

The Jewish Community Foundation
affiliated with the Jewish Federation of the Greater East Bay

Procedures for Establishment & Operation
of Donor-Advised Philanthropic Funds

Article 1. ESTABLISHMENT AND PURPOSE

1.1 Authorization: The Jewish Community Foundation (hereafter “Foundation”), through its Board of Directors, has previously authorized the establishment of Funds as component funds of the Foundation and has the authority to provide all needed rules, procedures, and policies for the establishment and administration of such Funds. The Board of Directors accordingly prescribes these procedures for the guidance of the Foundation staff and for the information of current and potential donors as well as other interested members of the public.

1.2 Establishment of Funds: A donor may establish with the Foundation Donor-Advised Philanthropic Funds, whereby the donor and others may recommend possible grant recipients to the Foundation.

1.3 Establishment of Donor-Advised Philanthropic Funds: The purpose of Donor-Advised Philanthropic Funds is to develop and encourage support of the Foundation’s philanthropic activities by living donors, as distinguished from bequests or legacies. The establishment of Donor-Advised Philanthropic funds is designed as a means of broadening the base of endowment support, encouraging meaningful interchange of ideas by Donors in the Foundation’s philanthropic interest and to provide funds to supplement and extend the programs and interests of the Foundation in serving its charitable, educational, and religious purposes (which are hereinafter referred to as “charitable” and shall encompass only charitable purposes as defined in Section 170(c) (1) or (2) (B) of the Internal Revenue Code).

1.3.1. **Funding Requirement:** A Donor-Advised Fund may be created by a contribution of at least \$5,000 of cash or other property acceptable to the Board of Directors valued at not less than \$5,000.

1.3.2. **Nature and Terms of Donor-Advised Funds:** Each Fund shall be a component fund of this Foundation and its property held in its normal corporate capacity; it shall not be deemed a trust fund held by it in a fiduciary capacity. The Foundation in its normal corporate capacity shall have the ultimate authority and control of all property in each Fund, and the income derived therefrom, for the charitable purposes of the Foundation. Each Fund shall be recorded on the books and records of the Foundation as an identifiable or separate fund and may be given a name or other designation as requested by the Donor.

Article 2. ACCEPTANCE OF FUNDS

2.1 Authorization: The Executive Director and/or Chief Financial Officer of the Foundation (or such additional officers or employees of the Foundation as the Board of Directors may from time to time authorize) shall have the same authority and responsibility to accept, on behalf of the Foundation, contributions of cash or other property acceptable to the Board of Directors to establish or add to a Donor-Advised Philanthropic Fund, as in the case of other gifts to the Foundation.

Acceptance of property other than cash and marketable securities regularly traded over an exchange shall be made upon approval by the Executive Committee by unanimous vote, after conferring with the Gift Acceptance Committee. A Donor may not impose any material restriction or condition that prevents the

Foundation from freely and effectively employing the contributed assets or the income derived therefrom, in furtherance of the charitable purposes of the Foundation.

2.2 Value: The Donor shall determine the value, for tax purposes, of any property contributed to the Foundation, and the Foundation will have no responsibility to certify to a Donor the accuracy of such value.

Article 3. INVESTMENT OF FUND ASSETS

3.1 Responsibility: The Foundation has the responsibility and authority for the investment of the assets of each Fund. The assets of any Fund may be commingled with those of other component fund of the Foundation or may be invested in units of a common investment fund, which may be established or utilized by the Foundation. However, the Foundation shall have no obligation to commingle the assets for investment purposes and may, in its discretion, retain any assets received or hold the assets of a Fund as a separate unit for investment purposes. Any investment or reinvestment of assets shall be made only in such investments as are appropriate for a prudent fiduciary and specifically approved by the Foundation's Investment Monitoring Committee.

3.2 Administration: Decisions with respect to the retention, investment, or reinvestment of assets shall be made by appropriate authorization from the Board of Directors of the Foundation or by the Foundation's Investment Monitoring Committee as authorized by the Board of Directors.

Article 4. DISTRIBUTION FROM THE FUNDS

4.1 In General: Other than the Funds of Members, the Board of Directors has the right to direct all distributions from each Fund in accordance with the terms of such Fund. The Donor of a Fund, or any other interested party, may from time to time make recommendations to the Foundation as to the making of distributions from any Philanthropic Fund administered by the Foundation. The Foundation shall consider and evaluate all such recommendations, but such recommendations will be solely advisory and Foundation is not bound by such recommendations.

4.2 Limitations: The following limitations apply to all distributions from all three types of Philanthropic Funds:

- a) In addition to any investment management fees, each fund shall bear a reasonable proportionate share of the administrative expenses of the Foundation. But in no event shall such Fund share of such expenses exceed an amount which equals one percent (1%) of the average monthly fair market value of the fund determined as of the first day of each month during the applicable fiscal year plus 2% of aggregate grant distributions determined as of December 31st and June 30th of the applicable fiscal year.
- b) The Foundation, as a public charity, will not make any distribution from a Donor-Advised Philanthropic Fund except as a distribution from the Foundation for its charitable purposes. And no such distribution may be used to discharge or satisfy a legally enforceable obligation of any person, including the Donor advisor of a Donor-Advised Philanthropic Fund.
- c) Although the Board of Directors will consider recommendations as to distributions out of the corpus of a Donor-Advised Philanthropic Fund, it is anticipated that, upon the death of the donor(s) and successor advisors (if any), the remainder of the fund will be contributed to the unrestricted fund of the Foundation, or converted to a named unrestricted fund, a named donor-restricted fund or a named Field of Interest fund.

4.3 Guidelines: The Foundation shall institute educational programs or other means of publicizing to Donors and other interested persons the charitable purposes and specific charitable needed of the Foundation. All recommendations for distributions from any Fund that are not inconsistent with the global objectives of the Foundation shall be considered. And any recommendations made which are deemed inconsistent with such objectives shall not be considered.

4.4 Procedure

- 4.4.1. **Recommendations:** A Donor or other person making a recommendation with respect to distributions from a Donor-Advised Philanthropic Fund should do so in writing and/or via electronic methods, addressed to the Foundation. As a convenience, the Staff of the Foundation will regularly provide grant recommendation forms to Donors and other persons making such recommendations.
- 4.4.2. **Staff Investigation:** With respect to each recommendation made, the Staff of the Foundation will make a determination of whether the recommendation is not inconsistent with the objectives of the Foundation; and whether any other information upon which a decision should be made whether or not to follow a recommendation in whole or in part. The degree of formality employed by the Staff in making an evaluation and obtaining the necessary information will depend upon the nature of the grantee organization and the information already available to the Staff with respect to the grantee and purposes of the grant. Where necessary for its evaluation, the Staff may request an organization to submit appropriate information.
- 4.4.3. **Recommendations Not Consistent with the Objectives of the Foundation:** If the Staff of the Foundation determines that a recommendation is not consistent with the objectives of the Foundation, the person making the recommendation will be advised of this fact. If the person making the recommendation believes that the Staff's investigation is in error or, by reason of unusual circumstances, the recommendation otherwise has merit, so that it should be acted upon favorably by the Foundation, then the person making the recommendation may request that the recommendation be referred to the Grants Committee for further review.
- 4.4.4. **Recommendations Consistent with the Objectives of the Foundation:** If the Staff of the Foundation determines that a recommendation is consistent with the objectives of the Foundation:
 - 1) The Executive Director or his/her designate may approve, on an interim basis, the following:
 - a) Recommendations for grants to the Jewish Federation of the Greater East Bay and to the beneficiary agencies of the Jewish Federation of the Greater East Bay in an amount up to and including \$100,000.
 - b) Recommendations for grants to qualified organizations (those organizations that both meet the test of 501(c)(3) non-profit status or the equivalent and whose purposes are not inconsistent with the objectives of the Foundation), other than beneficiary agencies, in amounts of up to and including \$25,000.
 - 2) Recommendations for grants to all qualified organizations in amounts up to and including \$100,000 may be approved on an interim basis by a majority vote of the Foundation Executive Committee.

4.4.5. **Board Review:** The Board of Directors shall review all reports of interim approvals and subsequent grant distributions delivered to it by the Staff of the Foundation. And they shall review all requests (pursuant to Section 4.5.3) to further consider a determination by the Staff that a recommendation is not consistent with the objectives of the Foundation. In reviewing such reports or requests, the Board of Directors shall review all relevant information provided to it and shall consider the extent of support, if any, to be provided for the recommended purpose. If the Board of Directors desires further information, it may request such information from the Staff or the person making the recommendation. The Board of Directors shall act on all recommendations presented to it in accordance with established procedures for distributions from the Foundation.

4.5 Notification to Grantee as to Source of Distribution: Any distribution from a Donor-Advised Philanthropic Fund, unless otherwise requested by the Donor of the Fund, shall identify to the grantee organization the name of the Fund from which the distribution is made.

Article 5. REPORTS AND EDUCATIONAL PROGRAMS

5.1 Annual Report: Donors shall have the option of at least annually receiving a report of all distributions made from the Donor-Advised Philanthropic Fund, which they established or was established by a member of the family of a Donor who contributes to such fund. In addition, each such Donor shall have the right to designate one other person to whom such Annual Report will be delivered. Furthermore, each such Donor shall have the right to designate the person to whom Annual Reports will be delivered following the death of the Donor. Such designated person shall thereafter have all of the rights given to a Donor under this Section 5.1 including the right to designate the person to receive the Annual Report at such person's death. The designation of any person other than the original Donor, to whom an annual report is to be delivered to, shall be given to the Foundation by a written notice (pursuant to the provisions of this Section 5.1, which may be revoked or amended at any time prior to the Donor's death).

5.2 Educational Programs: The Foundation shall conduct educational programs publicizing to Donors and other interested persons in the community these policies and procedures. Such educational programs may be part of the total program of the Foundation to educate the public with regard to the scope of the Foundation.

Article 6. CONTINUITY OF FUNDS

6.1 Conversion of Funds: With respect to each Donor-Advised Philanthropic Fund, after the death of the Donor and/or the Donor's spouse (if any) for whom the Fund is named and any successor advisors (if any) (refer to as the "Conversion Date"), the Board of Directors shall have the power at any time to contribute the balance of the Fund to the general Unrestricted Fund of the Foundation, or convert the Fund to a named Unrestricted Fund, a named donor-restricted fund, or a named Field of Interest Fund of the Foundation.

6.2 Additions to General Fund: Notwithstanding the provisions of Section 6.1, if, upon the Conversion Date for any Fund (described in Section 6.1), the value of the Fund at that time is less than \$5,000, the balance of the Fund shall be contributed to the general Unrestricted Fund of the Foundation.

Article 7. AMENDMENTS

7.1 By Board of Directors: These procedures may be amended by a majority vote of the Board of Directors at any regular or special meeting.