

GUIDEBOOK FOR

Giving with Purpose



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This guidebook was updated in January 2024. You will be notified of any future policy changes or updates to this guidebook.

Welcome

Welcome to the Greater Washington Community Foundation family. Thank you for joining our community of givers from across the region, and beyond, and for entrusting us as your charitable giving partner. Through your fund, you can support the causes and issues that matter the most to you and your family. Together, we are making a difference in our community now and for generations to come.

This philanthropic guidebook will serve as a handy reference for your grantmaking, growing and managing your fund, and expanding your knowledge of local philanthropy. It also details the wide array of services available to you from The Community Foundation and from your personal philanthropic advisor.

We hope this guide will help answer your questions and even give you new ideas for how to use your fund to make a meaningful difference. We are always glad to hear from you, so please contact us to discuss your philanthropic interests and how we can support your giving.

Please see the insert included in the pocket folder for customized details about your fund, complete copies of your fund agreement(s), and contact information for your philanthropic advisor.

YOUR PHILANTHROPIC ADVISOR

Your personal philanthropic advisor is your point-of-contact for all questions, requests, or ideas involving your fund at The Community Foundation. We would be delighted to meet with you to develop your philanthropic strategy in a way that reflects your unique vision, values, and experiences that shape your giving. Your philanthropic advisor can answer questions about your fund's grantmaking, investments, and how to engage your loved ones in your philanthropy. Your philanthropic advisor will also periodically contact you to:

- Inform you about upcoming events meant to educate and inspire.
- Share opportunities to participate in volunteer committees and other ways to get more involved with The Community Foundation.
- Update you on emerging community trends and needs.
- Share information about local nonprofit organizations that match your passions and the purpose of your giving.
- Connect you with peers who share your interests and passions.

About The Community Foundation

FOR OVER 50 YEARS, THE GREATER WASHINGTON COMMUNITY FOUNDATION HAS IGNITED THE POWER OF PHILANTHROPY TO RESPOND TO CRITICAL COMMUNITY NEEDS AND BUILD A THRIVING REGION WHERE EVERY PERSON PROSPERS.

As the region's largest local funder, we have invested \$1.7 billion since 1973 to build racially equitable, just, and thriving communities so that people of all races, places, and identities reach their full potential.

The Community Foundation is a trusted advisor and navigator helping thousands of individuals, families, businesses, and government partners make a meaningful difference throughout this region and beyond. We serve as a critical link between caring donors, committed nonprofits, and local communities where potential too often exceeds resources.

We keep our finger on the pulse of the issues and organizations that make a difference in our region. Our work centers the voices and needs of communities throughout DC, Northern Virginia, Montgomery County, and Prince George's County. We deeply understand the challenges, the neighborhoods most impacted, and the effective nonprofits that serve on the frontlines.

As a tax-exempt public charity, we take seriously our responsibility to be the best stewards of charitable resources for this community. We're accredited by the National Standards for U.S. Community Foundations, have a four-star rating from Charity Navigator, and a Candid Gold Seal for our financial health, accountability, and transparency.

Together, We Prosper: Our Strategic Vision for the Greater Washington Region





Together, We Prosper:

Our Strategic Vision for the Greater Washington Region

Some say the racial wealth gap is too big to solve; we believe it's too urgent to be ignored. And we're ready to take action. We see both the region's tremendous prosperity and its deep disparities. While COVID-19 deepened these divides, it did not create them. We know where our neighbors call home significantly impacts life expectancy and household income. And we also know these impacts are burdening Black and Brown communities with profound disproportion.

Our bold 10-year strategic vision is to advance one of the most critical priorities of our time: economic justice. We are galvanizing a united coalition of donors and doers to advance a bold vision – grounded in equity and economic justice – that will grow opportunity and secure prosperity for all who call this region home. Together we'll invest in powerful economic strategies and put them to work in the parts of our community experiencing the deepest disparities and historical disinvestment to help close our region's racial wealth gap.

We will focus on the following goals:

- Pursue economic justice by investing in strategies to increase economic mobility and close the racial wealth gap.
- Address Critical Community Needs, including responding to crises, to stabilize and improve the quality of life for our neighbors and communities.
- Strengthen Neighborhoods and Community Institutions by using data to direct resources toward neighborhoods with the greatest needs and the community organizations that serve them.
- Connect Philanthropy to Impact by leveraging our unique value and expertise to mobilize resources for this community.

Together, we can achieve this vision. Together, we prosper.

Grow and Manage Your Fund



Grow Your Fund

As your philanthropic interest grows, increasing your fund will allow you to provide critical support for the causes most important to you and your family now and in the future. You can increase your fund at The Community Foundation at any time through a current or planned gift. We are available to assist with your charitable gift planning and would be happy to work with you and/or your professional advisor.

GIFT OPTIONS

The Community Foundation can accept many forms of simple, complex, or planned gifts, such as:

LIQUID ASSETS: Cash, credit card (online gifts), publicly traded securities held long term, mutual funds, and most bonds can easily be used to add philanthropic resources to a fund.

ILLIQUID ASSETS: Contributing closely held stocks, partnership interests, or real estate to your fund may provide you with an income tax deduction based on the fair market value of the gift and eliminate capital gains taxes. This would allow you to make a substantially greater gift than you otherwise would have thought possible for the same out-of-pocket cost.

IRA CHARITABLE ROLLOVER: If you are age 70.5 and older, you can direct up to \$100,000 from a traditional IRA to charity. If you have reached the applicable age, the gift can count toward your Required Minimum Distribution. Traditional IRA funds are not subject to income tax when given directly to a charity. However, Qualified Charitable Distributions may NOT be given to a donor-advised fund. You may give to other types of funds at The Community Foundation or to our unrestricted funds. Check with us about how to direct a rollover gift to a fund at The Community Foundation, then consult your retirement fund manager to complete the gift.

FUNDRAISING FOR YOUR FUND is permitted, but subject to 90-day prior approval by The Community Foundation. Please contact your philanthropic advisor to discuss your plan for fundraising. The complete Funds That Fundraise Policy is included in the Policies section of this guidebook.

LEGACY GIFTS: Planned gifts allow you to make provisions for future philanthropy, often while providing tax advantages now or in the future. We strongly encourage you to meet with your professional advisor(s) prior to executing a planned gift. Planned gift options include:

- Bequest in a will or living trust
- Beneficiary designation on a retirement account: IRA, 401K, 403B
- Beneficiary designation on a brokerage or other financial account
- Gift of life insurance: either a current gift or a future beneficiary designation
- Charitable remainder trust charitable beneficiary designation

PRIVATE FOUNDATION ASSETS: Your existing private foundation may be converted into a fund within The Community Foundation. You can retain the name and purpose of the private foundation while alleviating the administrative and compliance burdens.

Gift Instructions

GIFTS MADE VIA CREDIT CARD

Gifts can be made online at www.thecommunityfoundation.org/donate.

MAILING ADDRESS FOR GIFTS BY CHECK*

Greater Washington Community Foundation

P.O. Box 49010

Baltimore, MD 21297-4910 (include 4-digit code 4910, or processing may be delayed)

Please include donor's name/receiving fund name in memo section of the check.

***All other mail correspondence should be sent to:**

Greater Washington Community Foundation

1325 G Street NW, Suite 480

Washington, DC 20005

WIRE INSTRUCTIONS FOR GIFTS OF CASH

Capital One Bank

ABA # 065000090

Account # 5004320616

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

ACH (AUTOMATED CLEARING HOUSE)

Capital One Bank

ABA # 065000090

Account # 5004320616

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

WIRE INSTRUCTIONS FOR GIFTS OF SECURITIES

DTC # 2039

SEI Private Trust Company

Institution # 94952

Agent Internal Account # 11102-C

Interested Party Account Name: GWCF

Interested Party Account Number: 210077-STK

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

Manage Your Fund

FREQUENTLY ASKED QUESTIONS

How do I recommend a grant from my fund?

You, or others you have named as fund advisors, may recommend grants from your fund at any time. You can submit a recommendation online through Donor Central (see instructions on p10). There is no limit to the number of recommendations you may submit each year.

Is there a minimum size for a grant from my fund?

The minimum grant allowed is \$250.

Can I recommend a grant to any organization, anywhere?

Grants must be made to qualified charitable organizations: those defined as tax-exempt public charities under sections 501(c)(3) and 509(a)(1) of the IRS Code, such as nonprofit public charities, private schools and universities, and religious institutions. We encourage you to invest in the Greater Washington region, but you may suggest a grant to a public charity anywhere in the U.S.

Grants may be made for charitable purposes to non-qualified public charities or entities using enhanced due diligence and documentation requirements. In this situation, the minimum grant amount allowed is \$5,000 and an additional one-time fee per grantee per project will be charged to your fund.

What about international organizations?

Grants to international organizations that meet the same qualifications as 501(c)(3) organizations are permitted. However, we are required by the IRS to complete a more detailed due diligence review of foreign organizations before the grant is made. Thus, grant processing time may take several more weeks and additional fees will be charged to your fund. Non-U.S. charities will be required to sign a written grant agreement and submit follow-up reports spelled out in the agreement.

Can I recommend a grant to fulfill a pledge to my alma mater or elsewhere?

Yes, you may use grants from your fund to fulfill a pledge. However, according to IRS rules updated in 2017, you may not inform us that this is the purpose for the grant. Your grant recommendation should simply state the institution/division receiving the grant. You should inform the institution separately of the grant's purpose.

May I recommend a multi-year grant from my fund?

Yes. At the time of your recommendation, please indicate that you wish the grant to be made in increments and specify the timeframe. When the grant is initially approved by The Community Foundation, the entire grant amount will be applied against your fund balance. We will administer the distribution and payment schedule for you.

Can I recommend a grant to an individual?

No. Donor-advised fund grants must go to organizations recognized by the IRS as public charities.

Can I recommend a grant to pay for event tickets, sponsorships, or memberships?

No. Donor-advised fund assets are 100 percent charitable (gifts received by The Community Foundation receive the maximum tax advantages allowed by federal tax law), and no part of a grant may be used to pay for any tangible benefit. All grant letters indicate that the donor should not receive any benefit for the grant.

Can I recommend a grant to a political campaign or lobbying group?

No. These are not permitted under IRS regulations.

Can I recommend a grant to a private family foundation?

No. IRS regulations do not allow this.

How often must I use my fund?

We want every fund at The Community Foundation to be actively supporting charitable causes. If there are no grant recommendations from your fund, and no gifts into it, for three consecutive years, the fund is considered inactive. At that point, we will do our best to contact you at least three times. If we are unable to reach you, then our Board of Trustees will recommend that the fund balance be transferred to The Community Foundation's endowment to support broad community needs.

What is the spending policy for endowed funds?

Our endowment policy provides a relatively stable and predictable level of funding for grantees while recognizing the effects of market uncertainty and the potential impact of inflation.

The spendable amount available for grantmaking is calculated annually by applying the spending rate to the average of the fund's principal value for the previous twelve quarters.

The spendable amount will become available on July 1. The full amount available for grantmaking is not required to be distributed annually; any portion may remain in the investment pool for long-term growth and will be added to the fund's principal balance. Please see your fund agreement for more details.



Grantmaking Process

GRANT RECOMMENDATIONS

You may make a distribution request at any time, using our secure online portal. Donor Central allows you 24/7 access to manage your fund, including making grant recommendations, viewing your fund balance, tracking your fund activity, and downloading your fund statements. Your philanthropic advisor would also be happy to answer any questions or provide assistance.

How to Access Donor Central:

- To use your Donor Central account, login here: <https://thecommunityfoundation.donorcentral.com>.
- The username for your online fund account is the email address used to set up your fund.
- If you are logging in to Donor Central for the first time, you will need to create your online account and select a password. Please note that the username and password are case-sensitive.
- If you do not already have a Donor Central account, please contact us at 202-955-5890 or donorservices@thecommunityfoundation.org.

In lieu of using Donor Central, you may also complete, sign, and return a Grant Recommendation Form via email.

GRANT DISTRIBUTIONS

Our staff reviews each grant recommendation to make sure the organization is a qualified public charity, does not fall under any restrictions, and is not listed on the Office of Foreign Assets Control Specially Designated Nationals list (in compliance with the Patriot Act) or designated as a hate group by the Southern Poverty Law Center (see our complete Anti-Hate Group Policy in the Policies section).

Once the due diligence review is complete, we will send the grant to the recommended nonprofit along with an award letter that includes the name of your fund and your name (you may also choose not to be named) and the purpose of the grant.

Grants typically are processed within 7-10 business days and are usually delivered via ACH or grant check. There may be a 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. If there is a delay, we will contact you.

We will email you to let you know when the grant has been processed. You can also see all your processed grants in Donor Central.

NOTE FOR YEAR-END DISTRIBUTIONS: Due to increased volume, please submit your grant recommendations at least three weeks prior to December 31 if you would like the recipient organization to receive your grant before the end of year.

Philanthropic Advisory Services



Your Philanthropic Partner

As a fundholder with The Community Foundation, you have access to a wide range of fund management, philanthropic advisory services, and learning opportunities, all tailored to meet your needs and help you make the most of your philanthropy.

You can also schedule a meeting with one of our philanthropic advisors to develop your philanthropic strategy, discuss your giving, and learn about the opportunities to match your personal passions with the nonprofits serving your local community.

Philanthropic Services

- Access to a philanthropic advisor who understands your interests and is available to answer questions and provide additional support
- Philanthropic planning services to help with developing and implementing your grantmaking strategy
- Help identifying specific nonprofits for funding, based on your interests and priorities
- Assistance with processing grant recommendations and soliciting grantee reports
- Creation of a custom online donation form to collect tax-deductible gifts directly to your fund (a modest set-up fee will apply)

See [Legacy Planning](#) details on p19, and [Learning Opportunities](#) on p14.

Charitable Fund Management

- Quarterly financial reports of your fund's investment returns and grantmaking activity
- Professional investment management based on decades of sound financial management and stewardship
- Fund administration including bookkeeping, tax reporting, auditing, and evaluation
- Rigorous due diligence to verify grant distributions are compliant with IRS regulations
- Sophisticated gift acceptance process for donations of complex, non-cash assets, as well as simple cash and appreciated asset transfer
- Gift acknowledgement letters for all contributions of \$250 or more to any fund
- Secure online donor portal with 24/7 access to view your fund balance and activity, submit grant recommendations, and see past grants

Enhanced Philanthropic Services

Customized enhanced services are available for an additional fee, for donors who want to take advantage of our professional expertise and financial stewardship to manage your charitable giving. Enhanced services can include developing RFPs and managing grantmaking, administering scholarship programs, family philanthropic engagement planning, collaborative funding opportunities, corporate giving programs, and more.

COMMUNITY FOUNDATION SUPPORT FEES

The Community Foundation relies on fees assessed on component funds to provide you with high-quality administrative and philanthropic advisory services and to help expand our work to build equitable, just, and thriving communities in the Greater Washington region. Fees are assessed quarterly based on fund balance, with a minimum annual fee of \$750, except where noted otherwise.

TYPE OF FUND	ENDOWED FUND FEES	NON-ENDOWED FUND FEES
Donor-Advised Funds, Field of Interest Funds, Disaster Relief Funds	1.1% on the first \$1M 0.80% on \$1+M - \$3M 0.60% on \$3+M - \$5M 0.35% on balance above \$5M	1.5% on the first \$1M 1.25% on \$1+M - \$2.5M 0.5% on balance above \$2.5M
Designated Funds, Memorial Funds	1.1% on the first \$1M 0.80% on \$1+M - \$3M 0.60% on \$3+M - \$5M 0.35% on balance above \$5M	N/A
Scholarship Funds	1.5-2.5% of the annual balance, depending on activity, with a minimum annual fee of \$5,000	N/A
Nonprofit Endowment Funds	.5% annually with a minimum annual fee of \$750	N/A

Additional Fees

Funds with high levels of activity, including funds that fundraise, may be assessed additional fees. These fees will be assessed annually based on fund activity.

Additional fees may be charged for enhanced services or other philanthropic advisory services requested and rendered on behalf of a fund.

Investment management and consulting fees related to The Community Foundation's investment pools are charged separately. The Community Foundation does not receive any fee revenue from the investment management of funds that it maintains. Fees vary depending on the investment option you have requested. See [Investment Overview](#) on p22.



Donor Learning Opportunities

The Greater Washington Community Foundation is grateful for the opportunity to be the steward of your giving and philanthropic journey. We are deeply committed to enhancing the well-being of our entire region and proud to share our deep community knowledge with you through our events and publications.

Below is a list of learning and engagement opportunities we offer to our fundholders. We encourage you to participate as often as possible and we welcome suggestions for additional engagement topics or opportunities.



Engagement Opportunities

Donor Education Events: Held throughout the year and across the region, we offer a variety of opportunities to examine topics of interest and share information about best practices and regional trends. A calendar of events will be shared with you.

Community Celebrations: Our three signature events – the Civic Leadership Awards in Prince George’s County, Celebration of Giving in Montgomery County, and the regional Celebration of Philanthropy in DC – bring together our donors, nonprofits, local government partners, and business leaders to celebrate our shared impact.

Annual Meeting: Held every fall, this is an opportunity to network with your peer philanthropists, receive an update on our work and impact in the community, and hear about what’s next for The Community Foundation.

Site Visits: An opportunity to learn about the incredible work of our local nonprofit partners. During a site visit, you may meet the staff leading these amazing organizations and witness their transformative work in action.

DMV Community Book Group: Quarterly discussions featuring a new book or series of articles. These discussions bring together our donors, nonprofit partners, and community members.

VoicesDMV: Our signature community listening initiative designed to engage residents through a region-wide survey to understand community challenges and opportunities for deeper impact.

Publications

Annual Report: This report features information and stories about the impact that The Community Foundation, our donors, and partners have on the community.

Newsletter: Our monthly email newsletter features updates, community news, and stories about the impact of our donor and partner work.

Website: The Community Foundation’s website (www.thecommunityfoundation.org) serves as a central hub for information related to your giving, upcoming events, and other initiatives focused on the Greater Washington region.

Catalogue for Philanthropy Greater Washington: You receive access to this annual locally focused guide featuring dozens of high-impact nonprofits. Copies are mailed in November and information is also available at cfp-dc.org.

Research and Reports: We regularly commission and publish research on critical challenges and opportunities facing our community, such as the regional housing crisis or cash transfer programs.

Nonprofit Partners: The Community Foundation has partnered with and vetted thousands of nonprofits serving this region. We can help recommend nonprofits that match your giving passion and interest areas.

Additional Ways of Giving

Take advantage of our full menu of giving opportunities and vehicles to realize your philanthropic goals.

The Community Foundation fulfills our mission through advocacy, research, community engagement, strategic investments, and by convening our donors, nonprofits, and other community partners. There are several ways that you can help advance The Community Foundation's mission by investing in our work to transform lives and improve communities.

Become a Community Champion

A great way to give back to our community by supporting The Community Foundation's work and leadership targeting urgent and emerging needs, while pursuing long-term change to disrupt intractable inequities. Your gift ensures we have the flexibility needed to build a stronger and more resilient region by responding to today's needs and tomorrow's challenges.

Community Impact Initiatives

The Partnership to End Homelessness works to increase the supply of affordable housing, prevent evictions, and improve the homeless services system to help more families find a safe, stable, and affordable place to call home.

Emerging Leaders Impact Fund is a collective giving initiative for emerging leaders interested in using the power of philanthropy to make a positive difference in Prince George's County. Members learn firsthand about community challenges, pool their resources, and collectively fund programs that meet community needs.

Sharing Community Funds bring together donors who share our passion for building more equitable, just, and thriving communities. With expert facilitation by Community Foundation staff, donors join together to learn first-hand about the challenges facing our neighbors in DC, Montgomery County, or Prince George's County. Together we discover and invest in visionary nonprofits working on the frontlines of our region's most pressing needs.



Reimagine's, formerly known as the Greater Washington Workforce Development Collaborative, mission is to co-create solutions alongside communities and people to advance systemic economic justice rooted in reimagining, redistributing, and rebalancing work, opportunity, and sustainability.

Community Endowment Funds

Multiply the impact of your generosity by pooling it with other giving through our professionally managed portfolios designed to address critical needs identified in collaboration with our donors and community partners. The Community Foundation will identify organizations with proven impact and distribute grants to the nonprofits that best fit your interests in the following impact areas:

- Arts and culture
- LGBTQ+ community
- Health
- Environment
- Regional scholarship fund
- Community endowments for DC, Montgomery County, Northern Virginia, and Prince George's County

OTHER PHILANTHROPIC VEHICLES

In addition to your donor-advised fund, you may wish to take advantage of other kinds of funds to meet estate-planning goals or implement tax strategies.

DESIGNATED FUNDS are permanent endowments, allowing you to provide enduring support for a nonprofit organization or agency that has made a difference in your life or community. A designated fund can continue your annual gift for a favorite organization beyond your lifetime.

FIELD OF INTEREST FUNDS allow you to create a broad statement of purpose with The Community Foundation identifying organizations with proven impact and distributing grants to the nonprofits that best fit your interests.



MEMORIAL FUNDS are permanent endowments honoring the life, interests, and values of loved ones. The Community Foundation handles all administration, receiving and acknowledging gifts to the fund and working with you to identify causes or organizations to support that will honor your loved one's memory.

SCHOLARSHIP FUNDS are permanent endowments that help create pathways to success for talented young people. Scholarships can open opportunities for young people as they further their education in any area of study and at any level of education, from preschool to postgraduate work.

EMPLOYEE ASSISTANCE FUNDS offer the charitable infrastructure of The Community Foundation to corporations that wish to disburse financial aid to employees and communities faced with catastrophe.

NONPROFIT ENDOWMENT FUNDS allow a nonprofit organization options for building a permanent endowment that will ensure support for decades to come or an emergency reserve fund. Endowment assets are invested to achieve long-term capital growth, and a portion of the fund is distributed annually to your organization. Reserve funds are also invested for long-term capital growth but may be accessed in times of need.

SPONSORED PROGRAM FUNDS provide a means of operation for new organizations or special projects which lack charitable tax status. A sponsored program enjoys fiscal sponsorship by The Community Foundation, which provides fiduciary oversight, financial management, and other administrative services, as well as the benefit of The Community Foundation's tax-exempt status.

SERVICES FOR PRIVATE FOUNDATIONS allow you to convert a private foundation into a fund with us, or simply maintain funds at The Community Foundation to access our services and expertise. You can retain the name and purpose of the private foundation while alleviating the administrative and compliance burdens.



Creating Your Legacy



Legacy Planning

THE COMMUNITY FOUNDATION IS DESIGNED FOR PERMANENCE. WE ARE WELL PREPARED TO STEWARD YOUR LEGACY INTO THE FUTURE.

Planning a legacy gift is a way to extend your generosity and your charitable priorities beyond your lifetime, creating meaning and impact for generations to come. The Community Foundation offers a variety of ways and charitable fund types to create a lasting charitable legacy that can have as broad or specific a purpose as you like.

Legacy planning services include:

- Legacy planning consultation with you and/or your professional advisor to ensure that your wishes are properly documented and fulfilled
- Succession planning guidance to designate and prepare successor advisors to carry out your philanthropic priorities
- Deep technical expertise around gift and transition planning to maximize the tax benefits and impact of your giving
- Access to our online Planned Giving Center with robust information, calculators, stories and examples of planned giving options

Every act of giving is personal and unique. We encourage you to contact us to discuss your preferences and for assistance updating your Fund Agreement or completing a Letter of Understanding that documents the purpose of the legacy provision. We can help you clarify the objectives for your legacy and provide information to share with your estate planning attorney as you complete the process. All conversations are strictly confidential and with no obligation.

We stand ready to work with you and your advisor(s) to design a legacy gift that best fits your overall estate plan.

THE POWER OF PERMANENCE

What if your philanthropy could provide for community needs not just during your lifetime, but forever?

Although the needs of our communities in the Greater Washington region will evolve, the importance of addressing those needs will remain constant. An endowed fund is a permanent resource that can adapt to changing circumstances.

A permanently endowed fund at the Greater Washington Community Foundation is invested for long-term capital growth. A portion of the fund is distributed annually for the purposes you name, continuing your tradition of charitable giving always. Any type of fund at The Community Foundation may be endowed, extending your charitable purpose for generations to come.

A spending rate set by our Board of Trustees determines the amount to be distributed from the endowment annually and ensures the stability of your endowed fund. Over the years, the rate of growth typically outpaces the spending rate, so that the endowment grows and so does the amount available to grant toward community needs.

THE FUTURE OF YOUR FUND

We can work with you and your advisors to think through a future plan for your fund that reflects your values and priorities. This may include naming family members and/or others as successor advisors; designating your fund to benefit a particular organization, multiple organizations, or charitable area of your choice; or you may leave it to The Community Foundation's endowment, where it will meet the changing needs of our community.

If your fund supports a specific organization or purpose, you have our assurance that your purpose will always be our priority. Should circumstances change so that the original purpose can no longer be fulfilled (if a named organization no longer exists, for instance), then our board will redirect your fund to another purpose as close as possible to your original intent. This process, known legally as "variance power," is detailed on p23.

If no final purpose for a fund is indicated, and the fund becomes inactive, the remaining fund balance will become part of the Fund for Greater Washington Community Foundation Endowment, an effective way to support charitable activity throughout the region and our general operations.

Please refer to the Terms and Conditions of your fund agreement for specific details.

Succession Planning

Continuing the impact of your philanthropy from generation to generation means planning for the involvement of your children or other loved ones. You may name one or more successor advisor(s) to make grant recommendations when you are no longer able or willing to do so. Your philanthropic advisor can help you understand the options for naming future advisors to carry out your philanthropic priorities.

Once it is time for successor advisors to assume their responsibilities, The Community Foundation will help ensure that your legacy endures throughout the life of your fund. For funds which are permanently endowed, successor advisors may continue in perpetuity. For non-endowed funds, one generation of successor advisors is allowed. Successor advisors may name successor advisors if they make a gift of at least \$10,000 to the fund.



Investment and Legal Information



Investment Overview

To optimize your philanthropic investment, you can choose from several options to allocate all or part of your fund's investment. When making decisions about which of these options is right for you, we encourage you to consider your risk tolerance, grantmaking time horizon, and philanthropic intentions for your fund. Each fund can have a unique, donor recommended allocation; however, a minimum of 10% cash allocation is required. Each fund is rebalanced at least quarterly to the target allocation recommended by the donor.

The current investments offerings provided by The Community Foundation include:

TOTAL RETURN ENDOWED FUND: This global balanced fund is the most common investment choice for our donors. This fund will seek long-term growth. Using well-researched, high-quality, and regularly monitored investments, this is a diversified, risk-adjusted portfolio that enables donors to support current and future programmatic work and grantmaking. The Community Foundation has created a highly diversified investment portfolio to ensure financial resources are managed to grow over time for increased philanthropic impact. It will invest in equity, fixed income and alternative investments.

COMBINED INVESTMENT FUND FOR NON-ENDOWED FUNDS: Non-endowed funds are managed to match a donor's intent of immediate and sizable grantmaking with an investment objective of moderate growth in the value of the assets and provide sufficient liquidity. Using well-researched, high-quality, and regularly monitored investments, this is a diversified, risk-adjusted portfolio that enables donors to support current and future programmatic work and grantmaking. It will invest in equity and fixed income investments.

VANGUARD INDEX FUNDS: The Community Foundation offers four low-cost index funds. An index fund is a passively managed mutual fund created to closely match the risk and return of the market-weighted index it is attempting to track, such as the S&P 500. The intent is to provide broad market exposure, lower operating expenses (fees), and lower turnover.

IMPACT INVESTMENT: You may allocate a portion of your fund at The Community Foundation toward an impact investing opportunity that is creating and preserving affordable housing in the region. Offered through a partnership with Enterprise Community Loan Fund, Inc., this impact investment is creating a positive social impact along with a financial return by providing financing to organizations assisting in the fight to end homelessness and housing insecurity.

CASH/MONEY MARKET FUND: Maintaining 100% liquidity by investing in cash and cash equivalents is an option for donors. This choice offers the least amount of risk, and the corresponding yield reflects that. This vehicle is usually preferred when immediate or near-term grant recommendations are planned, or in conjunction with any of the other options.

Please refer to the Schedule B section of your fund agreement for more information on investment options.

SEPARATELY MANAGED ACCOUNTS

You have the option to retain your current investment manager or name an external qualified investment advisor to manage your investments, subject to Investment Committee approval. Your Separately Managed Account must maintain a minimum value of \$500,000. 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.

Variance Power

Our goal is to always fulfill donor intent and the wishes of our fundholders, based on the terms stated in their agreements. But circumstances change and variance power gives us the ability to assess and respond to those changes in an efficient and effective manner.

Funds established with The Community Foundation are subject to variance power, which provides The Community Foundation 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's Board of Trustees, such restriction or condition becomes obsolete, incapable of fulfillment, or inconsistent with the charitable needs of the community or the requirements of The Community Foundation's continued section 501(c)(3) tax-exempt public charity status.

For example, variance power may be exercised if a named organization closes, no longer exists, or has a dramatic mission change. If this occurs, then our board will redirect your fund to another purpose as close as possible to your original intent.



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