

## 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, or
- The fund advisor specifies a particular reason not to make regular grant recommendations and the Community Foundation agrees. For example, donor advisors may want time 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 donor advisors may 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, or 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, or 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.