

Advised Fund Handbook

Uniting Oregonians through Philanthropy



The Oregon Community Foundation

MISSION

The mission of The Oregon Community Foundation is to improve life in Oregon and promote effective philanthropy.

To achieve this, the Foundation:

- **Builds a permanent endowment for the community through the support of Oregonians**
- **Sets high professional standards for the management of charitable gifts**
- **Provides a broad range of giving vehicles to meet donor interests**
- **Assesses conditions throughout the state and responds with leadership to improve these conditions**
- **Assists and cooperates with others in the effective application of charitable resources**
- **Shares information about its activities and philanthropic achievements with the community**

Welcome!

Thank you for establishing an Advised Fund with The Oregon Community Foundation.

The Foundation is a diverse community of individuals, families and businesses who are deeply committed to Oregon. They care about the state and welcome the opportunity to participate in improving the quality of life for all Oregonians.

An Advised Fund is a named, charitable fund of the Foundation. One or more individuals, usually the donor(s), are named as the fund advisor(s), and actively participate in grantmaking to nonprofit organizations. Advised Funds offer a personalized approach to philanthropy.

The purpose of OCF's Advised Fund program is to create an opportunity for people like you to give back to their communities in an informed and active way. This handbook is designed to explain the Foundation's procedures and overall objectives, and to answer the many nuts and bolts questions you may have about an Advised Fund. It is our goal to make your participation in the work of the Foundation as rewarding as possible.

Our Commitment to You

OCF is committed to uniting Oregonians and improving life through philanthropy. We have set the following standards for serving our donors and pledge to:

- **Maintain an excellent investment program**
- **Provide clear and accurate information about your fund**
- **Respond to your inquiries and correspondence promptly**
- **Understand the emerging needs of Oregon's communities**
- **Engage new generations of philanthropists**
- **Offer fund advisors opportunities to partner with other donors**
- **Recognize the community spirit of our donors**

The Role of the Fund Advisor

As an active partner in the work of the Foundation, you play a critical role in enriching the lives of Oregonians through philanthropy. We suggest that an effective giving plan is the result of fund advisors embracing the following responsibilities for their fund:

- **Annually evaluate your own philanthropic goals**
- **Find out how the Foundation can help you in addressing your community's issues and needs**
- **Seek out the best organizations to accomplish your fund's goals**
- **Talk with the Foundation staff when your charitable interests change**
- **Review the advisor packet materials sent by the Foundation. Ask for additional grant suggestions if the ones included do not reflect your interests**
- **Visit a nonprofit organization in which you have an interest**

Foundation Services

The Oregon Community Foundation provides opportunities for fund advisors and their families to expand and pursue their philanthropic goals through:

- **Opportunities to learn the fundamentals of grantmaking**
- **Events for fund advisors to meet one another**
- **Presentations by experts working in the nonprofit sector**
- **Professional program staff to advise on grantmaking strategies and issues facing our state**
- **Semi-annual fund financial statements tracking the activity of your Advised Fund**
- **Expertise in working with gifts of real estate and appreciated stock**
- **Expertise in deferred gifts such as charitable remainder trusts, bequests and charitable gift annuities**
- **Family Philanthropy program**
- **Monthly review and approval of grant recommendations**
- **Research on a specific area of interest or nonprofit organization**
- **Fund Xpress – online ability to review fund information and submit grant recommendations. Password protected.**

Grantmaking Process

By creating an Advised Fund, we realize that you have a wealth of first-hand knowledge of your community's needs. You can share your observations about specific charitable needs that may be of interest to you or other fund advisors with us. Likewise, staff can share with you projects or organizations that we feel may be of interest to you.

The Foundation will formally seek grant recommendations from you twice a year. An advisor packet of information is mailed to you in late March and late September. The packet includes a fund financial statement that shows the amount available for grants, a grant recommendation form, a list of grants that have recently been made from your fund, and, in some cases, grant suggestions that have been prepared for you based on our understanding of your charitable interests.

Grant recommendations may be submitted in writing by mail, e-mail or fax by the deadline included in your advisor packet. The staff is available to work with you to identify nonprofit organizations that meet your charitable goals. Staff can also research organizations you would like to know more about before recommending them as grant recipients.

All grant recommendations are presented to the Foundation's Board of Directors. They have the responsibility of reviewing and approving grants made by the Foundation.

Once we have received your grant recommendations, we complete due diligence to ensure that each organization is a qualified nonprofit.

After the grants have been approved, checks and grant award letters are mailed to the recipient organizations. The grant award letter includes the name of your Advised Fund, how the grant money is to be used, and contact name and address so that the organization can personally thank you. At this time, you will receive confirmation from us that the grants were approved and paid.

Frequently Asked Questions

■ **Is there a minimum grant size?**

Individual grant recommendations of \$1,000 or more are strongly preferred. However, a minimum recommendation of \$250 is required in order to make the most efficient use of OCF's resources.

■ **May I make a grant for membership?**

No. In accordance with Treasury Department regulations, grants awarded from OCF funds may not be used to fulfill personal pledges or to pay for memberships, dues or anything that provides a direct benefit to a donor/fund advisor.

■ **How will I know how much I have available in the fund to make recommendations for grants?**

Each March and September you will receive an advisor packet. The packet will contain a fund financial statement that details the activity of your fund, including the amount that is available for you to recommend for grants.

■ **What kind of organization may I recommend for a grant?**

You may recommend qualified nonprofit public charities, schools and government programs.

■ **May I recommend grants to organizations outside of Oregon?**

Yes, if the organization's mission falls within the guiding principles of OCF. International grants can only be made when the nonprofit organization has a recipient U.S. entity. On the whole, we do request that at least 50% of your recommended grants go to Oregon nonprofits.

■ **How are grants acknowledged?**

A grant award letter accompanies each distribution to a charitable organization. You will receive a grant confirmation letter and a listing of the grant(s) that was approved and paid from your fund. Unless otherwise requested, the letter to the charitable organization identifies the donor/fund advisor(s) to the Advised Fund who recommended the distribution.

■ **How can I remain anonymous to a grant recipient?**

Let us know when you submit your grant recommendations. Anonymity can be accommodated on a grant-by-grant basis. The thank you letter can be sent to OCF and we can forward it to you.

■ **May I recommend a grant to an individual?**

No. According to IRS regulations, OCF may make grants only to qualifying nonprofit public charities. OCF staff checks all organizations for documentation of nonprofit status.

■ **May I recommend a grant to an organization to support their public advocacy activities?**

Yes. According to IRS regulations it is legally permissible for OCF to make general support grants to organizations that do advocacy work, which may include lobbying. However, OCF may not make grants to organizations to support a particular candidate in a political campaign.

■ **How often should I recommend grants from the Advised Fund?**

We encourage you to recommend grants from your fund on a regular basis. Some advisors choose to do it annually, while others offer their suggestions semi-annually or quarterly. There is a grantmaking calendar on page 8.

■ **May I recommend a multi-year grant from my fund?**

Yes. At the time of your recommendation, please indicate that the grant is to be made in increments. We will administer the grant and payment schedule.

■ **May I serve on the board of an organization and recommend a grant to it from my Advised Fund?**

Yes, as long as you receive no personal benefit from the grant.

The Grantmaking Calendar

Outlined below is a brief description of the Foundation’s annual funding cycle. The Foundation’s fiscal year begins January 1 and ends December 31. During the year, fund advisors may make recommendations for grants from their Advised Fund. The calendar below illustrates the Spring and Fall grantmaking cycle. However, OCF’s Board of Directors reviews grant advice on a monthly basis.

January	February	March	April	May
Fiscal year begins.	Board of Directors winter meeting. Grant advice due February 15. Grants approved and paid by first week of March.	Spring Advised Fund packets mailed. Fund statements show funds available for you to recommend grants for the fiscal year.	Spring advice due.	OCF annual spring meeting and Board of Directors meeting. Grants approved and paid by May 31.
August	September	October	November	December
Board of Directors summer meeting. Grant advice due August 1. Grants paid by end of August.	Fall Advised Fund packets mailed. Fund statement shows remaining amount available for grants.	Fall grant advice due.	Board of Directors fall meeting. Grants approved and paid by first week of December.	Year-end grant advice due December 10. Grants paid by December 31.

Common Types of Grants

Here is a list of the most common types of grants made to nonprofit organizations:

Capital or Capital Campaign

A capital grant provides support for the purchase of property, the construction of a facility, remodeling/expansion of a facility or purchase of equipment.

Operating or General Support

An operating grant provides support for the day-to-day costs of running the nonprofit organization.

Endowment

Some nonprofit organizations have endowment funds. The endowment fund is a permanent annual source of income for the operating or project expenses of the organization.

Unrestricted

An unrestricted grant allows the nonprofit to use the dollars to support the organization where most needed.

Project

A project grant supports a specific activity.

Seed

A seed grant helps to jump-start a new organization, a new project or launch a capital campaign.

Challenge or Matching

A challenge or matching grant helps a nonprofit organization leverage additional dollars through a fundraising campaign.

Pooled Fund

OCF's Board of Directors, in concert with the community, periodically identifies an opportunity where a committed source of money and leadership will make a significant difference in an issue facing our state. The Foundation partners with donors who have Advised Funds with similar interests and together build a pooled fund within the structure of the Foundation to concentrate on that issue.

Family Philanthropy

The Oregon Community Foundation has many donors who are encouraging their children to carry on their own tradition of philanthropy. Experience indicates that educating children through example and shared activities instills this legacy of commitment. Your Advised Fund allows you and your children to encourage and support those community values that you respect. When the time is right for your family, OCF staff can meet with you to clarify shared family values and goals. We can help you develop a value statement and a set of goals that will guide the grantmaking from your fund.

How to Add to Your Fund

Creating a fund with The Oregon Community Foundation allows you to sustain a permanent legacy of philanthropy in Oregon, and you may add to your fund at any time. In many cases, significant tax benefits can be realized through gifts of appreciated stock or real estate. We encourage you to discuss any gift you may be considering with our staff.

Year-End Giving

Many donors like to make additions to their fund in December. If you plan to make a stock gift, please let us know. The Foundation has accounts with many brokers. If timing is of concern to you, be sure to:

- 1. Ask us for OCF's account number at your brokerage firm.**
- 2. Include our account number in your letter to your broker requesting that they transfer the stock.**
- 3. Send us a copy of your letter.**

The Foundation also offers an opportunity to make year-end grants to nonprofit organizations:

- **Through your advised fund.** Send in your grant recommendations by December 10. The OCF Board of Directors will review those recommendations. Approved grants will be paid by December 31.
- **Through your year-end gift.** At the time of a year-end gift to the Foundation, you can designate all or a portion of that gift to be distributed to nonprofit organizations. Include a list of organizations with your gift.

The Oregon Community Foundation

www.ocf1.org

Grantmakers of Oregon and SW Washington

www.gosw.org

Council on Foundations

www.cof.org

**Forum of Regional Associations
of Grantmakers**

www.givingforum.org

Philanthropy News Digest

www.fdncenter.org/pnd

Women's Philanthropy Institute

www.women-philanthropy.org

The Chronicle of Philanthropy

www.philanthropy.com

The Foundation Center

www.fdncenter.org

National Center for Family Philanthropy

www.ncfp.org

Independent Sector

www.independentsector.org

OCF Guide to Giving

Please call the Foundation at 503-227-6846 and ask that one be mailed to you.

Oregon Foundation Databook

C & D Publishing – 503-274-8780

www.foundationdatabook.com

This is an annual directory/database of grantmaking foundations based in Oregon.

Fund Management

The Foundation's investment policies and the performance of the investment managers are reviewed quarterly by an investment committee made up of OCF board members and community volunteers with investment expertise. Each permanent fund is assessed an annual fee to offset the cost of administrative and investment services.

OCF Administrative Fund

Each year, individuals, foundations and corporations throughout Oregon contribute to the Foundation's Administrative Fund, which supports a portion of our operations and allows us to be actively involved in all areas of Oregon. Gifts to the Administrative Fund help keep our fund fees to a minimum and demonstrate a statewide base of support for the Foundation's mission. Contributions to the Administrative Fund may be made from Advised Funds as grants to OCF.

For further assistance:

We hope that this handbook serves as a helpful guide to your Advised Fund with The Oregon Community Foundation. Please contact us for any other information we can provide. The following staff is available to provide services:

Laura Winter

Vice President for Advised Funds

Alisa Hayes

Donor Relations Officer

Joan Kerns

Donor Relations Officer, Eugene

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Here for Oregon. Here for Good.