

ESTABLISH A
DONOR ADVISED FUND



Jewish Community Foundation
San Diego

INCREASE THE EFFECTIVENESS OF YOUR GIVING

There are so many ways you can improve the world. Through a donor advised fund at the Jewish Community Foundation of San Diego, you can manage your giving, connect to the community, and become a more effective and informed philanthropist.

Flexibility: Using the donor advised fund, you can support the organizations and causes you care most about in areas such as health and human services, the arts, education, the environment, and others.

Efficiency: With your gift to establish the fund, you receive an immediate tax deduction for the maximum amount possible for gifts to a public charity. For gifts of long-term appreciated stock, you may avoid capital gains tax. Then, you can recommend grants from the fund on the timetable that is most convenient for you.

Community Connection: With a donor advised fund, you will be invited to the Foundation's educational and networking programs where you can learn more about strategic giving, areas of community need, and connect with the Foundation's many other donors.

The screenshot shows the Donor Central website interface. The main content area displays the 'Fund Summary' for the 'Howard and Betty Golden Fund (0000)'. The summary is dated 'Current Gift and Grant Information as of November 21, 2008'. It includes a table for 'Contributions' and 'Grants Paid'.

Contributions	
Year-To-Date - 2008:	\$3,000.00 See Details
Last Year - 2007:	\$4,800.00 See Details
Cumulative (since 5/12/1996):	\$14,550.00 See Details

Grants Paid	
Year-To-Date - 2008:	\$1,000.00 See Details
Last Year - 2007:	\$750.00 See Details
Cumulative (since 5/12/1996):	\$2,200.00 See Details

Below the grants table, there is a section for 'Grants Pending'.

DONOR CENTRAL: YOUR 24/7 RESOURCE

Access the fund online through Donor Central, the Foundation's secure online fund portal 24 hours a day, seven days a week. View a demonstration at www.jcsandiego.org.

- View fund summary and current balance
- Recommend grants and download forms and statements
- Learn about organizations that need support

WHO MAY ESTABLISH A DONOR ADVISED FUND?

- **Individuals or families** to help manage personal giving
- **Community organizations** or groups of donors to support a particular cause or nonprofit
- **Youth** celebrating a bar or bat mitzvah
- **Couples** celebrating their wedding
- Those wishing to **honor the memory** of a loved one
- **Corporations** to outsource the administrative responsibilities of corporate giving

THREE SIMPLE STEPS TO ESTABLISH A DONOR ADVISED FUND

Establishing a donor advised fund takes just a few minutes.

- 1** Complete and sign the Donor Advised Fund Application including recommending the investments of the fund and designating advisors.
- 2** Transfer assets of \$1,800 or more.
- 3** Receive an immediate charitable tax deduction for the full fair market value of the assets you transfer. For appreciated assets, you may eliminate capital gains tax.

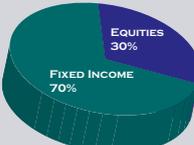
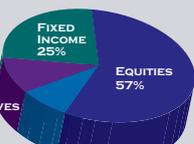
ONCE YOUR FUND IS ESTABLISHED

- Make additional contributions of any amount at any time, with full tax advantages.
- Recommend how the assets are invested so the fund grows tax free, giving you more to grant to the community.
- Recommend grants to your favorite organizations in the Jewish and general communities all over the world.
- Access the fund online, conduct transactions, and view giving opportunities using the Foundation's secure Donor Central online fund portal.
- Let the Foundation take care of all administrative responsibilities and consult with staff for personal advice about community needs, areas of interest, and a range of philanthropic services.
- Participate in the Foundation's Philanthropy Connections educational programs and network with other funders.
- Pass on to your children the ability to recommend grants from the fund now and after your lifetime.
- Use the fund to create a legacy for the community.

ASSETS TO BE CONTRIBUTED TO A DONOR ADVISED FUND

- Cash
- Closely held stock
- Life insurance
- Limited partnerships
- Long-term appreciated public stock
- Mutual funds
- Private foundation payouts or dissolutions
- Publicly traded securities
- Real estate
- Restricted stock
- Retirement plans
- Tax deferred savings plans

CHOOSE FROM FOUR INVESTMENT POOLS

<p>SHORT TERM POOL</p> 	<p>A cash-equivalent pool designed for donors or nonprofits that wish to make grants immediately or for funds that cannot sustain any loss of principal over any time horizon.</p>
<p>MID TERM POOL</p> 	<p>Designed for donors or nonprofits with medium-term objectives (3-5 years). While conservative, the Mid Term Pool will have a moderate risk of loss. The fund will remain liquid and will not include an allocation to alternative investments or real estate.</p>
<p>LONG TERM POOL</p> 	<p>Designed for donors or nonprofits with long-term objectives (7+ years) and spending rates of approximately 5% of assets per year. This pool will remain liquid and will not include an allocation to alternative investments or private real estate. Real assets for this pool constitute inflation-hedging liquid investments such as REITs or commodities.</p>
<p>ENDOWMENT POOL (NEW)</p> 	<p>Designed for donors or nonprofits with endowment-like objectives (20+ years), willing to accept moderate illiquidity and with spending objectives of approximately 5% of assets per year. The pool will be managed consistent with endowment best practices and will invest a portion in non-public investments such as private real estate and hedge funds of funds, much like leading universities and large community or private foundations. Real assets for this pool constitute private real estate, REITs and/or commodities. Alternatives constitutes hedge funds of funds?</p> <p>Due to moderate illiquidity, donors and nonprofits will be asked to (a) hold any large or “pass-through” grants in other pools; (b) provide 90-days notice for distributions in excess of \$100,000; and (c) acknowledge that JCF reserves the right to hold back up to 10% of funds.</p>

USING YOUR DONOR ADVISED FUND AS YOUR CHARITABLE LEGACY

You may use your donor advised fund to continue the tradition of giving for your family and to perpetuate your support for the causes that are most important to you.

- Many families designate their children or other family members as successor advisors on the fund, ensuring next-generation family participation.
- Others designate one or several organizations to receive the balance of the fund after the advisors’ lifetimes.
- Some recommend that the remaining balance of the fund be used to create an endowment fund after their lifetimes.
- Some combine all these strategies.

FREQUENTLY ASKED QUESTIONS

Is a minimum balance required once the fund has been established?

No, there is no minimum balance requirement.

Is a minimum contribution amount required once the fund has been established?

You may make contributions of any amount at any time that is convenient for you.

When is a contribution considered a charitable donation?

A contribution is complete when the asset is out of the donor's control. For gifts of cash that are sent via mail, this is the postmark date. For gifts of stock, this is the date the shares are transferred from your account.

What will I need for my tax records?

Each time you make a contribution to the Foundation, you receive a tax receipt letter – that's all you need.

What are the fees?

The Foundation charges an annual fee of 1.25% for donor advised funds with balances up to \$1 million, with a declining sliding scale for larger balances. The fee is assessed to the fund monthly. The minimum fee is \$15 per month. In addition to services provided for administering the donor advised fund, the fee helps to support many important programs including the Endowment Leadership Institute and Governance Leadership Institute for nonprofits; the Book of Life; the Jewish Women's Foundation; and Youth Philanthropy initiatives.

Who receives the investment earnings?

All investment earnings are credited to the donor advised fund, giving you more to give away to the community.

Which charities may receive grants from the fund?

You may recommend grants to any qualified tax-exempt organization, or qualified religious institution, in good standing with the Internal Revenue Service with a mission that is consistent with the broad charitable goals of the Foundation.

What is the minimum amount I can recommend as a grant?

The minimum amount is \$100.

Are there any limitations on the number of grants from the fund?

You may recommend as many grants as you wish throughout the year. There are no limitations.

How often are grants processed?

Grant recommendations are due on the 1st and 15th of each month with checks to organizations mailed within five business days of the 1st and 15th.

What types of payments are not eligible for grants from the fund?

The Foundation cannot honor the following recommendations from a donor advised fund:

- Legally Binding Pledges: By law, the Foundation cannot honor legally binding pledges that you have made to an organization since this is considered a personal obligation. The Foundation can honor solicitation requests.
- Tuition: No form of tuition, or the enrollment fees for extracurricular activities, can be paid from the fund.
- Non-deductible Portion of Memberships or Tickets: The Foundation can only distribute the charitable portion of memberships and tickets to events from your fund. We will gladly include your personal check for the non-deductible portion with our check and letter sent to the organization.
- Grant Intended for the Benefit of One Named Individual: The Foundation cannot honor recommendations for grants that will benefit one named individual. Grants can be designated for funds being raised by a particular individual for an event.

How do I recommend a grant?

You may recommend a grant in one of the following ways:

- Through the Donor Central online fund portal
- By faxing a grant recommendation form to our office
- By e-mailing a donor services staff member
- By phoning a donor services staff member

How can I view fund activity?

You may view fund activity any time on the secure Donor Central online fund portal. You may also call our office at any time for updated information.

Will I receive statements?

You will receive quarterly fund statements. Statements are sent within three weeks following the end of the quarter.

APPLICATION



A. Fund Advisor Information

Each Fund Advisor may act independently OR Fund Advisors must act jointly

Fund Advisor Name _____
Address _____
City, State, Zip _____
Home Phone _____
Business Phone / Cell Phone _____
Fax Number _____
E-mail Address _____
Online Access to Fund <input type="checkbox"/> yes <input type="checkbox"/> no

Fund Advisor Name _____
Address _____
City, State, Zip _____
Home Phone _____
Business Phone / Cell Phone _____
Fax Number _____
E-mail Address _____
Online Access to Fund <input type="checkbox"/> yes <input type="checkbox"/> no

B. Name the Fund _____

C. Recognition and Publicity

May we list the fund name in our marketing materials? (No amounts will be listed.) yes no

When sending grants to organizations, you may use:

- My/Our name with my/our address.
- My/Our name with JCF address.
- I/We prefer grants to be sent anonymously (without fund or donor name).

D. Fund Succession

Upon the death or disability of all the individuals named in Section A above:

____% I/we appoint the following successor advisors

- Fund assets to be retained in the fund, and each successor may act independently.
- Fund assets to be retained in the fund, and all successors must act jointly.
- Fund assets to be divided equally to establish separate funds for each successor.

Successor Name _____
Relationship _____
Address _____
City, State, Zip _____
Phone _____
E-mail Address _____

Successor Name _____
Relationship _____
Address _____
City, State, Zip _____
Phone _____
E-mail Address _____

G. Initial Contribution

Cash

Check # _____ Payable to Jewish Community Foundation of San Diego \$ _____

Wire cash – Please contact JCF for wiring instructions \$ _____

Marketable Securities – Please contact JCF for transfer instructions.

Broker Name _____
Firm Name _____
Telephone _____
Name of Security _____
Number of Shares or Units _____
Name of Security _____
Number of Shares or Units _____

Other _____

H. Charitable Interest Areas

- | | | |
|---------------------------------------------|------------------------------------------------------------|---------------------------------------------------------|
| <input type="checkbox"/> Animals | <input type="checkbox"/> Environment | <input type="checkbox"/> Jewish education |
| <input type="checkbox"/> Arts and culture | <input type="checkbox"/> Global development | <input type="checkbox"/> Jewish religious organizations |
| <input type="checkbox"/> Children and teens | <input type="checkbox"/> Health and human services | <input type="checkbox"/> Older adults |
| <input type="checkbox"/> Education | <input type="checkbox"/> Human relations and social action | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Emergency relief | <input type="checkbox"/> Israel | <input type="checkbox"/> Other _____ |

I. Referral

How did you learn about the Jewish Community Foundation's Donor Advised Fund program?

- Friend or family member who has a fund
- JCF literature
- Organization you are involved with
- Professional advisor
- Staff member
- Other: _____

If you were referred by an individual, please provide his or her name so we can give our thanks.

J. Agreement

This agreement is made and entered into this _____ day of _____, 20____ by and between _____ ("DONOR") and the Jewish Community Foundation of San Diego (JCF), a California nonprofit corporation.

Delivery is made herewith by the undersigned Donor(s) of the property listed in Section G of this application and made a part hereof. Delivery of said property constitutes an irrevocable gift to JCF upon acceptance of the gift and of the following terms and conditions:

1. A fund will be established on the books of JCF which shall be known as the _____ Fund (the "Fund").
2. The Fund will include the property this day received from said Donor(s), any property as may from time to time be transferred to JCF by the Donor(s) for inclusion in the Fund, or any property received from time to time by JCF from any other source and accepted by it for inclusion in the Fund and all income from the foregoing property.
3. The Fund will be the property of JCF held by it in its normal corporate capacity. It shall not be deemed a trust fund held in a trustee capacity. JCF will have the ultimate authority and control over all property in the Fund and the income derived therefrom, for the charitable, educational and religious purposes of JCF.
4. The Fund will be used only for charitable, educational, or religious purposes (or any combination of such purposes) within the purposes of JCF.
5. Those individuals named in Section A of this agreement maintain the right to recommend distributions and select from investment options.
6. Distributions from the Fund of the income or principal or both, within the limitations provided for in paragraph 4 above, will be made at such times, in such amounts, in such ways, and for such charitable, educational or religious purposes (or any combination of such purposes) as the Foundation determines. The recommendations with respect to distributions will be solely advisory, and the Foundation will not be bound by such recommendations. Neither the Fund Advisor(s) nor the Donor(s) nor any related party may receive any benefit or privilege in return for a distribution from the Fund. No distribution from the Fund may be used to discharge or satisfy a legally enforceable pledge or obligation of any person, including the Fund Advisor(s) and the Donor(s).
7. The Foundation shall at all times retain the full authority and control over the investment of assets contributed to the Fund. The Fund Advisor(s) may, however, make recommendations regarding the investment of such assets, as indicated in Section F of this application. The Foundation may limit the amounts that may be invested in any particular investment alternative. The Foundation further reserves the right to revise or revoke at any time or to change investment objectives and policies of the Fund without notice to the Fund Advisor(s) or Donor(s) and without the Fund Advisor(s) or Donor(s) prior approval. Donor(s) acknowledge that there are market risks with respect to any investment and there can be no assurance against risk of loss.
8. The Fund will be charged an annual fee of 1.25% of the Fund balance, payable monthly, to cover the cost of administration with a minimum annual fee of \$180, charged at \$15 per month. For balances greater than \$1 million, a sliding fee scale is used. These fees are subject to change at any time by the Foundation Board of Directors.
9. It is intended that the Fund will be a component part of the Foundation and that nothing in the Agreement will affect the status of the Foundation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 and as an organization which is not a private foundation within the meaning of Section 509(a). This Agreement will be interpreted in a manner consistent with the foregoing intention and so as to conform to the requirements of the foregoing provisions of the Code and any regulations issued pursuant thereto. The Foundation is authorized to amend this Agreement to conform to the provisions of any applicable law or government regulation in order to carry out the foregoing intention. Reference herein to provisions of the Internal Revenue Code of 1986 shall be deemed references to the corresponding provisions of any future Internal Revenue law.

Signatures

Fund Advisor Signature

Fund Advisor Signature

Acknowledged for Jewish Community Foundation (signature)

By (print name)

Title

4950 Murphy Canyon Road, San Diego, CA 92123 858-279-2740 www.jcfsandiego.org



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San Diego