



# CHARLEVOIX COUNTY COMMUNITY FOUNDATION

## Advantages of a Donor Advised Fund

### Purpose and Practice

Individuals, couples, families, or businesses can establish a donor advised fund as a tool for philanthropy.

### How a Donor Advised Fund Works

Donor(s) may recommend grants to qualifying nonprofit organizations, schools, or municipalities at any time close to home or outside of Charlevoix County. The Community Foundation can also share local opportunities for impact.

### Options Available to Donor Advisors

Some donor advisors use their fund for simplified annual giving to support organizations they care about most. Some donor advisors look to the Community Foundation to learn about current needs and opportunities for charitable investment in Charlevoix County. Others establish a donor advised fund with a long-term goal of building a charitable resource similar to a family foundation with less cost and administration. A donor advised fund is a tool for individual philanthropy and is therefore as unique as the individuals who establish the funds.

### General Features

- The minimum amount necessary to establish a donor advised fund is \$20,000.
- Depending on the donor's goals, a donor advised fund may be established as a permanent endowment to grow for the future or a non-endowed fund for current grant-making.
  - Endowments grant a portion of the balance each year to allow for the fund's long-term growth.
  - Non-endowed funds are available to grant but must maintain a minimum balance of \$10,000.
- The Community Foundation charges this type of fund a tiered annual fee to provide for grant-making, investment management, individual fund accounting, donor acknowledgement, and reporting.

2%	Up to \$500k
1.75%	\$500k - \$1 million
1.5%	\$1 million +
- Grants may be made to qualifying charitable organizations, schools, or municipalities. Grants may not result in benefits to the advisor, their family, or their business and may not pay pledges.

### How to Establish a Donor Advised Fund

- Understand the Highlights of the Donor Advised Fund Policy and complete Specifics for Establishing a Donor Advised Fund with C3F staff to determine specific fund features.
- Sign the fund agreement and establish the fund with an initial gift.
- Review How to Use My Donor Advised Fund and begin to make a difference with it!