

DONOR HANDBOOK



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 over 40 years, the Greater Washington Community Foundation has expertly managed millions of philanthropic dollars; currently, we 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 fund 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

In 1973, a group of now-legendary Washington-area leaders – Katharine Graham, Robert Linowes, and Hank Strong among them – came together to form The Community Foundation. Their goal? To make community change through charitable giving easy, flexible, tax-smart, efficient and, above all, personal. Since that time, The Community Foundation has grown into one of the largest foundations of any kind in the United States. Today, we manage charitable giving funds of all sizes. We may have expanded over the years, but our commitment has never wavered. We are here to help people who want to make an impact in their community and on the issues that matter most to them. We changed our name in June 2017 from The Community Foundation for the National Capital Region to the Greater Washington Community Foundation.

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.

Fundraising for Your Fund You may raise money to add to your fund, but only with pre-approval from The Community Foundation to ensure compliance with strict IRS requirements regarding fundraising on behalf of a component fund of The Community Foundation. We expect you to read and abide by the Funds that Fundraise Policy, which you can find on our website, or on Donor Central. Failure to abide by these policies could impact the Foundation's reputation and tax-exempt status, which are often used in fundraising activities for funds established within the Foundation.

FUND TYPE DEFINITIONS

Donor-Advised A fund structure whereby the individual or business creating the fund is granted advisory rights by The Community Foundation, which enables the donor and/or their designee the ability to recommend grant distributions from the fund.

Field of Interest A fund structure whereby an individual, business, 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" appointed by The Community Foundation, or grants are made by The Community Foundation's staff according to the interest area specified in the agreement.

Designated A fund structure whereby the grantee(s) benefiting from grant distributions are predefined. Grant distributions are limited to the organization(s) named 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 an individual chosen by a selection committee based on specific criteria, for education-related purposes.

Memorial A fund structure whereby an individual or event is recognized as the purpose for contributions to the fund.

Employee: A fund structure through which a corporation establishes a vehicle for employee giving, matches of those gifts, and a process for recommending grants, often by a committee of employees. Companies may also establish disaster relief funds to benefit their employees who face hardships.

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

Fund Types and Minimum Funding Levels		
Fund Type	Minimum Establishing Balance	Fund Class
Donor-Advised	\$10,000	Endowed or Non-Endowed
Field-of-Interest	\$10,000	Endowed or Non-Endowed
Designated	\$10,000	Endowed or Non-Endowed
Scholarship	\$250,000	Endowed Only
Memorial	None	Endowed or Non-Endowed
Employee	\$10,000	Endowed or Non-Endowed

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 through [Donor Central](#). Grant recommendations can also be submitted by completing a Grant Recommendation Form, which is available in this handbook, or on our [website](#). 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 memberships, sponsorships, or tickets to events for you or your family members if you are receiving tangible benefits in exchange. If you do not plan on attending the event, and no other goods and/or services are received for your membership, you may recommend a grant for this donation from your fund;
2. To purchase or fulfill memberships having any tangible economic benefit;
3. To support an individual; and
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).

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 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 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 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 fund, a letter will be mailed indicating the grant processed from your 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.

Continuity of Funds After Death The Community Foundation allows you to name a successor advisor(s) to succeed you in making grant recommendations for your fund. To name a successor advisor(s), please complete and return the Successor Advisor Form in this handbook. If there isn't a named successor advisor, at your death advised funds of less than \$10,000 will be added to the Fund for Greater Washington to support The Community Foundation's charitable activity throughout the region. Advised funds of \$10,000 or more will maintain their fund name as an endowed legacy of the fund creator. To the extent possible, staff of The Community Foundation will make grants to organizations in the same programmatic area(s) previously established by the fund's creator.

We are also happy to help you plan your charitable legacy, including information about how to name your fund as a beneficiary of your will or trust and how to structure the fund to fulfill your philanthropic objectives through endowment options, so your fund can continue

to grant in perpetuity. To learn more about our charitable legacy options and to join our Legacy Society, please contact Rebecca Rothey at rrothey@thecommunityfoundation.org.

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.

FUND INACTIVITY

Component Funds are classified as inactive if no gifts and/or no grant recommendations are received or made for three consecutive 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 a 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 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. If your fund is invested in the Combined Investment Fund or is separately managed by an outside financial advisor, you will need to wait until six weeks after the quarter closes to distribute those assets.

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 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. 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 other investment options listed here. 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 Managed Accounts 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.

FUND FEES AND CHARGES

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

Fund Balance Value	Fee Rate
First \$3,000,000	1.1%
Assets over \$3,000,000 and up to \$5,000,000	.60%
Assets over \$5,000,000	.35%

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 expenses. 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 Managed Fund are charged directly to that fund at the amount charged by the investment manager.** There are no investment fees charged for the Combined 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 5% 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 provided 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 gives you access to your fund activity online in a variety of ways:

- View or download fund statements,
- Receive up-to-date information regarding donor education and community events, philanthropic news and funding opportunities, and
- Submit grant recommendations for processing/payment (Donor-Advised Funds only).

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, these 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.

GIFT TRANSMISSION INFORMATION

Mailing Address for Gifts by Check

Greater Washington 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: Greater Washington Community Foundation

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

For Further Assistance, Please Contact:

Shannon Scott, CFO
Greater Washington Community Foundation
sscott@thecommunityfoundation.org
202-263-4777

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
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Address _____

Telephone Number _____ E-mail _____

Additional Fund Representative _____

- Successor Advisor Additional Fund Advisor Interested Party
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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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