

Contributions to a donor advised fund held at the Parasol Tahoe Community Foundation is an irrevocable charitable contribution that is legally owned by the community foundation. These funds are institutional funds of the community foundation and may only be used for charitable purposes which do not confer any private benefit on the donor or any other person. Therefore, it is the responsibility of the Board of Directors of the Parasol Tahoe Community Foundation to ensure these funds are used to benefit charitable purposes.

ACCEPTABLE TYPES OF FUND ACTIVITY

The following are definitions of fund activity that leads to fund distributions that apply to funds that have more than the \$1,000 minimum required balance to maintain a donor advised fund. If this policy ever conflicts with federal law or state law, including UPMIFA, the relevant law controls.

A fund is considered active when there is regular communication between a donor, donor advisors or named successors, and the Parasol Tahoe Community Foundation regarding the existence and purpose of that fund. Examples of some of the activities that would deem a fund active include, but are not limited to:

Regular Grant Recommendations. Donor advisor generally recommends grants at least every two years to qualified charitable organizations. The amount of grantmaking can vary from year to year.

Developing a Philanthropic Program. Donor advisor makes a substantial contribution to donor advised fund and refrains from recommending grants for a given initial period while the fund advisor consults with the community foundation and/or does his or her own research to determine what types of grants will best meet community needs and/or his/her philanthropic goals.

Long-term Giving Plan. Donor advisor deliberately reduces the frequency or size of grant recommendations from fund. Examples may include:

1. During his or her working years with the intention of increasing the donor advised fund balance to support grantmaking during his or her retirement, when the advisor expects his or her income to change.
2. A donor may want to build a fund over time so the donor's children can make grants later; leaving a charitable legacy for the next generation to advise.

3. Donor advisor refrains from recommending grants for a given period because the fund is invested in an illiquid or undervalued investment. Donor advisor intends to begin making grant recommendations when the investment can be sold at a reasonable price.

Project Grants. Donor advisor makes a substantial contribution to a donor advised fund and determines to recommend grants to a specific qualified charitable organization over a period of 20 years so that the donor can monitor how the charitable organization performs, and to consider whether another organization would better achieve the donor's charitable objectives.

Starter Fund. Donor advised funds may need time to build the fund balance to make substantial grants to the community. Therefore, there may be no distributions made until the fund balance reaches an amount specified in the donor advised fund file

Specific Occasion Grant. Donor advisor refrains from recommending grants for a number of years with the specific charitable goal of recommending a grant upon a specific occasion. Examples may include:

1. Donor is incapacitated with no successor advisor(s) named so the community foundation waits until the donor's death to distribute the fund according to the donor's original intent;
2. Fund has transitioned to named successor advisors but they are minors and no adult representative is named to represent them, grants resume when successor advisors are adults;
3. Founders of fund who are also the donor advisors are getting divorced so that grants are suspended until both the husband and wife agree on grants, which may include splitting the fund into two separate funds, one for each spouse to advise or eventually dissolving the fund by the making of charitable grants;
4. Grants are suspended during litigation involving a fund;
5. Donor leaves a bequest to a fund and distributions are made periodically to the fund during the estate settlement process, but grants are not made until the estate is fully settled.

ACTIVATING GRANTMAKING

Should grant activity stop for more than a two-year period, steps will be taken by staff to activate that fund. These steps may include such activities as:

1. In an effort to encourage the fund advisor(s) to activate the fund, staff will attempt to contact the fund advisor(s) at least three times and allow 30 days for a response.

2. If a fund advisor is no longer willing or able to advise on the fund's distributions, and no successor advisor is named, the Parasol Tahoe Community Foundation Board of Directors will assume responsibility for grant making.

3. If contact cannot be made, the Parasol Tahoe Community Foundation Board of Directors will advise an annual payout to support the community grant making program in accordance with the current spending policies.

4. If two more years pass, the Parasol Tahoe Community Foundation Board of Directors will exercise its variance power to enable the community foundation to continue to use its resources to meet the needs of the community and to address the charitable purposes for which the funds were committed and transfer the fund in its entirety to the community foundation's endowment fund. A fund must have inactivity for a total of four years before being transferred to the community foundation's endowment fund.

5. If a starter fund does not reach the fund balance goal by the specified time indicated in the donor advised fund file, staff will work with fund advisors to activate the fund through grantmaking.