THE community foundation FOR NORTHERN VIRGINIA

donor handbook



FOR DONOR ADVISED FUNDS

About the Community Foundation for Northern Virginia

Founded in 1978, the Community Foundation has been the premier charitable partner trusted by thousands of generous Northern Virginians for decades. Our mission is to advance equity across the region through philanthropy and community leadership. Comprised of donor advised funds, permanent funds, giving circles, and other charitable endowments, the Community Foundation connects donors to community and promotes a more equitable and inclusive prosperity that marries our economic strength with the full breadth of our diverse community.

Meet the People behind the Work:

- **Our Staff**
- **Our Board**

The Community Foundation serves the entire region.

Our Community Foundation serves the Northern Virginia region, which includes the counties of Arlington, Fairfax, Loudoun, and Prince William and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park.

The Community Foundation makes charitable giving easy.

When you open a donor advised fund at our Community Foundation, you will experience all the joy of charitable giving with none of the work. Our Donor Services Team will perform the necessary due diligence on the intended grantees, process all the checks and related paperwork in connection with your grant recommendations, and keep you informed every step of the way.

The Community Foundation helps connect donors to the causes they care about.

If you would like our input on causes you could support, we will work closely with you to understand your values and interests and help identify organizations and programs that most closely match your charitable interests. We will invite you to exclusive donor events and briefings. We can even connect you to like-minded donors at our Community Foundation to help grow your philanthropic network.

Why Open a Donor Advised Fund with the Community Foundation?

The Community Foundation for Northern Virginia is a 501(c)3 public charity, and therefore all contributions to your donor advised fund are tax deductible to the fullest extent of the law.

A donor advised fund is like a charitable savings account. You make contributions to your fund as frequently as you like, then recommend grants to your favorite nonprofits, schools, or faith-based organizations from the fund when you are ready.

Some of the many advantages of establishing a donor advised fund at the Community Foundation for Northern Virginia include:

- **Tax-Deductibility** - Deduct all contributions to your donor advised fund, as your personal tax status may allow.
- **Flexibility** - Give to a variety of different organizations and causes.
- **Anonymity** - Recommend grants with the option of using the Community Foundation as a go-between to protect your privacy as a donor.
- **Sound Asset Management** - If you choose to have your fund assets invested in the market, our Board-Level Investment Committee oversees all investment management services.
- **Ease of Access** - Access your fund information and recommend grants 24 hours a day, 7 days a week via our online platform, Donor Portal.
- **Ease of Giving** - Rely on the Donor Services Team to perform due diligence on the nonprofit grantees you select, ensuring that they are bona fide and in good standing, well-managed, and financially sound.
- **Data Driven Resources** - Use the data driven studies and research briefs created by Insight Region™, the Community Foundation's Center for Community Research, to help you understand the region's greatest challenges and opportunities and make the most impactful grants possible.
- **A Community of Like-Minded Donors** - Receive invitations to exclusive Community Foundation donor events, up-to-date information on the needs of the region, and introductions to the nonprofits working to address those needs.
- **Greater Community Support** - Support the Community Foundation, a 501(c)(3) public charity doing leadership work in greater community, with the fund fees on your donor advised fund.

Finally, the Community Foundation for Northern Virginia complies with National Standards for Community Foundations, the most rigorous standards of practice in all of philanthropy. Our compliance with National Standards ensures both legal rigor and operational excellence.

Contributions to Funds

Minimum Contribution
You have 12 months from the date you sign your donor advised fund agreement to make the initial $10,000 minimum contribution to your fund.

Subsequent Additions to Fund
After establishing your fund and making the initial minimum contribution, you, or anyone else, may add contributions to the fund at any time. We will acknowledge all gifts to the donor making it. If you want us to enable online credit card donations to your fund, please contact the Donor Services Team to set this up.

Gift Acceptance
Gifts that may be accepted by the Community Foundation include:

- Cash, checks, money market accounts, CD's and the like;
- Publicly traded securities, stocks, bonds, cryptocurrency, mutual funds and the like;
- Bequests;
- Trust assets;
- Other planned gifts, including retirement assets such as IRAs and SEP accounts, charitable remainder trusts, charitable lead trusts, and the like; and
- Certain life insurance policies

Gifts requiring Community Foundation review prior to acceptance include:

- Closely held corporate stock and partnership interests;
- Life insurance policies requiring future premium payments;
- Real estate;
- Tangible personal property that is not readily marketable; and
- Intangible property and accounts receivable (gifts of loans, notes, mortgages)

If a gift does not fall within one of the listed categories, then the Community Foundation will review the gift and discuss our ability to accept it with you.

Tax Deductibility
The Community Foundation does not provide tax or legal advice. While the Community Foundation is a 501(c)(3) public charity, we recommend consulting a professional tax advisor if you have questions about the tax deductibility of your gift as it may vary depending upon your personal tax status.

Ownership of Completed Gifts
The Internal Revenue Code requires that all completed contributions to the Community Foundation are irrevocable and must provide a charitable benefit. As a result, legal ownership of all gifts lies in the Community Foundation.

THE community foundation FOR NORTHERN VIRGINIA

TRUIST

Gift Clearing Delivery Instructions

TYPE OF GIFT	INSTRUCTIONS
DTC Eligible Securities (Stocks, Bonds, ETFs)	Participant #2039 SEI Private Trust Co FFC Truist Bank Account #1853002447 Account Name: Community Foundation for Northern Virginia *Please include Donor Name with transfer*
Fed Securities	FED: ABA #042000013 US Bank NA/1050 Account 001050985490 FFC Truist Bank Account #1853002447 Account Name: Community Foundation for Northern Virginia *Please include Donor Name with transfer*
Global Securities	Contact TruistBankGiftClearing@Truist.com for global delivery instructions.
Mutual Funds	Contact TruistBankGiftClearing@Truist.com for Mutual Fund delivery instructions. **It is important to notify Truist of incoming mutual fund gifts to avoid significant processing delays of more than one business week. ACATS participants can use the above DTC eligible securities instructions. Account #1853002447 Account Name: Community Foundation for Northern Virginia *Please include Donor Name with transfer*
Physical Securities	Truist Bank Physical Custody, Mail Coded 803-05-15-10. 303 Peachtree Street, N.E. 15th Floor, Suite 1520 Atlanta, GA 30308 *Reference Account #1853002447, Community Foundation for Northern Virginia and Donor Name on the documentation accompanying the stock certificate (s).
Wiring Instructions for gifts inside US	Bank Name: Truist ABA Routing/Transit Number: 053101121 Account Number: 5177620228015 Account Name: ST DEP-DMS FFC Trust Account Name - Community Foundation for Northern Virginia FFC Trust Account Number - 1853002447 *Please include Donor Name with transfer*
Wiring Instructions for gifts outside US **Add**	SWIFT Code: BRBTUS33

Truist Contact	Phone number
Janel Liddelow Johnson (Gift Administrator) TruistBankGiftClearing@Truist.com	404-230-5076
Dawn Keevill-Carey (Gift Administrator-Alternate) TruistBankGiftClearing@Truist.com	404-588-8296

Community Foundation for Northern Virginia Staff Support
Laura Moore | Laura.Moore@cfnova.org | 703-865-5002
P.O. Box 10005 | McLean, VA 22102

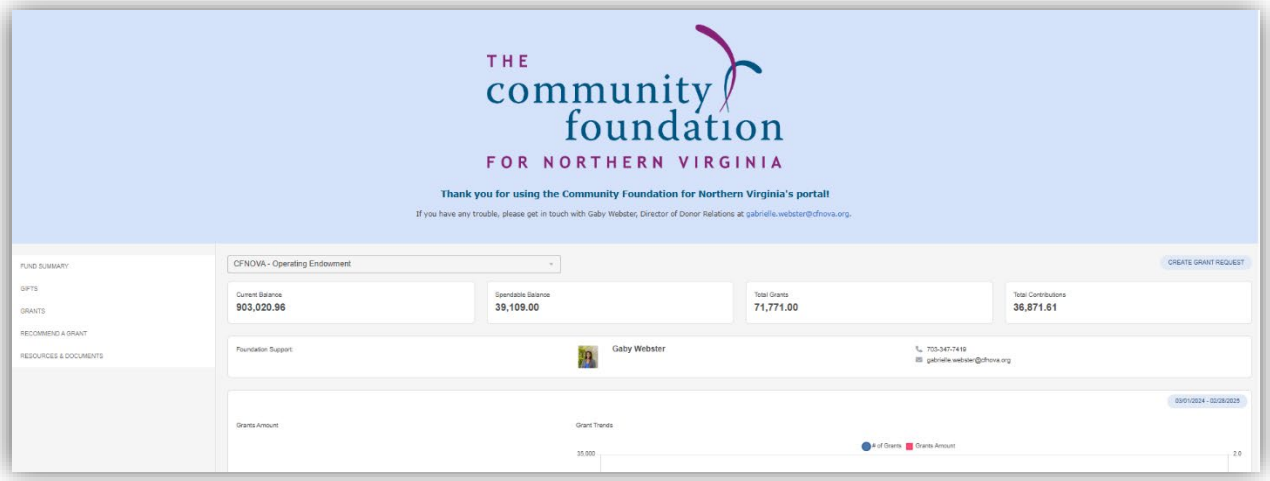
How Do I Access My Donor Advised Fund?

The Community Foundation for Northern Virginia offers a secure online fund management system that provides complete access to your fund at the Community Foundation, available 24/7. You can make grant recommendations, check the fund balance, review grant and gift history, and access quarterly fund statements through the portal.

When you sign your donor advised fund agreement, our Donor Services Team will provide you with log-in credentials. Then simply visit https://www.cfnova.org/donor-portal to get started.

See Appendix A for our step-by-step Donor Portal Navigation Manual.

Sample Donor Portal Screenshot



How Do I Recommend Grants from My Fund?

Recommending a Grant
Grant recommendations can be submitted online via our Donor Portal platform or by completing a Grant Recommendation Form, which can be downloaded via our website or found in Appendix B.

Qualified Grantees
Grants may be awarded to organizations defined as public charities under Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code. Although we encourage donors to invest in Northern Virginia, grants from donor advised funds can be recommended to any nonprofit, school (excluding for-profit schools), or faith-based institutions anywhere in the domestic US.

Grant Size
The minimum grant allowed is $250. There is no limit to the number of grants allowed each year.

Due Diligence
Community Foundations are required by law to determine the tax status of organizations that are recommended to receive grants from donor advised funds. When we receive a grant recommendation, we verify that the intended grantee is bona fide and in good standing and that it can meet our due diligence requirements. To determine the grantee's eligibility for funding, the Community Foundation often reviews the organization's Form 990, IRS Letter of Determination, and Board of Directors listing which we obtain directly from the organization. If the Community Foundation has recent due diligence information for the grantee on file, the grant approval process will be quicker.

For grants of $25,000 or more, Community Foundation staff must obtain current Community Foundation Board approval. This is obtained via email vote and takes approximately 24 hours to obtain. If the grant is less than $25,000, then Community Foundation staff has the authority to approve the grant without current Board approval.

After the grantee provides Community Foundation staff with the due diligence materials, we order the check and mail it directly to the grantee along with a letter signed by Community Foundation staff requesting that the grantee, among other things, acknowledges receipt of the grant and confirms that no goods or services were received in exchange for it.

Grant Restrictions
Current tax laws prohibit donor advised funds from making grants for the following purposes:

- To pay for tickets, or any portion of tickets, to fundraisers or benefits that include material benefit such as a meal, a seat at an event, or other goods and services for the fund advisor or any related party. Grant recommendations can be made to support a fundraiser or benefit, but the donor cannot receive any material benefits;
- To purchase or fulfill memberships having any tangible economic benefit;

- To support an individual;
- To support political campaigns or lobbying;
- To private foundations; or
- To fulfill personal pledges in their own name from a donor advised fund (see pledges section below).

Grant Suggestions
Our Donor Services Team has broad expertise regarding community needs and issues. We have a deep knowledge of the critical needs of Northern Virginia, so we can help you find quality nonprofit programs and services that match your charitable giving style.

Pledges
Many nonprofit organizations urge donors to make pledges of financial support. The U.S. Treasury Department has ruled that, when an individual makes an irrevocable commitment in his own name to a charity, the commitment cannot be satisfied with a grant from a donor advised fund. On the other hand, the Community Foundation for Northern Virginia can and does make pledges in its own name at the suggestion of its donors. Please contact the Donor Services Team for more information.

Grant Awards and Notification
The Donor Services Team strives to provide prompt service and process your grant recommendations in a timely manner, typically within 7-10 business days. There may be an occasional delay if a fund's assets are illiquid, if there are insufficient assets to cover all grant requests, or if we are unable to obtain due diligence materials from the grantee. We will notify you of the delay and may seek your assistance.

Grant awards are mailed directly to the grantee, along with an award letter that includes the name of the donor advised fund (unless the donor requests anonymity) and the grant purpose.

An email will be sent to the email address registered to your donor advised fund, indicating when the grant has gone out. You can view the status of any grant you have recommended through the Donor Portal.

Variance Power
All funds established with the Community Foundation are subject to Variance Power. Variance Power provides the Community Foundation's Board of Directors with the power to modify fund agreement terms if such terms become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

Donor Advised Fund Fee Schedule

The Community Foundation for Northern Virginia charges a Community Foundation Support Fee on donor advised funds. Community Foundation Support Fees are a critical source of revenue for the operations of the Community Foundation. They enable us to provide services to donors, hire and maintain staff, conduct community leadership endeavors, and continue to serve the philanthropic needs of Northern Virginia. The schedule is subject to change by the Community Foundation's Board of Directors.

Our current schedule of Community Foundation Support Fees is as follows:

One-Time Set-Up Fee: **$250**
This includes the Community Foundation's preparation and review of the Fund agreement, accounting for contributions to establish the Fund, and written acknowledgement of donations.

Community Foundation charges a tiered Foundation Support Fee based on fund type and size, with a minimum annual fee of $250:

Endowed Funds

- **1.25%** on balances **up to $1,000,000**
- **1%** on balances **between $1,000,001 and $3,000,000**
- **.75%** on balances **$3,000,001 and above**

Non-Endowed (Pass-through) Funds

- **1.5%** on balances **up to $1,000,000**
- **1%** on balances **$1,000,001 and above**

Effective January 1, 2026, fees will be assessed quarterly using the fund's average balance for the quarter, ensuring equitable fees for contributions that are granted out within the same period. We compute the Average Daily Balance (or weighted quarterly average) and apply the annual rate prorated for the quarter.

Investment Management of Community Foundation Assets

Donors have the following choices regarding the treatment of their donor advised fund assets:

1. **Cash and Cash Equivalents:** The Pass-Through Fund consists of 100% cash and cash equivalents. None of it is invested in the market. This account is primarily used for donor advised fund assets that are not endowed. However, at the request of the donor, assets in pass-through donor advised funds can also be invested in the market through the Pooled Investments, described below, if the donor so chooses.

2. **Pooled Investments**: The Pooled Investments consist of assets from many Community Foundation funds that are pooled for investment purposes. For example, donor advised funds that are endowed, endowments that comprise The Permanent Fund for Northern Virginia, and portions of pass-through donor advised funds that donors have requested be invested in the market, are all a part of the Pooled Investments. The Community Foundation has retained Goldman Sachs to provide investment management services on the Pooled Investments. Goldman Sachs charges a comprehensive, total, annual fee of 35 basis points, or .35%, for its investment management services on the Pooled Investments. This investment management fee is paid directly to Goldman Sachs and is in addition to the Community Foundation Support Fee described earlier in this handbook.

3. **Third Party Investment Advisory Firms**: If a new donor advised fund is created with a contribution of $250,000 or more, the donor may request that his or her fund be invested in the market by an investment advisory firm that the donor recommends and the Community Foundation approves. In these cases, fund assets are transferred into a new, separate account that the Community Foundation opens with the chosen investment advisory firm in the Community Foundation's name with the Community Foundation's tax identification number. The investment advisory firm will charge its own stated fees and commissions for investment services against the fund, which will be paid directly to the investment advisory firm. These fees are in addition to the Community Foundation Support Fees described earlier in this handbook.

All assets of the Community Foundation that are invested in the market, whether through the Pooled Investments or through separate accounts with third party investment advisory firms, are overseen by the Community Foundation's Investment Committee to ensure that investment strategies and asset allocations comply with the Community Foundation's Investment Policy Statement, a copy of which can be found in Appendix C.

Quarterly Financial Reporting

Approximately one month after the end of each calendar quarter (June 30, September 30, December 31, March 31), fund financial reports will be uploaded to Donor Portal. The report contains a Statement of Financial Positions, Statement of Activities, and a detailed list of all gifts to and distributions from funds.

Fund Activity Policy for Donor Advised Funds

Fund Activity. In general, donor advised funds should remain active with regard to grant activity. Donor advised funds are considered active when there is regular communication between the fund advisor and the Community Foundation regarding the fund. Some examples of activities that would deem a fund active include, but are not limited to:

- The fund advisor makes regular grant recommendations generally once a year;
- The fund advisor specifies a particular reason not to make regular grant recommendations and the Community Foundation agrees. For example, donor advisors may want to build up the fund balance to make more substantial grants, or to build a more substantial donor advised fund for their retirement years, or to leave a charitable legacy for the next generation to administer; or
- The fund advisor wants to make undervalued or illiquid gifts to their fund that require time to pass before the gift recovers its value or becomes liquid enough for grant recommendations to commence or resume. Donors may propose other reasons to Community Foundation staff for not making a regular grant recommendation.

In the absence of such activities or understandings, if there is no grant distribution advice for three (3) successive years, steps will be taken by the Community Foundation to activate the fund. These steps may include, but are not limited to, outreach to the fund advisor encouraging grant recommendations, closing small funds that have not reached the Community Foundation's required $10,000 minimum and distributing those fund balances to the Community Foundation's unrestricted funds, and making some grant(s) from the fund that aligns with the fund's stated purpose, all as the Community Foundation Board may determine.

Minimum Fund Balance
If the principal balance of a fund falls below $1,000, the entire balance of the fund may be distributed upon advice of the donor or at the discretion of the Board, or, if the Board so determines, may be added to the unrestricted funds of the Community Foundation.

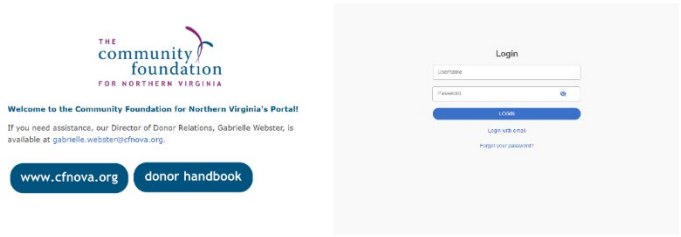
Appendix A: Donor Portal Navigational Manual

Donor Portal is the Community Foundation for Northern Virginia's online platform to manage your donor-established fund. From here you can conveniently view your latest fund balances, download fund statements, make grant recommendations, review your giving history, and more.

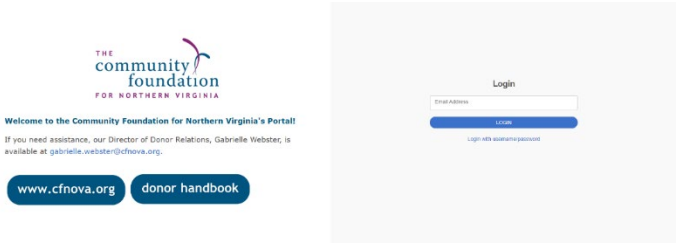
To see a video walkthrough of navigating our Donor Portal, please view our brief **Donor Portal Instructional Video** here.

Setting Your Login

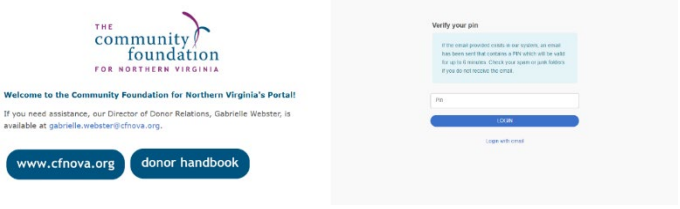
1. **Navigate to the Portal login page.**
2. **Use one of the two options below to log in.**
    - **Option 1**: Login with username/password. Enter the username and password, and then click **Login**.



    - **Option 2**: Login with email address. Enter the email address, and then click **Login**.



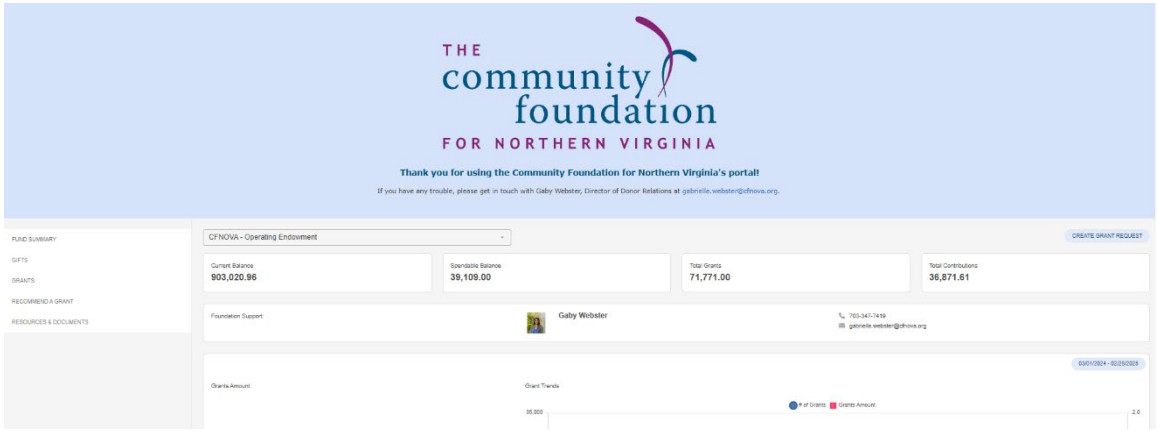
    - A PIN will be sent to the email address entered. Enter the PIN, and then



3. **When your login is set,** please bookmark **https://cfnova.fcsuite.com/erp/portal** to ensure you are always one click away from managing your fund.

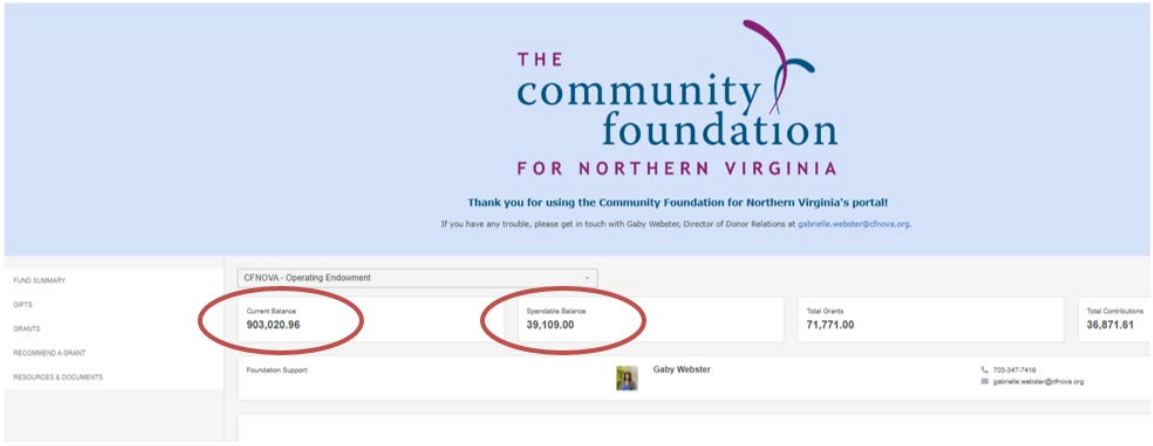
The Homepage

The Fund Management landing page (pictured below) varies depending on whether the fund advisor has one or more funds. If the fund advisor has multiple funds, then the fund names appear on the initial landing page and the fund advisor selects which fund to display. It will include charts and graphs, the fund's current and spendable/available cash balance, fund steward information, and total grants, contributions, and scholarships. The fund advisor's cart is also accessible.



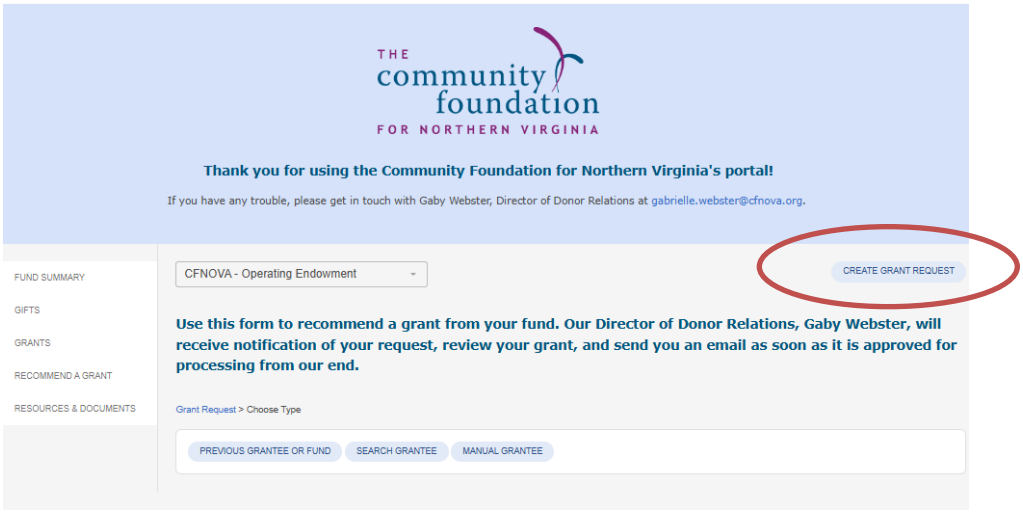
From here, you can view gifts to your fund, recommend grants, see your historical fund statements, and more, using the navigation bar across the top of the page. On the homepage, you will also see a snapshot of recent contributions and grants associated with your fund.

The **Current Balance** shows how much is in your fund, while the **Spendable Balance** amount shows how much is available for grantmaking at the moment, whether that is due to pending grants, endowment spending limits, etc.

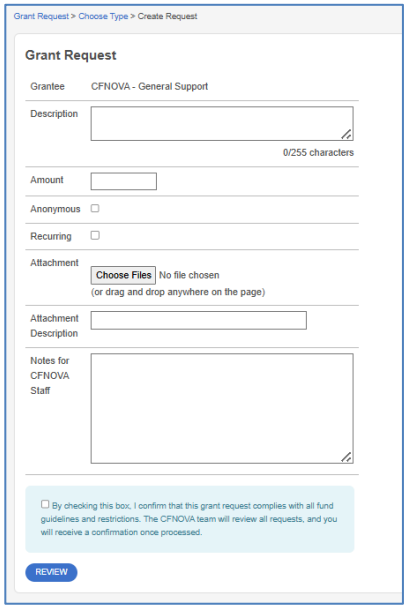


Recommend a Grant

Creating a grant request can be initiated from any location in the Fund Management tab providing that ability has been enabled for the fund advisor. Fund advisors can choose from a previous grantee, search for a grantee, or manually create a new grantee when they begin a grant request.



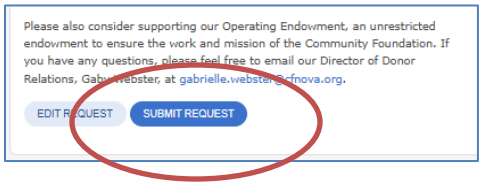
From here, you can select from a list of existing (1) **Grantees you have given to in the past**, (2) **Foundation funds you have given to in the past**, or (3) **Other Foundation funds**.



After selecting a grantee, you have the option to designate a **Description** and **Amount** for your grant and can decide whether you'd like this grant to be **Anonymous or Recurring.**

Once the fields are completed, click **Review.** If all the information is correct, select **"Submit Request."** If additional changes need to be made, select **"Edit Request"** before submitting your grant.

Make sure to push the "Submit Request" button once you have reviewed for accuracy.

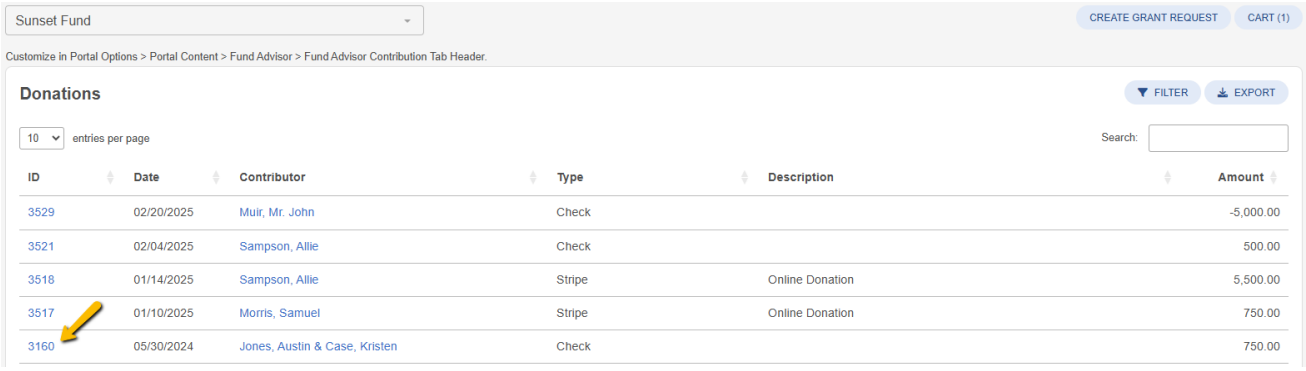


Once your grant has been submitted, the Donor Services Team will follow-up with you via email to confirm that the grant has been approved for processing. From there, we will send you another email when the grant check has been paid and mailed out.

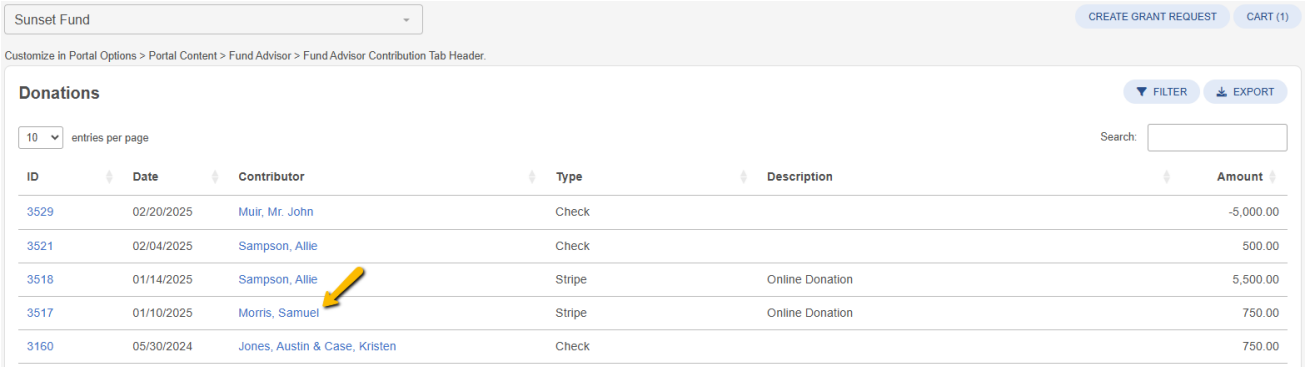
Viewing Gifts to Your Fund

After clicking **"Gifts"** in the left navigation, a list of the selected fund's donations is displayed. The donation ID, date, contributor, type, description, and amount are included.

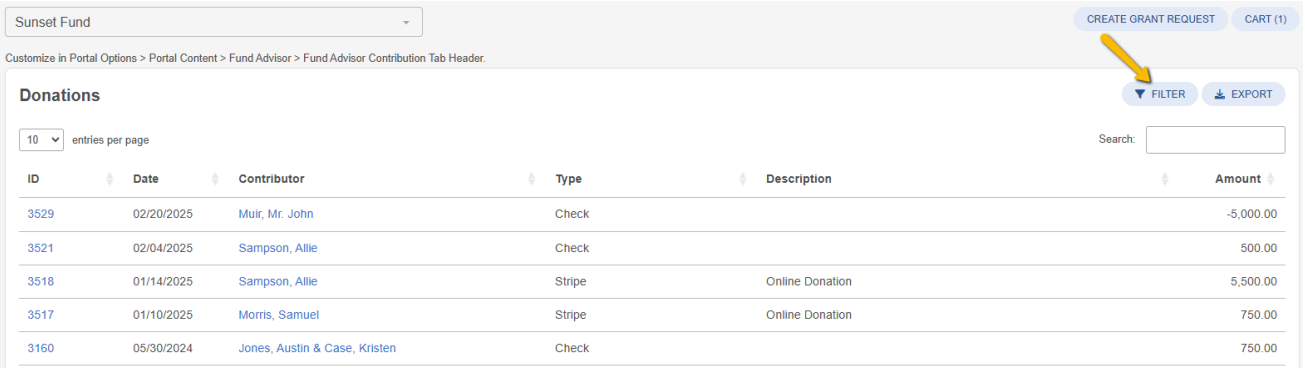
- Click the donation id to view donation information



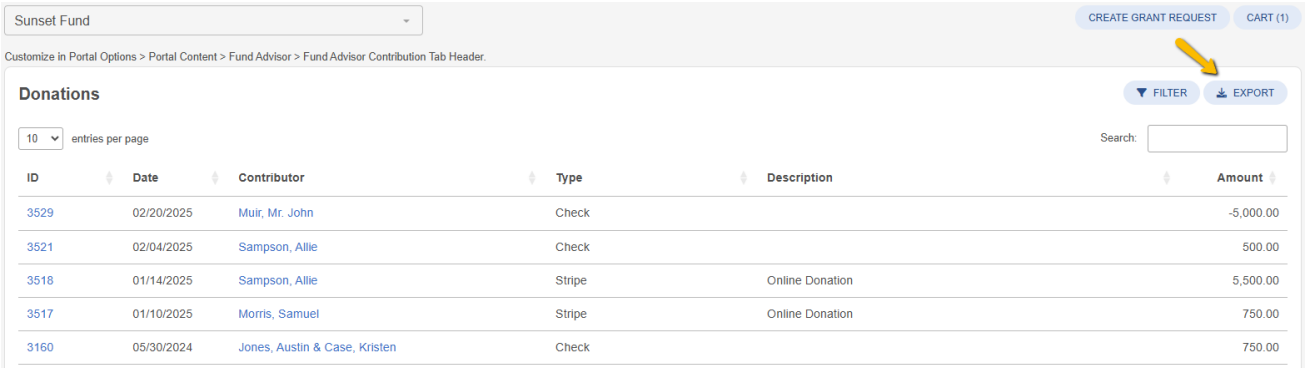
- Click the contributor name to view contact information and a list of contributions for the contributor.



- Click **Filter** to apply a date range to the table.



- Click **Export** to export the donations list.



Viewing Grant History

The "Grants" contains additional secondary navigation: Grant Summary, Grant History, and Recurring Grants. Historical and recurring grant information is available in addition to the ability to edit and cancel grants.

Forgot Your Password?

If you forget your password or would like to reset your password, go to the Donor Portal login page and click ***Forgot Password?*** Enter your username and if an account with the provided username is found, instructions to reset your password will be sent to the email address for that account.

If you have tried to reset your password and your login attempts fail, or if you cannot remember your username, contact staff using the information below.

Our Donor Services Team

Please contact a Donor Services Team member listed below if you have any questions or require assistance. We are here to make your donor experience at the Community Foundation the very best it can be.

Gabrielle Webster
Director of Donor Relations
Gabrielle.Webster@cfnova.org
703-347-7419

Moses Ulom
Manager of Gifts and Grants
Moses.Ulom@cfnova.org
703-879-7642

Appendix B: Grant Recommendation Form

THE community foundation FOR NORTHERN VIRGINIA

Date: _____

To: Community Foundation for Northern Virginia
Attn: Development
P.O. Box 10005
McLean, VA 22102

Re: Grant recommendation from the _____

Pursuant to the terms of the _____which has been established with the Community Foundation for Northern Virginia, I hereby recommend that you make the following grant(s) in the following amount(s) to the following organization(s):

Organization Name: _____

Contact Person: _____

Address: _____

City, State, Zip: _____

Tax ID/EIN Number: _____

Grant Amount: _____

Additional Notes: _____

☐ Check here to also recommend a grant in the amount of ☐$500 ☐$1,000 or ☐$2,500 or $_____ from your Fund to support the work of the Community Foundation for Northern Virginia.

I understand that this is a recommendation only, and not a direction.

The above suggested grant(s) does not represent the payment of any pledge or other financial obligation of mine, any donor advisor, member of an advisory committee, or any related party or entity. I hereby acknowledge and represent to the Community Foundation that no grantee designated in this grant request is owned or controlled by any donor, donor advisor, member of an advisory committee, member of our families, or companies we control. Furthermore, I represent that no donor, donor advisor, member of an advisory committee, member of our families or companies we control have received or are reasonably expected to receive any non-incidental benefit from the designated grantee as a result of this grant, including, but not limited to, benefits such as tickets to an event, tables at a gala, preferential parking, meals, gifts, or the like.

_____
(Signature)

_____
(Print Name)

_____
(Signature)

_____
(Print Name)

Email address for grant confirmation:
_____

Phone number of Fund contact:
_____

Please complete and fax this form to the attention of Gaby Webster, 703-879-7644 (fax), or mail completed form to the Community Foundation for Northern Virginia, Attention: Development, 3201 Jermantown Road, Suite 660, Fairfax, VA 22030. Contact Gaby Webster with any questions at gabrielle.webster@cfnova.org or 703-347-7419.

Appendix C:
Community Foundation for Northern Virginia
Investment and Spending Policy

About the Community Foundation for Northern Virginia

The Community Foundation for Northern Virginia is building a region that works for everyone by advancing equity through philanthropy and community leadership. Since 1978, we have united thousands of generous Northern Virginians with the causes they care about through donor-advised funds, permanent funds, giving circles, and charitable endowments. We cultivate enduring partnerships with nonprofits, foundations, government, businesses, and community members, maximizing impact to drive meaningful change. Through Insight Region®, our original research initiative, we deliver data driven insights that reveal the trends and issues shaping Northern Virginia's future.

The Community Foundation proudly serves all Northern Virginians in Arlington, Fairfax, Loudoun and Prince William Counties and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park.

Purpose and Background

The Community Foundation Board of Directors ("Board") is ultimately responsible, as a fiduciary, to manage all of the Community Foundation's assets and investments. In order to carry out these responsibilities, the Board has established an Investment Committee ("IC").

The IC is responsible for establishing the Investment and Spending Policy("I&SP") to guide the investment of the Community Foundation's assets. The I&SP describes the overall investment guidelines and the framework, including the degree of overall investment risk that the IC deems appropriate, using prudent investment principles while achieving the long-term target total return to fund the Foundation's ongoing annual operational and grantmaking budget in perpetuity.

The purpose of this I&SP is to assist the Board of the Community Foundation and its IC in effectively managing and spending the investments of the Community Foundation's assets. It defines and assigns the responsibilities of all involved parties, articulates the framework in which the portfolios will be managed as it relates to risk and return objectives as well as constraints, and establishes a basis for evaluating performance.

This IPS addresses the following issues:

- The general goals of the Community Foundation
- The specific investment objectives of the Community Foundation
- Asset allocation and rebalancing policies
- Measurement and evaluation of investment performance and applicable benchmarks
- Policies and guidelines for Investment Advisors (IA's)

Policy

The investment goal of the Community Foundation is to earn a total return that will provide long-term preservation and growth of the Community Foundation's invested assets. To meet this goal, the Community Foundation maintains a diversified total portfolio that is invested in various asset classes and investment styles.

As a prudent investor, the Community Foundation's I&SP takes into account general economic conditions, the possible effect of inflation or deflation, the role that each investment or course of action plays within the overall investment portfolio of the Community Foundation, any special relationship or value of an investment to the mission of the Foundation, the expected total return of the portfolio, including both income and appreciation of investments, other

resources of the Community Foundation, and the Community Foundation's needs to make grants in furtherance of its mission.

Roles and Responsibilities

The Community Foundation's IC is authorized by the Board to act on its behalf subject to this I&SP. The IC, in turn, is authorized to delegate certain responsibilities to one or more professional experts in various fields, including the flexibility to retain, terminate, or replace any outsourced, third-party IA's. This delegation of authority allows for enough flexibility in the management process to capture any investment opportunities as they arise. Further responsibilities are detailed below.

The IC is responsible for:

1. Establishing, reviewing, and maintaining the IPS and target asset allocations
2. Monitoring the net-of-expenses performance and risk profile of the investment portfolio of the Community Foundation as a whole
3. Reviewing the IA's implementation of the I&SP
4. Hiring, terminating, or replacing any IA
5. Briefing the Board at least annually on the investment performance of the Community Foundation's assets.

The Investment Committee may delegate any of its responsibilities from time to time in writing (email) to either the President or the Director of Finance in order to implement the IC's goals, responsibilities, and tasks.

Each of the Community Foundation's third-party IA's are responsible for:

1. Reviewing, disclosing, and addressing all potential conflicts of interest
2. Selecting, rebalancing, terminating, and making tactical shifts between Investment Managers ("IMs")
3. Monitoring the appropriateness of each IM's strategy given the Community Foundation's overall investment strategies, philosophies, and objectives
4. Monitoring the investment performance of each IM compared to the benchmark established for that manager
5. Overseeing the investment of the Community Foundation's assets entrusted to them
6. Preparing and delivering quarterly performance reports, within 15 days after the end of each quarter, reflecting the status of the Community Foundation's investments to the IC and/or Board and written statements which will include a summary of the actions taken with respect to the Community Foundation's assets under management and the rationale behind those actions.

Types of Investment Assets

The Community Foundation's invested assets are currently comprised of the following:

The Permanent Fund for Northern Virginia (Endowed)

The Permanent Fund for Northern Virginia is a collection of endowed funds that is being developed by the Community Foundation and used for the organization's own discretionary grantmaking across Northern Virginia. Most of the funds that comprise The Permanent Fund are dedicated to grantmaking in particular fields of interest, for example, safety net support, child and youth development, the environment, military personnel, and their families, etc. One fund is an operating endowment that may be used by the Community Foundation to supplement its annual operating budget needs. One fund is an entirely unrestricted endowment and may therefore be used by the Community Foundation for any purpose across the region that is recommended by Community Foundation staff and approved by the Board. All of the endowed funds that comprise The Permanent Fund are pooled for investment purposes and intended to be held in perpetuity with a target spend of 5% per year.

Donor Established Funds (Endowed)

These are donor-established funds that include endowed donor-advised funds ("DAFs"), scholarship funds, designated funds, agency endowments, and the like. All donor-established endowed funds are intended to be held in perpetuity with a target spend of 5% per year.

Donor Established Funds (Non-endowed Pass-Through)

These are also donor-established funds but have been created as "pass-through" funds, meaning that their entire balance is available for grantmaking or scholarship distribution at any moment in time. Donors who establish a pass-through fund may request that all or a portion of the fund balance be invested in the market. Because these funds are "pass-through" in nature, they are not intended to be held in perpetuity. However, donor-advisors who request that all or a portion of their pass-through fund is invested alongside endowed funds understand that these funds will be invested in the same manner as endowed funds i.e. with the intent of being held in perpetuity with a target spend of 5% per year.

Investment Goals and Objectives

The Community Foundation's investment goals and objectives for its invested assets are as follows:

The Permanent Fund for Northern Virginia (Endowed):

- All funds that comprise The Permanent Fund are endowments and are intended to be held in perpetuity.
- The investment goal for The Permanent Fund is, therefore, to earn a total return that will provide long-term preservation and growth of these assets.
- The overall investment strategy will emphasize protection of the corpus after taking into account spend over growth of the corpus. Professional IA management of The Permanent Fund will at all times use highly diversified, low-cost, proven investment strategies and investment managers.
- Investment Time Horizon: +10 Years

Donor Established Funds (Endowed):

- All endowed donor established funds are intended to be held in perpetuity.
- The investment goal for such funds is therefore identical to the investment goal for The Permanent Fund for Northern Virginia as described in the preceding paragraph above.
- Time Horizon: +10 Years

Donor Established Funds (Non-endowed – Pass-Through):

- The investment goals for non-endowed pass-through donor established funds are long-term growth consistent with the liquidity required for grantmaking over the time-horizon outlined by each pass-through donor-established fund. Donor-advisors who designate that all or a portion of pass-through funds are invested alongside pooled endowed funds understand that these funds will be invested in the same manner as pooled endowed funds i.e. with the intent of being held in perpetuity with a target spend of 5% per year.

Benchmarks and Returns for The Permanent Fund and Endowed Donor Created Funds:

The expected return objective for The Permanent Fund and for endowed donor-created funds, measured over rolling five-year and seven-year periods, is to provide a nominal annualized total return of seven percent (7%), net of advisory fees.

Equity Benchmarks

- To be determined by the IC in conjunction with the IA's that are selected to manage Community Foundation investment assets and can be included by each IA as an addendum to the general guidelines provided in this Investment and Spending Policy.

Fixed Income Benchmarks

- To be determined by the IC in conjunction with the IA's that are selected to manage Community Foundation investment assets and can be included by each IA as an addendum to the general guidelines provided in this Investment and Spending Policy.

Asset Allocation

Diversification across the permitted asset classes is a core principle of prudent portfolio management. All Community Foundation asset portfolios shall be broadly diversified in a manner that is in keeping with fiduciary standards to limit the impact of large losses in individual securities on the total invested assets. The IC will evaluate IPS asset allocation targets and ranges for the Community Foundation and will review each at least annually.

The IC defines primary real risks as follows:

- For The Permanent Fund and for endowed donor-created funds, the primary real risk is a loss below the value of the endowments when originally established and potential erosion of value through inflation.
- For all Community Foundation invested assets, the primary real risk is an unreasonable loss by IA's relative to specified IPS benchmarks.

Target Asset Allocations

Cash & Cash Equivalents	5%–100%
Fixed Income	15%–100%
Investment-Grade Government/Corporate Fixed Income	10%–100%
Other Fixed Income	0–10%
Equity	0–80%
US	0–80%
Developed International	0–40%
Developing International	0–25%

Target Asset Allocations may be further refined by the IC in conjunction with selected IA's and included as an addendum to the general guidelines provided in this Investment and Spending Policy.

Liquidity

Liquidity is required to meet the grantmaking needs of the Community Foundation's investment assets.

- For those who manage The Permanent Fund assets and endowed donor-created fund assets, liquidity needs are 5% of the value of the funds used for grantmaking, administrative fees, and advisory fees.
- For those who manage non-endowed pass-through donor-created funds, liquidity needs will vary according to the grantmaking activity level of the donors who created them. IA's should therefore keep abreast of such needs on a donor-by-donor basis and manage the portfolio accordingly. Donor-advisors who request that all or a portion of their pass-through fund is invested alongside pooled endowed funds understand that these funds will be invested in the same manner as pooled endowed funds i.e. with the intent of being held in perpetuity with a target spend of 5% per year.

Asset Class Guidelines

Cash & Cash Equivalents

Cash is the principal source of liquidity for grantmaking for the Community Foundation. It will be invested in only the safest assets, including Treasury bills, Agency notes, or very safe money market instruments that focus on Treasury bills and equivalents. The focus is on safe, highly liquid assets as opposed to generating significant yield. A current risk for cash investments is the possibility of negative real, inflation-adjusted returns.

Fixed Income

The purpose of the Fixed Income allocation is to create some measure of diversification for managed funds. Preservation of principal is a core emphasis of this allocation. A current risk for high- quality fixed income is the possibility of negative real, inflation-adjusted returns and interest rate risk, i.e. the possibility that the value of bonds decline in value because of an increase in interest rates, and credit risk, i.e. the possibility that a bond issuer will fail to repay interest and principal in a timely manner.

Global Equities

The purpose of the allocation to Global Equities is to provide long-term capital appreciation and diversification. Equity managers will be selected with the objective of building a portfolio that is diversified by geographic region, economic sector, industry, and market capitalization. The objective in selecting equity managers is to generate average annual compounded returns higher than those of relevant broad market indices , net of fees, over full market cycles (7-10 years).

Alternative Asset Classes – Hedge Funds, Private Equity, and Private Credit

The IA will not invest in these asset classes without the written authorization of the IC Chair and the CEO of CFNOVA.

Real Assets

In general terms, Real Assets allocations seek to deliver long-term results that are a premium to public equity market returns and also protect long-term purchasing power. Real Assets investments may include real estate and commodities. Real estate may be comprised of properties or REITs in various operating segments - office, retail, hotel, industrial, and multi-family. Global energy, timber, and commodity investment funds commit capital to investments that develop resource opportunities or to companies that provide services to the sector, such as gas processing or contracted drilling. Across the Real Assets sectors, managers generally seek some balance between income, stability, and risk, which can drive capital appreciation. Any allocation to Real Assets will be considered part of the equity asset allocation targets and must be made in publicly traded securities only.

Foundation's Spending Policy

The Community Foundation has a Board approved spending policy for grantmaking assets to help ensure a reasonable, predictable, and sustainable structure that supports the mission of the Community Foundation. A copy of the Spending Policy is available upon request. The policy applies to all endowed funds. It does not apply to nonendowed pass-through funds. It is designed to ensure that the Community Foundation remains a perpetual and meaningful provider of grant support and civic leadership services to the community by seeking preservation and growth of all endowed assets. Spending related to any endowed fund is also subject to limitations of the Virginia Uniform Prudent Management of Institutional Funds Act (UPMIFA).

- **Spending Limitations:** In the year a new endowed fund is established, charitable distributions will be limited to 5% of the Fair Market Value (FMV) of the fund on the date of the last quarterly report. Annual spending from existing funds for charitable distributions will not normally exceed 5% of the average principal value of each fund on June 30 of the preceding 3 years (or up to 11 quarters if the fund has been in existence for less than three years).
- **Periodic Review:** The spending policy will be periodically reviewed and is subject to change by the Board in order to fulfill the Community Foundation's goals and objectives.

Rebalancing

At times, markets may move in such a way that normal cash flows will be insufficient to maintain the actual asset allocation within the permissible minimum and maximum ranges as set forth in this IPS. In these cases, on a quarterly basis, rebalancing should take place and resulting proceed balances will be transferred as necessary between the asset types to bring the allocations back within the permissible ranges as described herein.

Interest and dividends generated by invested assets will be re-invested according to the IA's judgment unless otherwise directed by the IC. The IA will be responsible for making recommendations to the IC about additions or withdrawals to or from different IMs, as per Roles and Responsibilities.

Monitor / Meeting / Review Schedule

The IC and IA's will meet in person or via a video conference call to review the performance and the IA's compliance with objectives and guidelines at least once/year or as otherwise determined necessary and advisable by the IC.

The IC will utilize the most recent quarter IA reporting to review compliance with stated investment policies along with since-inception, one, three, and five-year portfolio investment performance on a quarterly basis in conjunction with scheduled Board meetings.

The overall health of the portfolio will be monitored by comparing the performance of the Community Foundation's invested assets against selected benchmarks. This IC should review such performance with the Board at least annually at Board meetings.

Conflict of Interest Policy

Any individual IA retained by the Community Foundation to manage its invested assets must be independent of the Community Foundation and its Board members and should not have any conflict of interest. All potential conflicts of interest will be fully disclosed, discussed, and decided by the Board in consultation with the IC.

Policy Review

This Investment Policy Statement will be reviewed periodically by the IC. Any amendments thereto suggested by the IC will be brought to the Board for discussion and vote.

Approval

This Investment Policy Statement has been approved by the Board on February 13, 2025.