group of Washington leaders who came together with a goal to make charitable giving an easy, flexible, efficient, and personal way to foster community change. The Community Foundation is part of a network of some 700 community foundations nationwide, each a tax-exempt, public charity made up of charitable giving funds established by individuals, families, corporations and other organizations. We currently manage more than 700 funds with assets totaling more than $360 million. We are the largest funder of nonprofit organizations in the metropolitan Washington region, with annual grants averaging $50 million.

All funds under the care of our Montgomery County and Prince George’s County offices use The Community Foundation’s tax-exempt status. They are our local presence for these service areas. As a nonprofit organization that provides a community benefit to the region, gifts of direct support to The Community Foundation’s mission are important in building our region’s philanthropic infrastructure.

ESTABLISHMENT OF FUNDS

Initial Contribution The Community Foundation is a public charity and all contributions to the Greater Washington Community Foundation are tax deductible, subject to individual limitations. The Community Foundation does not provide tax or legal advice. We recommend consulting a professional advisor if you have questions about a gift to The Community Foundation. The Internal Revenue Code requires that all contributions to The Community Foundation are irrevocable and have to provide charitable benefit. As a result, the legal ownership of a contributed asset rests with the Greater Washington Community Foundation.

Eligible Contributions Assets such as cash and securities, including stocks, bonds and mutual fund shares are routinely accepted. Other assets such as real estate or interests in closely held businesses can also be accepted based on review by the Gift Acceptance Committee. The Community Foundation can accept most assets which will produce philanthropic resources and provide you with a receipt to substantiate your charitable income-tax deduction.

Transfers of securities are generally sent as a DTC transfer by your broker or financial advisor. The Community Foundation has a designated account to facilitate this process. If you plan to make a stock gift by an electronic transfer, a copy of our gift instructions is included in Appendix A.

In cases involving more complex gifts such as real estate, shares in closely held businesses, or other unusual assets, the proposed gift will require additional review time before a decision can be communicated, please email Shannon Scott, Chief Financial Officer at sscott@thecommunityfoundation.org to discuss the contemplated gift.
**Additional Fund Contributions** You may add assets of the types described above to the fund at any time and in any amount. Anyone may add contributions to the fund at any time. All gifts will be acknowledged to the donor making the gift. Funds, such as those established as memorial funds, often receive numerous gifts from a variety of donors. These funds can be given the ability to receive online credit card gifts via our website.

If this feature is of any interest please contact your Donor Services representative, or call the Greater Washington Community Foundation at (202) 955-5890 for setup.

**FUND TYPE DEFINITIONS**

**Donor-Advised** A fund structure whereby the individual creating the fund is granted advisory rights by The Community Foundation, which enables the individual or his or her designee the ability to recommend grant distributions from the fund.

**Field of Interest** A fund structure whereby an individual or multiple contributors make gifts to the fund for a specified programmatic interest area. Grant distributions from the fund are recommended by a “distribution committee” which is defined in the fund agreement document.

**Designated** A fund structure whereby the grantee(s) benefiting from grant distributions are predefined in the fund agreement when creating the fund. Grant distributions are limited to the organization(s) identified when the fund is created.

**Scholarship** A fund structure whereby financial support is granted to a college or university for the benefit of the granted institution or a specifically identified individual who will be attending.

**Memorial** A fund structure whereby an individual or event is recognized as the purpose for contributions to the fund. Advisor rights for grant distributions from the fund are typically recommended by the person or persons executing the Fund Agreement that created the fund, while gifts to the fund could come from many different sources.

For additional information on any type of component fund please call (202) 955-5890 or email donorservices@thecommunityfoundation.org and we will promptly address your question(s).

**POLICIES AND PROCEDURES - ALL FUND TYPES**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Minimum Establishing Balance</th>
<th>Fund Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donor-Advised</td>
<td>$10,000</td>
<td>Endowed or Non-Endowed</td>
</tr>
<tr>
<td>Field-of-Interest</td>
<td>$10,000</td>
<td>Endowed or Non-Endowed</td>
</tr>
<tr>
<td>Designated</td>
<td>$10,000</td>
<td>Endowed or Non-Endowed</td>
</tr>
<tr>
<td>Scholarship</td>
<td>$250,000</td>
<td>Endowed Only</td>
</tr>
<tr>
<td>Memorial</td>
<td>$10,000</td>
<td>Endowed or Non-Endowed</td>
</tr>
</tbody>
</table>

An Endowed Fund is a permanent fund, thus ensuring community support in perpetuity.
DISTRIBUTION OF FUNDS

**Recommending a Grant** Grant recommendations can be submitted online via our Donor Central web portal found on our website. Grant recommendations can also be submitted by completing a Grant Recommendation Form, which can be downloaded from our website, or available in Appendix A of this handbook. If you would like to see a demonstration of Donor Central, the user ID is demo1255 and the password is welcome.

**Qualified Grantees** Grants may be paid to organizations defined as tax-exempt public charities under Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code. Although we encourage donors to invest in the metropolitan Washington region, you may suggest a grant to any public charity located in the United States. International grants are also allowed (see International Charities section below).

**Grant Size** The minimum grant allowed is $250. There is no limit to the number of permitted grants a donor submits each year.

**Due Diligence** The Grants Administration staff reviews each grant recommendation to determine the following:

1. The organization is a nonprofit public charity, school, religious institution, or government program that is recognized as a 501(c)(3) tax-exempt organization, or is classified as a 509(a)(1) organization.
2. The organization is not listed on the Office of Foreign Assets Control Specially Designated Nationals list to ensure The Community Foundation is in compliance with the Patriot Act.
3. The grant recommendation does not fall under the Greater Washington Community Foundation’s Grant Restrictions (see Grant Restrictions below).

**Grant Restrictions** Current tax laws prohibit fundholders with Donor-Advised Funds from making grants for the following purposes:

1. To pay for tickets, or any portion of tickets, to fundraisers or benefits that include material benefit such as a meal, a seat at an event, or other goods and services for the fund advisor or any related party. Grant recommendations can be made to support a fundraiser or benefit, but as previously stated the donor cannot receive any material benefits.
2. To purchase or fulfill memberships having any tangible economic benefit.
3. To support an individual.
4. To support political campaigns or lobbying.
5. As a matter of policy, The Community Foundation does not allow grants to be made to private, non-operating foundations.
6. A donor is prohibited from fulfilling personal pledges in their own name from a donor advised fund. (See pledges section below).

**Pledges** Many nonprofit organizations urge donors to make pledges of financial support. The U.S. Treasury Department has ruled that, when an individual makes an irrevocable commitment in his own name to a charity, the commitment cannot be satisfied with a grant from a foundation. On the other hand, a foundation such as the Greater Washington Community Foundation can and does make pledges in its name at the suggestion of its donors, but in the name of The Community Foundation.
Please contact your Donor Services representative for more information.

**Grant Recommendations to International Charities** Grants to international organizations that meet the same qualifications as 501(c)(3) organizations are permitted. However, Homeland Security restrictions require The Community Foundation to complete additional enhanced due diligence review before the grant may be made. In addition, non-U.S. charities will be required to execute a written Grant Agreement, and submit a final report and financial narrative, or other deliverables as required by the grant agreement.

**Grant Awards and Notification** The Community Foundation team strives to provide prompt service and process your grant recommendations in a timely manner, typically within 3-5 business days. There may be an occasional delay if a fund’s assets are illiquid, if there are insufficient assets to cover all grant requests, or if we are unable to verify the charitable status of the recommended organization. We will call and notify you of the delay and may seek your assistance.

*Grant awards are mailed directly to the nonprofit organization, along with an award letter that includes the name of the Donor-Advised Fund and your name (unless the donor requests anonymity), and the grant purpose.*

A weekly email notification will be sent to the email address registered to your Donor-Advised Fund, indicating the grants processed from the previous week. Please note processed grants can readily be viewed on your Donor Central account. If you do not have an email address registered to your Donor-Advised Fund, a letter will be mailed indicating the grant processed from your Donor-Advised Fund. The letter will be sent up to five business days after the grant is processed.

**Variance Power** All funds established with The Community Foundation are subject to Variance Power. Variance Power provides The Community Foundation’s Board of Trustees with the power to modify any restriction or condition on the distribution of a fund for any specified charitable purposes or to specified organizations if, in the sole judgment of The Community Foundation, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

**SPECIFIC DONOR-ADVISED FUND POLICIES**

**Donor Advisor Rights and Privileges** The privilege of making grant recommendations is extended to donors and/or their designees, subject to the following limitations:

- Ordinarily, if an individual establishes an advised fund, the privilege of making recommendations is limited to the donor, and if so specified, the donor’s spouse and/or children. The Community Foundation will allow one successor generation to become donor advisors provided that the fund maintains an active status. An active fund includes grants out of the fund or contributions into the fund within a three-year period.
- Individual or joint recommendations may be made, unless otherwise specified in the fund agreement. This privilege will terminate upon the death of the donor advisor, written notice to The Community Foundation of resignation, or release of or by the donor or other designees.
• A Donor-Advised Fund agreement may designate a person or persons other than, or in addition to the donor to make recommendations. In that case, the privilege will exist only during the lifetime of the donor advisor, unless terminated as described above.
• For endowed funds, those which allow grants based on The Community Foundation’s spending policy, successor advisors can continue in perpetuity.

**Continuity of Funds After Death** During your lifetime, only you or your designated donor advisors may make grant recommendations from your Donor-Advised Fund. You may designate one successor donor advisor in writing to become the donor advisor for your fund upon your death (see Appendix A). Upon your death, or upon termination of your successor advisor recommendation privilege, Donor-Advised Funds of less than $10,000 will become part of The Community Foundation’s general fund to support charitable activity throughout the region. Advised funds of $10,000 or more will maintain their fund name and if applicable become a named endowment fund of The Community Foundation. In this case, foundation staff will make annual distribution recommendations from those endowed funds in keeping with the organizations the donor advisor funded during his or her lifetime.

**FUND INACTIVITY**
Donor-Advised Funds are classified as inactive if no gifts and/or no grant recommendations are received or made for three years. The Community Foundation staff will attempt to contact the donor advisor at least three times, by telephone and certified mail. If contact cannot be made, the Board of Trustees will invoke its variance power and recommend the fund balance be transferred to The Community Foundation’s endowment.

**FUND CLOSURE**
A donor advisor may recommend the closure of an Donor-Advised Fund by submitting a grant recommendation of up to 100% of the fund balance to a qualified nonprofit organization or to The Community Foundation’s general fund or other field of interest fund. If approved, the donor advisor and The Community Foundation will execute a Termination of Fund Agreement and the fund will be closed and distributed.

**INVESTMENT OPTIONS**
Upon making a gift to The Community Foundation, donors give up all right, title and interests to the contributed assets. Donors cannot choose investments, investment managers or brokers, however, donors are allowed advisory privileges with respect to Fund investments. The Community Foundation currently offers the following options (see Schedule B):

**Central Investment Account** consists of 100% cash and cash equivalents. This vehicle can be used for 100% of a Fund’s assets, usually in cases when immediate or near-term grant recommendations will be incurred, or in conjunction with either of the following options. A minimum of 10% of each Fund must be allocated to the Central Investment Account.

**Combined Investment Fund** Most of the investable assets of the Community Foundation’s component Funds are combined to create an ‘investment pool.’ Through this aggregation, The Community Foundation has created a highly diversified, low-cost investment vehicle that retains top quartile asset managers by asset class to ensure the financial resources held by The Community Foundation are managed to grow over time for increased philanthropic
impact. The Fund’s investments are overseen and directed by The Community Foundation’s Investment Committee with the assistance of a third-party advisor. The Investment Committee (composed of Board Trustees and outside experts) meets quarterly to review results, analyze trends, review individual manager performance and decide if any changes are to be made to the Combined Investment Fund.

**Index Funds** offering two index funds, with one representing an equity component and one representing a fixed income component. Based on the Donor’s grant making time horizon and knowledge of mutual funds, the Donor may suggest the percentage of investment in each index fund. These funds are publicly traded funds. (see Schedule B - Disclosures).

**Separately Invested Account** for Funds with a balance of $500,000 or more, the Donor, or Fund Advisor if granted such rights, may recommend the assets of the Fund be invested in a standalone account of an investment advisory firm subject to Investment Committee approval. In these instances, the assets of the Fund are transferred into an account that The Community Foundation opens with the financial institution, in The Community Foundation’s name and tax identification number. After the account is created and funded, The Community Foundation will work with the Financial Advisor to maintain a reasonable asset allocation, manage cash flow needs and approve changes to the investments within the account.

The default investment allocation for funds invested in the Combined Investment Fund is 10% held in cash and 90% invested in the Combined Investment Fund. Each fund can have a unique, donor recommended allocation within the Combined Investment Fund; however, a minimum of 10% cash allocation is required. Each fund is rebalanced at least quarterly to the target allocation recommended by the donor.

**FUND FEES AND CHARGES**

**Administrative Fee** All funds are charged an annual administrative management fee by The Community Foundation based upon the laddered fee table below. Fee rates are set by The Community Foundation’s Board of Trustees and are subject to periodic review or changes.

<table>
<thead>
<tr>
<th>Fund Balance Value</th>
<th>Fee Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>First $3,000,000</td>
<td>1.1%</td>
</tr>
<tr>
<td>Assets over $3,000,000 and up to $5,000,000</td>
<td>.60%</td>
</tr>
<tr>
<td>Assets over $5,000,000</td>
<td>.35%</td>
</tr>
</tbody>
</table>

Administrative fee assessments generate revenue for The Community Foundation’s operating expenses. In addition to supporting our fundholders grant requests, this revenue supports The Community Foundation’s involvement in the region’s philanthropic infrastructure. Currently, administrative fee revenue derived from the above fee scale covers 60% of our operational expense. Contributions to the Greater Washington Community Foundation directly are welcomed.

**Investment Fee**

An investment fee is assessed on the fund assets of each fund invested in the Combined Investment Fund equal to the combined fees assessed by the investment managers within the pool, and forwarded directly to the investment managers. Currently, this fee is an
aggregate of .63% annually but is subject to change based on the investment manager configuration for the Combined Investment Fund. All investment return reporting is net of fees. **Investment management fees associated with a Separately Invested Fund are charged directly to that fund at the amount charged by the investment manager.** There are no investment fees charged for the Investment Fund.

**Support of The Community Foundation’s Fund for Greater Washington**

The Community Foundation requests that each fund make a voluntary contribution to our unrestricted Fund for Greater Washington, which is used to make grants to effective nonprofits, to incubate new ideas, and to support our programmatic initiatives, operations, and advocacy - as we invest to make this a thriving, resilient, and enriching place for all who live here. The Fund for Greater Washington fuels our work to create lasting change in our community. Donor advisors often consider contributing 1% to 2% of the fund balance annually, to support these activities. The contribution rate selected is prorated and transferred on a quarterly basis.

The opportunity to elect funding support for the Fund for Greater Washington, is included with the Fund Agreements, or can be procided by one of our team members.

**QUARTERLY FINANCIAL REPORTING**

Approximately six weeks after the end of each financial calendar quarter (June 30, September 30, December 31, March 31), donors are sent a financial report on gifts to and grantmaking from their fund. Fund Statements are delivered via email unless printed copies are specifically requested at the time the fund is established.

These quarterly emails also contain investment performance returns for the Combined Investment Fund and other timely information about The Community Foundation and its activities in the region. We perform all administrative, legal and tax reporting for each of The Community Foundation’s component funds and maintain a complete history of all transactions in The Community Foundation’s comprehensive database.

**DONOR CENTRAL**

Donor Central is a secure, online portal that is available 24/7 and allows you to view your fund activity online by:

- Viewing or downloading fund statements
- Submitting grant recommendations for processing and payment (Donor-Advised Funds only)
- Receiving up-to-date information regarding donor education and community events, philanthropic news and funding opportunities.

**CONFLICT OF TERMS AND GOVERNING PROVISIONS**

Should an inconsistency arise between these terms and conditions and the terms and conditions for component funds of The Community Foundation appearing elsewhere in connection with a fund, the terms and conditions shall govern and The Community Foundation reserves the right to take any action, which in its discretion, it deems reasonably necessary or advisable for the proper administration of any fund at The Community Foundation or to comply with any applicable law.
Appendix A

GIFT TRANSMISSION INFORMATION

Mailing Address for Gifts by Check

The Community Foundation
1325 G Street NW
Suite 480
Washington, DC 20005

Wire Instructions for Gifts of Cash

Capital One Bank
ABA# 255071981
Account# 5004320616

Please include donor’s name/fund name in reference section of the transfer.

Wire Instructions for Gifts of Securities

DTC#0015
MORGAN STANLEY
NEW YORK, NY
For Credit to Account: 642-030943
Name of: Community Foundation for the National Capital Region

Please include donor’s name/fund name in reference section of the transfer.

If you need further assistance please contact:

Shannon Scott, CFO
Greater Washington Community Foundation
(202) 263-4777
sscott@thecommunityfoundation.org
GRANT RECOMMENDATION FORM

Donor Suggestion Form

I/We suggest the Board of Trustees review and approve at its next meeting, the charitable organization listed from the ____________________________________ Fund.

This grant will be recognized as general support, except as otherwise indicated. All Donor-Advised Fund grant distributions must meet the Donor-Advised Fund grantmaking regulations of the Internal Revenue Code: Donor-Advised Fund grant distributions can only be made to public charities under Section 501(c)(3) of the Internal Revenue Service, and certain educational institutions (e.g. universities, elementary schools, etc.), and religious institutions (e.g. churches, synagogues, etc.). The Community Foundation staff will perform due diligence on each grant request submitted before processing payment. Grant requests are normally processed within 5-7 business days. Any questions regarding The Community Foundation’s Donor-Advised Fund grantmaking policies may be directed to Kathy Matthews, Grants Manager at 202-263-4773, or kmatthews@thecommunityfoundation.org.

Organization’s Legal Name __________________________________________________________

Have you recommended a grant to this organization before?  ☐Yes  ☐No

Mailing Address ____________________________________________________________________

City ____________________________ State _____ Zip __________ Phone ___________________

Contact Person/Title ____________________________ Grant Amount ____________________

Purpose or special instructions _______________________________________________________
_________________________________________________________________________________
_________________________________________________________________________________

Donor Suggestion Limitations

I/We acknowledge that the above is a suggestion only and, if approved, will not result in the payment of any pledge or other financial obligation, nor does the undersigned expect any tangible benefit, goods, or services. Please direct any questions regarding The Community Foundation’s Donor-Advised Fund grantmaking policies to Kathy Matthews, Grants Manager at 202-263-4773, or kmatthews@thecommunityfoundation.org.

_________________________________________ ____________________
Signature Date

Please return by mail, email, or fax.

Please Note: If you use your own letterhead or wish to list multiple grants on one document, the following information must be included in your written grant suggestion: name of Donor-Advised Fund, the suggested organization’s legal name, complete mailing address, contact person and telephone number. The completed document must be signed by the donor advisor and include the statement listed in the Donor Suggestion Limitations section of this form.
FUND APPOINTMENT FORM
To appoint individual(s) as Successor Advisor(s), Fund Advisor(s), or Interested Party(ies), please complete this form.

Fund Name _______________________________________________________________________

Present Advisor(s) _____________________________________________________________________

Additional Fund Representative ____________________________________________________________________

[ ] Successor Advisor [ ] Additional Fund Advisor [ ] Interested Party
[ ] Donor Central Access [ ] Donor Central Access

Address __________________________________________________________________________

Telephone Number _____________________ E-mail ______________________________________

Additional Fund Representative ____________________________________________________________________

[ ] Successor Advisor [ ] Additional Fund Advisor [ ] Interested Party
[ ] Donor Central Access [ ] Donor Central Access

Address __________________________________________________________________________

Telephone Number _____________________ E-mail ______________________________________

I/We, as the donor(s), request that the Successor Advisor(s) named be given the opportunity to make grant suggestions to the Foundation:
[ ] individually [ ] with a majority

I/We, as the donor(s), request that the Successor Advisor(s) named assume this responsibility:
[ ] on the following date: ________________________________
[ ] on the death of the present Advisor(s)
[ ] on a date to be determined by the present Advisor(s)

The Successor Advisor(s) may request distributions from:
[ ] income only [ ] income and principal

Would you like to add your Successor Advisor(s) to our mailing list? [ ] Yes [ ] No

Name of Present Advisor(s) __________________________________________________________

__________________________________________________________________________________

______________________ ______________________
Signature Signature

________________________________ ________________________________
Date  Date

Please return by mail, email, or fax.
FUND NAME CHANGE FORM
If you would like to change the name of your fund at the Greater Washington Community Foundation, please complete this form.

Current Fund Name ________________________________________________________________
_________________________________________________________________________________
New Fund Name ________________________________________________________________
_________________________________________________________________________________

Please note that only Fund Advisors can change the name of a fund. In order to maintain original donor intent, Successor Advisors may not change the name of the fund(s) that they oversee.

Name of Present Advisor(s) __________________________________________________________
_________________________________________________________________________________
Signature _________________________________________________________________________
________________________________ ______________________________
Signature _________________________________________________________________________
________________________________ ______________________________
Date _____________________________________________________________________________
________________________ ______________________
Date _____________________________________________________________________________

Please return by mail, email, or fax.
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