

# FUND AGREEMENT



- Establish a new fund
- Update contact information

## Name of Fund

*e.g., Smith Family Fund or Eucalyptus Fund*

## Contact Information

- Primary Contact *(Select only one primary contact on this form.)*

Name  Male  Female

Mailing Address  Home  Business

City State Zip

Home Phone Mobile Phone

Business Phone Fax

Email #1 Email #2

Company Name

Title

Date of Birth

*For Internal Use Only*  
 **Establishing Donor**

## Type of Fund

Please indicate a fund type below:

- Designated
- Field of Interest
- Named Endowed

## Contact Information

- Primary Contact *(Select only one primary contact on this form.)*

Name  Male  Female

Mailing Address  Home  Business

City State Zip

Home Phone Mobile Phone

Business Phone Fax

Email #1 Email #2

Company Name

Title

Date of Birth

*For Internal Use Only*  
 **Establishing Donor**

## Contact Information

Referred to Silicon Valley Community Foundation by

Relationship

If Professional Advisor, Mailing Address

City State Zip

Phone Email

Professional Advisor's Company and Title

# FUND AGREEMENT

## Special Instructions

Please complete the appropriate section based on the type of fund being opened.

### Designated Fund

Designated funds are created to support one specific nonprofit and may be endowed or fully expendable. The designated charitable organization must have 501(c)(3) status (or equivalent) and cannot be a private non-operating foundation. Should the organization cease to exist, the community foundation will direct the fund's payout to another organization serving like needs.

\_\_\_\_\_  
Name of Organization

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
City State Zip

\_\_\_\_\_  
Phone Federal Tax ID#

#### Spending Policy

- Fully Expendable:** Entire fund balance is available for grantmaking.
  - Distribute \$\_\_\_\_\_ annually.
  - Distribute \_\_\_\_\_% annually.
  - Annual payout to be determined by the community foundation based on community need.
- Endowed:** Annual distribution is restricted to the community foundation's spending policy.<sup>†</sup>

Please make all grants from the fund anonymous.

### Annual Fund Statement

Indicate below if you wish to receive an annual fund statement at no additional fee.

Yes, please send this fund's Primary Contact an annual fund statement.

### Field of Interest Fund

Field of interest funds support an area of interest which the founder or honoree cares about deeply. Please describe your field of interest below:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### Spending Policy

- Fully Expendable:** Entire fund balance is available for grantmaking.
  - Distribute \$\_\_\_\_\_ annually.
  - Distribute \_\_\_\_\_% annually.
  - Annual payout to be determined by the community foundation based on community need.
- Endowed:** Annual distribution is restricted to the community foundation's spending policy.<sup>†</sup>

Please make all grants from the fund anonymous.

### Named Endowed Fund

A named endowed fund may be created to support the Community Endowment Fund, a permanent charitable resource for the region. The community foundation will apply its annual spending policy<sup>†</sup> to support the community foundation's current and future grantmaking while carrying the name of your choosing. These funds must be endowed and unrestricted in nature. Please indicate the name of the fund below as you would like it to appear publicly.

\_\_\_\_\_

<sup>†</sup>See Fund Terms and Conditions for additional information.

Questions? Contact the development department at [donate@siliconvalleycf.org](mailto:donate@siliconvalleycf.org) or call 650.450.5444.

# FUND AGREEMENT

## Fund Creation

Initial gift to establish a fund: \$ \_\_\_\_\_

Check made payable to Silicon Valley Community Foundation.

Securities (*Please complete the Securities Transfer Letter.*)

Publicly Traded

Privately Held\*

Restricted\*

Wire\*

Other\* Please describe the gift (*Interfund Transfer, Credit Card, Personal Property, Real Estate, Testamentary*):

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*\*Additional information will be required. Please contact the community foundation at 650.450.5444.*

## Community Endowment Fund

The Community Endowment Fund is a permanent charitable resource that grows through your support and provides invaluable funding to local nonprofit organizations. When you give to the endowment, you are helping to meet the needs of our community today and for years to come by supporting Santa Clara and San Mateo counties in perpetuity.

I would like to make an additional gift to the Community Endowment Fund: \$ \_\_\_\_\_

**Total gift to the community foundation: \$ \_\_\_\_\_**

## Investment Allocation (*Fully Expendable Funds Only*)

Please refer to the attachments regarding investment pool information and allocation. If you need additional information, please contact the community foundation.

I have completed the Investment Allocation form.

## Donor & Fund Recognition

The community foundation includes information about fund advisors, grantees and funds in our e-newsletters, magazine, website, and other printed and online materials. Indicate your recognition preferences below:

Do not list my name on donor listings.

Do not include the name of this fund on fund listings.

I am willing to be interviewed for media stories.

I am willing to be featured in the community foundation's print and online publications.

**Questions? Contact the development department at [donate@siliconvalleycf.org](mailto:donate@siliconvalleycf.org) or call 650.450.5444.**

# FUND AGREEMENT

## Acknowledgement & Signatures

I acknowledge that I have read the Silicon Valley Community Foundation Fund Support Fees and Minimums and Fund Terms and Conditions and agree to the terms, fees and conditions described therein. I understand any contribution, once accepted by the Silicon Valley Community Foundation board of directors, represents an irrevocable contribution to Silicon Valley Community Foundation. The community foundation board of directors has variance power under IRS regulations, and this gift is not refundable to me.

I hereby certify to the best of my knowledge, all information presented in connection with this form is accurate, and I will notify Silicon Valley Community Foundation promptly of any changes.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## Silicon Valley Community Foundation Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

### Please send this form to:

**Silicon Valley Community Foundation**  
Attention: Development Department  
2440 West El Camino Real, Suite 300  
Mountain View, CA 94040-1498  
Phone: 650.450.5444 Fax: 650.450.5401  
www.siliconvalleycf.org

- I have remembered the community foundation in my estate plans.
- I would like more information on how to include the community foundation in my estate plans.

## Special Instructions

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Questions? Contact the development department at [donate@siliconvalleycf.org](mailto:donate@siliconvalleycf.org) or call 650.450.5444.

# INVESTMENT ALLOCATION

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**foundation**  
SERVING SAN MATEO AND SANTA CLARA COUNTIES

Please refer to the Investment Options information sheet for a detailed description of each investment pool and indicate your recommended investment allocation below.

Name of Fund \_\_\_\_\_

New Fund  Existing Fund # \_\_\_\_\_

You may allocate your contribution to one or more of the following five investment pools. The total must equal 100%.

\_\_\_\_\_ % Long-Term Growth      **For funds with time horizons of seven or more years**

\_\_\_\_\_ % Social Impact      **For funds with time horizons of seven or more years**

\_\_\_\_\_ % Balanced      **For funds with time horizons of three to seven years**

\_\_\_\_\_ % Short-Term      **For funds with time horizons of one to three years**

\_\_\_\_\_ % Capital Preservation      **For funds with time horizons of one year or less**

100%      **Total**

Future contributions will be invested according to the allocation specified above. Investment allocations can be changed through written instruction once per year or upon a significant change in charitable goals and time horizon for depleting the fund. Reallocations occur on the first business day of the month.

Please contact the community foundation at [donate@siliconvalleycf.org](mailto:donate@siliconvalleycf.org) or 650.450.5444 if you have questions or need additional information.

Fund Advisor Signature \_\_\_\_\_ Date \_\_\_\_\_

# INVESTMENT OPTIONS

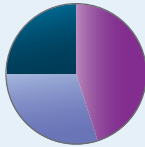
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foundation**  
SERVING SAN MATEO AND SANTA CLARA COUNTIES

Silicon Valley Community Foundation offers a variety of investment options designed to meet a range of philanthropic goals and time horizons. Each of our investment pools are carefully constructed and diversified across global investment opportunities to maximize return and minimize volatility. Our size provides access to world-class investment managers and alternative investment strategies only available to large institutional investors. Investments are monitored regularly by the community foundation's experienced investment committee, investment consultant and staff.

As a fund advisor, you may allocate to one or more investment pools, and you may change the investment allocation once per year or upon a significant change in charitable goals and time horizon for depleting the fund. The community foundation will maintain your fund's investment allocation through regular monthly rebalancing.

## Long-Term Growth

*7 years or more*

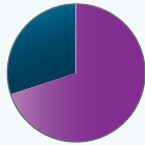


### Diversified portfolio of global stocks and bonds

45% equity, 30% alternatives and 25% fixed income  
8% - 10% average annual expected return  
0.80% - 0.90% estimated investment expense

## Social Impact

*7 years or more*

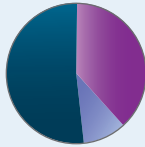


### Diversified portfolio of global stocks and bonds from companies with strong financial and social records

70% equity and 30% fixed income  
7% - 9% average annual expected return  
0.75% - 0.85% estimated investment expense

## Balanced

*3 to 7 years*

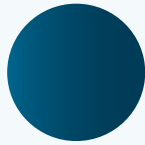


### Balanced portfolio of global stocks and bonds

52% fixed income, 38% equity and 10% alternatives  
7% - 9% average annual expected return  
0.60% - 0.70% estimated investment expense

## Short-Term

*1 to 3 years*

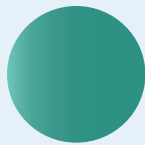


### Portfolio of short and intermediate-term bonds

55% short term, 35% intermediate and 10% global  
4% - 5% average annual expected return  
0.15% - 0.25% estimated investment expense

## Capital Preservation

*1 year or less*



### Portfolio of short-term, high quality securities

100% money market securities and bank CD's  
2% - 4% average annual expected return  
0.15% - 0.30% estimated investment expense

Average annual expected returns are net of fees over full market cycles of seven years or more. Actual returns will fluctuate and may be negative from year to year for some pools. Alternative investments include venture capital, hedge funds and real assets; they are included to enhance returns, dampen volatility and hedge against inflation. Estimated expenses are subject to change and include investment management, consulting, administration and custody. Expenses do not include those of managers within fund-of-funds.

The community foundation is not engaged in rendering legal, financial or tax advice. Please see the community foundation's materials on fees and minimums and terms and conditions for more information. This publication is a service to provide general information. Please consult your financial or legal advisor.

# INVESTMENT OPTIONS

## INVESTMENT POOL DESCRIPTIONS

GREATER VOLATILITY	For funds with long-term grantmaking goals <b>Long-Term Growth:</b> This pool seeks maximum growth and controlled risk through a diversified portfolio of global stocks, bonds and alternative investment strategies. It is appropriate for assets that will remain invested for at least <b>seven years</b> to benefit from long-term opportunities that can only be realized from a patient investment strategy. Assets are exposed to market risks and may experience significant volatility and principal loss over the short term. The projected near worst-case return per annum over three years is approximately -10%.
	<b>Social Impact:</b> This pool seeks long-term growth through a diversified portfolio of global stocks and bonds from companies with strong financial and social records. Investment managers may consider positive and negative social factors when evaluating companies, ranging from environmental sustainability to involvement with the manufacture of weapons, tobacco and alcohol. This pool is appropriate for assets that will remain invested for at least <b>seven years</b> . Assets are exposed to market risks and may experience significant volatility and principal loss from year to year. The projected near worst-case return per annum over three years is approximately -13%. <b>Balanced:</b> This pool is designed for growth at more moderate levels of risk. It is appropriate for assets that will remain invested for at least <b>three years</b> . Assets are exposed to market risks and may experience principal loss from year to year. The projected near worst-case return per annum over three years is approximately -6%.
	For funds with short-term grantmaking goals <b>Short-Term:</b> This pool is designed to outperform money market returns and provide a high degree of liquidity for near-term grant distributions. This pool is appropriate for assets that will remain invested for periods of <b>one year or more</b> . Market values should be relatively stable from year to year, but may experience periodic declines. The projected near worst-case return per annum over three years is approximately -2%.
LOWER VOLATILITY	<b>Capital Preservation:</b> This pool is designed to preserve principal and provide current income and liquidity by investing in high quality, short-term financial instruments. It is appropriate for fund advisors seeking stability or for that portion of a fund that is to be distributed as grants within <b>12 months or less</b> .

### Important Information

A small portion of each pool may be held in cash at all times to provide liquidity for grant distributions. Investment expenses are in addition to an administrative support fee charged by the community foundation. The investment return and principal value will fluctuate such that investments, when redeemed for grantmaking, may be worth more or less than their original cost.

Contact Silicon Valley Community Foundation at [donate@siliconvalleycf.org](mailto:donate@siliconvalleycf.org) or 650.450.5444 for additional information regarding investment options or historical performance.

Updated August 2009

# FUND TERMS AND CONDITIONS

## Tax Status of Contribution

Funds established at Silicon Valley Community Foundation (the “community foundation”) are component funds of the community foundation, a Section 501(c)(3) public charity. Contributions other than cash or marketable securities must first be approved by the community foundation. All contributions to the community foundation’s funds are treated as gifts to a public charity and are generally 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.

## Variance Power

As required by law, all assets contributed to funds become irrevocable gifts to the community foundation and legal control and responsibility for the funds rest with the community foundation. All funds established at the community foundation are subject to the community foundation’s variance power, as set forth in the community foundation’s bylaws. Variance power gives the community foundation the authority to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if, in the sole judgment of the community foundation’s board of directors, such restriction or condition becomes unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served.

## Investment of Assets

In making a gift to the community foundation, donors give up all right, title and interest to the assets contributed. In particular, donors cannot choose investments, investment managers or brokers after their gift has been made. The board of directors and investment committee of the community foundation have the right to make any or all investment decisions regarding gifts received, except that fund advisors have advisory privileges with respect to fund investments. All assets contributed to funds will be managed in the community foundation’s investment pools. Investment allocations among the community foundation’s

investment pools can be changed no more than once per calendar year, unless a significant change to grantmaking or fund balance occurs and prudence requires a change. The community foundation may hold up to five percent (5%) of fund assets in non-interest bearing cash at any time. All income and capital gains or losses will be allocated to the fund on a monthly basis.

A donor may recommend a customized investment approach through an outside investment advisor for funds carrying a significant balance. The community foundation’s investment committee must approve the recommended advisor and the advisor’s proposed investment strategy and underlying investments.

## Fees and Minimums

There is no fee to open a fund at the community foundation, however specific initial gift minimums must be met. Initial gift minimums vary by fund type. Once established, funds are required to maintain a \$1,000 minimum balance and are subject to support and investment fees. A list of current fees and initial gift minimums is available upon request. The community foundation reserves the right to change its fee or minimum policies at any time.

## Role of Advisors

Donors establishing an advised fund may designate any person over 18 years of age to be an advisor on the fund. A fund can have more than one fund advisor but preferably no more than three. If a fund is advised jointly, upon the death of one fund advisor, the remaining fund advisor(s) retains the privileges associated with the fund.

## Successor Advisors

The donor and any fund advisor may designate any person within one generation to be a successor advisor to exercise the privileges and duties of a fund advisor. Successor advisors may assume the privilege to advise the fund only after the deaths or resignations of all initial fund advisors named on the fund. The successor advisor(s) may be required to provide written notification and sufficient proof of the donor’s or fund advisor’s death prior to assuming the privileges and

# FUND TERMS AND CONDITIONS

duties of a fund advisor. Successor advisors may not appoint further successors but may appoint additional fund advisors as long as they are in the same generation as the successor advisor. If the successor advisor is a minor, the community foundation's board of directors reserves the right to require that grant recommendations be made by the minor's legal guardian.

All requests to modify or appoint additional advisors and successor advisors to a fund must be communicated to the community foundation in writing. In addition, a written acknowledgement must be received from the community foundation confirming that the request has been granted. If the community foundation has not received the name(s) of an additional advisor(s) or successor advisor(s) to the fund, or other special instructions, in writing, the community foundation will use the fund's balance to support the community foundation's Community Endowment Fund.

The following Fund Advisory Privileges and Fund Relationship definitions further explain the role of advisors and other interested parties to funds at the community foundation. These terms correlate to the Advised Fund and Fund Agreement forms and will determine the fund's contacts and advisors.

## Fund Relationship and Fund Advisory Privileges Definitions:

**Primary Contact:** One person per fund who should be contacted first for anything concerning the fund. This individual may or may not have fund advisory privileges.

**Fund Advisor:** This individual has full advisory privileges over a fund, including grant recommendations, investment recommendations, naming the fund, and appointment of other fund advisors and successor advisors. (This is the highest level of authority.)

**Secondary Advisor:** This individual also has full advisory privileges over grant recommendations but has no other fund administration advisory privileges. (This is an intermediate level of authority.)

**Fund Representative:** This individual has access to fund information but no fund advisory privileges. (This is the lowest level of authority.)

**Successor Advisor:** The second generation fund advisor; he or she has no advisory privileges until the cessation to act of all initial fund advisors. (Primarily for donor advised funds, committee advised funds and scholarship funds.)

## Fund Spending Policy

The community foundation recommends a minimum five percent (5%) annual distribution rate for all funds. For endowed funds, the community foundation's board of directors sets and monitors a required annual distribution rate that is calculated as a percentage of fund assets. This rate is based on 12 trailing quarter balances and is subject to change based on community needs, investment performance and the long-term preservation of endowment funds' principal. An endowed fund must be invested for a minimum of 12 months before the fund's initial annual distribution rate can be calculated.

## Grant Disbursement

Grants must be for charitable purposes, and those grants may be recommended to any 501(c)(3) organization or verified charitable entity (e.g. schools, religious institutions) located in the United States or any nongovernmental organization outside of the United States having a verifiable charitable purpose. All grants directed outside of the United States must comply with federal government regulations, and the prospective grantee must be verified as the equivalent of a public benefit organization within the United States and must otherwise conform to all relevant federal and state laws. Grants may also be given for charitable purposes to non-501(c)(3) organizations if the charitable expenditure can be verified through a process called expenditure responsibility. Expenditure responsibility is required for any organization not described in IRS Section 170(b)(1)(A), including for-profit companies, private operating foundations and new public charities that do not yet have 501(c)(3) status and disqualifying supporting organizations.

Grants given to all 501(c)(3) public charities within the United States must be for a minimum of \$200. Grants given outside the United States or requiring expenditure responsibility within the United States must be for a minimum of \$1,000. Grant checks sent to organizations are accompanied by a community foundation letter specifying the name of the fund and the fund advisor's name(s) unless requested otherwise by the donor or fund advisor and as approved by the community foundation. The fund advisor's address may also be included on all letters if requested by the fund advisor. Mail which the community foundation receives for the fund will not be forwarded. Approved grants are typically sent within 10 working days of the recommendation being received or the fund advisor will be notified as to the reason for a delay. However, any fund submitting 20

# **FUND TERMS AND CONDITIONS**

or more grant recommendations at a time should allow up to two weeks for processing. Grants made from funds at the community foundation are issued on checks with the name and logo of the community foundation.

The community foundation shall assume responsibility for check writing, bookkeeping, investment management, tax reporting, auditing and evaluation of projects, and for making available to the fund advisors and fund representatives reports of fund income, expenses and grantmaking, as appropriate.

## **Restrictions on Grants**

In compliance with the Internal Revenue Code, grants are not permitted to individuals, for non-charitable purposes; for political contributions or to support political campaign activities; or for any purpose that would provide benefits, goods or services to the advisor recommending the grant. A fund advisor is subject to IRS penalties if the fund advisor receives benefits, goods or services in connection with a grant recommended by the fund advisor. This includes grants to satisfy pledges made by any person including a fund advisor and non-deductible (or partially tax-deductible) memberships, event tickets, sponsorships, registration fees in tournaments and cause-related marketing activities. Grants are not allowed to private non-operating foundations. Please contact the community foundation if you have questions about the exclusion of benefits from grant recommendations and/or multiple-year payments.

## **Expense Reimbursement**

The community foundation does not permit expense reimbursements from an advised fund to any donor, fund advisor or related party. All expenses must be paid by the community foundation directly after appropriate review of the expenses and their payees and must be preapproved by the community foundation prior to being incurred. Legislation regulating these payments is currently being clarified and each arrangement will be reviewed individually in light of these evolving policies. The expense submitted for review must be charitable in nature or support a charitable purpose.

## **Fundraising Policy**

On rare occasions, the community foundation may consider permitting a fund to raise money. All fundraising activities must be pre-approved by the community foundation. Fund advisors must allow at least 30 days for approval. Use of the community foundation's name on any fundraising material is expressly prohibited without prior written approval by the community foundation. The community foundation cannot reimburse the donor, fund advisor or related parties for expenses related to

fundraising activities. All contributions raised in support of the fund must be made payable to Silicon Valley Community Foundation with the name of the fund in the memo line. The community foundation is not responsible for the success of fundraising to benefit a fund at the community foundation.

## **Memorial Funds**

A memorial fund can be established in honor of someone who has passed away, and requests for donations in the name of the deceased to the community foundation are required to use the following language in obituaries or solicitations for gifts: "Funds raised will be added to the [insert name] Fund at Silicon Valley Community Foundation, a 501(c)(3) organization. All checks must be made payable to Silicon Valley Community Foundation with [insert name] Fund in the memo line."

Names of donors to memorial funds will be disclosed to memorial fund advisors; however, specific gift amounts will not.

## **Scholarship Funds**

For any scholarship fund established at the community foundation, the scholarship selection committee must be appointed by the community foundation; however members may be recommended by the donor. The donor and parties related to the donor may serve on the selection committee but they cannot directly or indirectly control the committee. As required by law, the scholarship selection process must be approved annually by the community foundation's board of directors. The community foundation disburses scholarship funds to the institution the recipient attends and will not disburse a grant to a specific individual.

## **Designated Funds**

Designated funds can only be established for the benefit of one qualified public benefit organization. If that organization ceases to exist or has dramatically changed its charitable purpose, the community foundation will use its variance power to find a similar organization which matches the donor's intent. Should the donor request that the organization be changed, all remaining assets will be granted to the original organization and a new fund must be established.

## **Fund Inactivity**

If a fund advisor is no longer willing or able to advise the fund's distribution, and no successor advisor is named, the community foundation's board of directors will

# FUND TERMS AND CONDITIONS

assume responsibility for grantmaking. Inactivity is when no grant recommendations or gifts are received for a period of two consecutive years and the fund advisor(s) cannot be contacted. The community foundation's staff will attempt to contact the fund advisor(s) at least three times via certified mail and allow 30 days for a response. If contact cannot be made, the community foundation's board of directors will advise an annual payout to support the community grantmaking program in accordance with the community foundation's spending policies. If two more years pass with no contact from the advisor, the fund in its entirety will be transferred to the Community Endowment Fund. A fund must have inactivity for a total of four years before being transferred to the Community Endowment Fund.

## Fund Closure

A fund advisor may recommend closing a fund by granting up to 100 percent (100%) of the fund balance to a qualified public benefit organization, including any of the community foundation's funds (e.g., field of interest funds, endowment funds, operating funds). Such recommendations must be received in writing and, if approved, funds will be disbursed in accordance with the community foundation's articles of incorporation and bylaws, current agreements, laws and regulations. Closing a fund by recommending a grant to another qualified public benefit organization which is approved will occur as follows: 80 percent (80%) of the current balance will be granted within 10 business days of the request date, barring any issues with the organization's status as a qualified public charity or equivalent. The remaining balance of the fund, including any residual net earnings, will be granted within the following 45 days. Endowed funds are permanent and cannot be closed.

## Conflict of Terms

In the event of an inconsistency between these terms and conditions and any terms and conditions appearing elsewhere in connection with any fund, these terms and conditions, as interpreted by the community foundation, shall govern, and the community foundation reserves the right to take any actions at any time which, in its discretion, it deems reasonably necessary or desirable for the proper administration of any fund at the community foundation or to comply with applicable law.

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**Please contact the community foundation at [donate@siliconvalleycf.org](mailto:donate@siliconvalleycf.org) or 650.450.5444 if you have questions about these terms and conditions.**

## Frequently Asked Questions

### What is a donor advised fund?

A donor advised fund is not a separate legal entity like a trust or a corporation. It is a fund defined by the IRS that a sponsoring charity, like Silicon Valley Community Foundation, creates through a written agreement with a donor. The donor contributes assets to the community foundation which agrees to treat those assets as a separate fund on its books, while the donor retains the privilege of recommending charitable grants from the fund and how the community foundation should invest the fund's assets.

### Who owns the assets once the gift is made and the fund is opened?

The law requires the community foundation to make clear in the agreement, and to obtain the donor's written acknowledgement, that the assets in a donor advised fund are the property of the community foundation and that the community foundation has discretion and control over the use and investment of the donor advised fund's assets.

### Why is discretion and control an issue?

In order for a donor to take advantage of the tax benefits that flow from a charitable gift, the gift has to be complete - that is, the donor has to part with control over the donated assets. The appearance of donor control could put the donor's tax-deduction in jeopardy. Therefore, fund advisors cannot make pledges on behalf of the fund and can only make non-binding recommendations about grants; they cannot control when and how the community foundation will make grants nor control decisions about which grantees will receive funding.

### What are the limits on donor benefits in connection with donor advised fund grants?

Donors, fund advisors and related parties (such as family members or business interests) may receive only "incidental" benefits from a grant or investment of a donor advised fund. If a donor, fund advisor or related party receives more than an incidental benefit in connection with a donor advised grant, the IRS will assess a penalty of 125% of the amount of the improper benefit. The penalty may be assessed against either the person who recommended the grant or the person who received the benefit. (There is a separate penalty if a donor, fund advisor or related party receives a direct benefit from the donor advised fund, such as having the fund pay the conference fee for the fund advisor to attend a conference.)

release date February 2010

# SUPPORT FEES AND MINIMUMS

SILICON VALLEY | **community**  
**foundation**  
SERVING SAN MATEO AND SANTA CLARA COUNTIES

## Support Fees and Minimums

Silicon Valley Community Foundation assesses support fees to cover the cost of administration and to continue the community foundation's important work in our community. Fees provide the necessary resources to operate efficiently and effectively, ensuring fiscal responsibility in grant due diligence, donor and nonprofit education, research and other activities. Annual fees are assessed monthly based on average fund balance.

### Donor Advised and Committee Advised Funds

\$10,000 minimum initial gift  
\$1,000 minimum balance  
\$250 minimum fee

### Support Fees

1.0% on the first \$3 million  
0.75% on amounts over \$3 million  
0.50% on amounts over \$10 million  
0.25% on amounts over \$25 million

### Supporting Organizations

\$10,000,000 minimum initial gift  
\$2,500,000 minimum balance  
\$25,000 minimum fee

1.0% on the first \$15 million  
0.65% on amounts over \$15 million  
0.25% on amounts over \$25 million  
0.10% on amounts over \$30 million

### Field of Interest Funds

\$50,000 minimum initial gift  
\$1,000 minimum balance  
\$250 minimum fee

2.0% on all balances

# SUPPORT FEES AND MINIMUMS

## Scholarship Funds

Community Foundation Managed

\$250,000 minimum initial gift

\$1,000 minimum balance

\$250 minimum fee

Donor Involved

\$50,000 minimum initial gift

\$1,000 minimum balance

\$250 minimum fee

## Support Fees

2.0% on all balances (includes 10 scholarship applications annually)

\$35 processing fee applies for each additional application

Total processing fees shall not exceed 4.0% of the fund's annual balance

2.0% on all balances

## Designated Funds

\$10,000 minimum initial gift

\$1,000 minimum balance

\$250 minimum fee

0.5% on all balances

## Nonprofit Endowment Funds

\$10,000 minimum initial gift

\$5,000 minimum balance

\$250 minimum fee

0.5% on all balances

## Nonprofit Investment Funds

\$10,000 minimum initial gift

\$5,000 minimum balance

\$250 minimum fee

1.0% on funds up to \$1 million

0.75% flat rate on funds over \$1 million

0.50% flat rate on funds over \$5 million

**Other fees may apply under special circumstances. For more information about support fees and minimums contact [donate@siliconvalleycf.org](mailto:donate@siliconvalleycf.org) or call 650.450.5444**