

Fund Types Offered by ECPSF

Donor Advised Funds:

These Funds allow individuals, families and businesses to be fully involved in their philanthropy. Fundholders have the flexibility to recommend grants to their charitable interests, while ECPSF handles all of the paperwork.

- Allows the fundholder to recommend grants to their favorite nonprofits, while the Foundation handles all the paperwork and due diligence.
- Offers benefits similar to those of a private foundation without the burden and cost.
- Can allow individuals, families, and businesses to be fully involved in their philanthropy.

Donor advised funds are especially useful for donors who want to take a charitable deduction in one year and recommend distributions over several years. (Please note that IRS regulations require the ultimate decision-making authority for the award of the grants to lie with the Foundation.)

What amount is needed to establish a donor advised fund?

- \$1,500 establishes a donor advised fund.
- The fund has 5 years to grow to \$25,000.
- At \$25,000, including earnings, grants can be recommended.

There are two types of donor advised funds.

- Endowed funds preserve the principal.
- Quasi-endowed funds allow access to principal provided that \$25,000 remains in the fund to keep it active.

The fund is accessible to anyone that would like to donate to it. Donations can be made by check, credit card, or by a gift of stock. Non-cash assets are also an option and require the review of our gift acceptance committee. ECCF sends acknowledgment letters for donations over \$100 unless the donation is a tribute gift. For those gifts, an acknowledgment letter is sent to the donor, and we also notify the family that a gift was made in memory or honor of someone.

Qualified Charitable Distributions (QCD) / Individual Retirement Account (IRA) Contributions:

- QCD/IRA contributions cannot be directed into a donor advised fund or to a supporting organization unless the donor claims them as income.
- Donor advisors can establish a 'designated family pass-through fund' with an QCD/IRA gift. The designations must be determined when establishing the fund. The designations cannot be changed after the fund has Board approval. Also, the gift(s) can be distributed annually over five years as directed in the agreement. This is a great way for donors to utilize their QCD/IRAs and not have to claim them as income.
- Donors can designate as many nonprofit grantees as they wish, excluding other donor advised funds or supporting organizations. We will make sure the grant dollars are used as directed.

A donor advised fund can become a designated, field of interest, or an unrestricted fund at a later date, upon death, or if there are no longer successor advisors to the fund. The donor's legacy and the impact made on the community will continue forever.

Designated, Field of Interest, and Unrestricted Funds:

A **Designated Fund** allows donors to support their favorite nonprofit organization, church, or school forever. A single Fund can support one or more charities, even specific programs of these charities. If the chosen organization eventually ceases to exist, ECPSF will redirect the Fund's income to another organization that has a similar mission.

A **Field of Interest Fund** allows donors to allocate their contributions for the benefit of one or more areas of interest. These include, but are not limited to, education, health, social services, the arts, or the environment. Field of Interest Funds support worthy grant applications that match their areas of interest.

An **Unrestricted Fund** meets the greatest needs of our community forever. Both Field of Interest and Unrestricted Funds support ECPSF's Community Grant Cycle, in which ECPSF's Grants Committee recommends funding for grants that do the most to improve the Eau Claire area's quality of life.

\$500 is needed to establish a Designated, Unrestricted, Field of Interest, or Scholarship Fund. Donors have 5 years to grow each Fund to \$10,000. Once fully funded, granting may begin. ECPSF will take care of all relevant acknowledgment, tribute, and memorial letters. *These Funds can receive donations from the public and are eligible for Qualified Charitable Distributions.*

ECPSF's goal is have a 4% spend policy every year. The distribution is a percentage of the rolling 20 quarter average of the Fund, or since inception for newer Funds. Through careful stewardship, these Funds carry on each donor's legacy forever.

Designated Scholarship Funds:

Designated Scholarship Funds are dedicated to the continued education or training of children or adults. Scholarship programs may be designed to meet certain specifications, such as supporting students in a specific area of study, rewarding academic achievement, mitigating financial need, or supporting students from a particular high school or college. *This type of Fund can receive donations from the public and are eligible for Qualified Charitable Distributions.* Minimum of \$1,000 to establish; minimum of \$15,000 to grant. Some restrictions apply.

Other Advantages of Establishing Funds:

- ECPSF sets up an online page for each Fund unless the Fund holder prefers to keep it private. These pages allow direct donations, which are processed by ECPSF.
- If a donor would like to donate an asset other than cash to the Fund, ECPSF is able to accept it. (Some restrictions apply.)
- ECPSF has due diligence in place for managing invested assets. The Investment Policy Statement includes a conflict of interest policy for investment committee members.
- Donors that donate in memory or honor of an individual are recognized in the Annual Report, as are the Funds and individuals being honored.

Legacy Society:

Donors who join ECPSF's Legacy Society can choose to establish a fund(s) via their estate plans. ECPSF's staff is available to assist with charitable estate planning and creating a lasting legacy with the guidance of your professional advisor, we can explore strategies to meet your legacy goals. Anonymity is respected.

Certified for Excellence. Accountability. Impact.

ECPSF has been certified in compliance with the National Standards for U.S. Community Foundations since 2002.