6 QUESTIONS ABOUT DONOR ADVISED FUNDS

For Advisors & Their Clients

The Community Foundation prides itself on providing superior service to donors. We strive to enrich your giving experience and welcome your inquiries. Our goal is to build philanthropic assets to support the health and vibrancy of the Richmond area and the economic mobility of residents in the region.

1 **Who are donor advised funds (DAFs) ideal for?**
Individuals who wish to remain active in their giving recommendations and potentially involve future generations of their family. DAFs also work for private foundations seeking to fulfill their minimum 5% payout or those seeking a simple alternative.

2 **Why should I choose a DAF?**
A DAF at the Community Foundation makes philanthropy more effective. Our donors have benefitted in the services we offer, including:

- Expertise on community needs
- Annual fund and grantmaking review
- Family engagement opportunities
- Opportunities to develop a giving plan
- Review of grant history and trends
- Site visits with local nonprofit leaders
- Concise record keeping and analysis of philanthropic activity

Fees are used to support many services named above.

3 **What is the minimum required to establish a DAF?**
The minimum initial gift amount required is $5,000. DAFs must maintain at least a $1,000 balance at all times.

4 **May I name additional advisors?**
Yes! A founding donor may name more advisors, so long as they are presently living. You may also provide the right for successor advisors to name additional advisors, subject to approval from the Foundation's Board of Governors.

5 **When can I make a grant recommendation and what is the minimum amount?**
You can make a recommendation anytime through our online portal with a minimum of $100. Grant payments are issued on a weekly basis, subject to our due diligence review.

6 **How much can I distribute from a DAF?**
Endowed DAFs are permanent endowments that annually distribute a spendable income, based on the Community Foundation's spending policy (currently at 4%) from which you can recommend grants. Flexible spending DAFs permit grantmaking from both the principal and net investment returns above the $1,000 minimum balance.

For more information, please contact us at:
(804) 409-5646 | philanthropy@cfrichmond.org

FREQUENTLY ASKED QUESTIONS FROM ADVISORS

For Advisors

When you work with the Community Foundation, you will not only have access to a host of charitable giving options for your clients, but also a committed staff with extensive knowledge of the community and the latest trends in philanthropy. You can feel confident that your client's charitable and financial goals will be our top priority.

1 **How do I know if giving through the Community Foundation is right for my clients?**

Here are a few questions to consider:

- Does your client care deeply about our community or give to more than one cause or charitable organization?
- Is your client interested in leaving a legacy in the community?
- Is your client considering starting a private foundation?
- Is your client looking to make an outright gift or would they like to stay actively involved in the use of their charitable gifts?
- Does your client feel they are leaving enough for their heirs, and yet has remaining assets in their estate?

2 **What are the tax benefits if my clients give through the Community Foundation?**

We offer the maximum charitable tax advantages available by law and as a public charity, they are not subject to the taxes and regulations affecting private foundations.

3 **What type of assets can my client use to start a fund?**

We have the ability to accept a wide range of assets including:

Give Now – Cash, stocks, bonds, mutual funds, life insurance, closely held stock, real estate and other tangible property.
Give Later – Charitable bequest, charitable trusts, life insurance policies, life estate, and retirement account assets.

4 **What are my client's options to provide support for their favorite nonprofit through the Community Foundation?**

Your client has two great options:

- A **donor advised fund** gives your client the opportunity to recommend what nonprofits and programs receive grants. It is a simple, personal and highly effective way to give from their fund.
- A **designated fund** provides regular, annual funding to specific nonprofits and can grow over time, yielding more financial support to an organization.

5 **How much control and freedom would my client have in recommending grant recipients through a donor-advised fund?**

Your client can recommend a grant to any organization that is qualified as a public charity under Section 501(c)(3). This includes most faith-based programs. Our staff ensures that nonprofit organizations recommended for a grant meet this requirement. We cannot approve recommendations that would benefit an individual, fulfill a personal obligation or support a political campaign or a private foundation.

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