



# DONOR ADVISED FUND AGREEMENT

Thank you for opening a donor advised fund at the San Francisco Foundation!

With this agreement, \_\_\_\_\_ (hereinafter referred to as the "Donor") is transferring on the \_\_\_ day of \_\_\_\_\_ (month), \_\_\_\_ (year) ownership of the property listed below to the San Francisco Foundation (hereinafter referred to as the "Foundation"). This property constitutes an irrevocable gift from the donor to the foundation and, upon acceptance of the gift, is subject to the terms and conditions listed below.

## SECTION I - FUND NAME

Please select and write the name of your donor advised fund (referred to herein as the "Fund") here:

## SECTION II - FUND CREATION

### Initial Gift

Contribution amount to establish the Fund:

\$ \_\_\_\_\_

The minimum gift to open a fund is \$10,000.00

Please check the appropriate box below:

Check made payable to The San Francisco Foundation

Securities:

Publicly Traded\*

Privately Held\*

Restricted\*

Cash wire\*

Other: Please describe the gift (e.g. interfund transfer, credit card, personal property, real estate)\*:

\* Note: Please contact Development and Donor Services at (415) 733-8590 or donorservices@sff.org.

## SECTION III - ADVISORS

The original donor to the Fund may designate any person over 18 years of age to be an advisor on the Fund. The Fund may have more than one advisor. If the Fund has more than one advisor, upon the death of one advisor, the remaining advisor(s) retain(s) the privileges associated with the

Fund. All requests to modify or appoint additional advisors and successor advisors (as defined below) to a Fund must be communicated to the Foundation in writing.

**Primary Advisor(s):** This individual has full advisory privileges over the Fund, including grant recommendations, investment allocation recommendations, naming the Fund, and appointment of other advisors and successor advisors. This is the highest level of authority.

**Grant Advisor(s):** This individual has full advisory privileges over grant recommendations, but no other Fund administration advisory privileges.

**Informational Contact(s):** This individual has access to Fund information but no advisory privileges.

Please designate at least one primary advisor.

### Primary Advisor

First Name	MI	Last Name	Salutation
Phone		Phone Type	
Mailing Address 1			
Mailing Address 2		Email	
City	State	Zip	
Statements will be available on our secure online portal. If you would like to receive these by mail, check here:			
Grant award letters will be available on our secure online portal. If you would like to receive these by mail, check here:			

Please designate any additional advisors or contacts.

### Other Advisor(s) and Contact(s)

Primary Advisor

Grant Advisor

Informational Contact

First Name	MI	Last Name	Salutation
Phone		Phone Type	
Mailing Address 1			
Mailing Address 2		Email	
City	State	Zip	
Statements will be available on our secure online portal. If you would like to receive these by mail, check here:			
Grant award letters will be available on our secure online portal. If you would like to receive these by mail, check here:			
Relationship to Donor			

Primary Advisor

Grant Advisor

Informational Contact

First Name	MI	Last Name	Salutation
Phone		Phone Type	
Mailing Address 1			
Mailing Address 2		Email	
City	State	Zip	
Statements will be available on our secure online portal. If you would like to receive these by mail, check here:			
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Relationship to Donor			

Primary Advisor

Grant Advisor

Informational Contact

First Name	MI	Last Name	Salutation
Phone		Phone Type	
Mailing Address 1			
Mailing Address 2		Email	
City	State	Zip	
Statements will be available on our secure online portal. If you would like to receive these by mail, check here:			
Grant award letters will be available on our secure online portal. If you would like to receive these by mail, check here:			
Relationship to Donor			

## Successor Advisor(s)

Only the original donor to the Fund and/or Primary Advisor(s) may designate a Successor Advisor to exercise the privileges and duties of a Fund advisor. Successor Advisors assume the privilege to advise the Fund only after the death, resignation, refusal, removal, or inability to serve of all Primary Advisors named on the fund. Successor advisors may neither appoint further successors nor change the final disposition of the Fund.

First Name	MI	Last Name	Salutation
Phone		Phone Type	
Mailing Address 1			
Mailing Address 2		Email	
City	State	Zip	
Relationship to Donor			

First Name	MI	Last Name	Salutation
Phone		Phone Type	
Mailing Address 1			
Mailing Address 2		Email	
City	State	Zip	
Relationship to Donor			

First Name	MI	Last Name	Salutation
Phone		Phone Type	
Mailing Address 1			
Mailing Address 2		Email	
City	State	Zip	
Relationship to Donor			

## SECTION IV - DONOR ADVISED FUND FEES

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There is no fee to open the Fund. There are also no transaction fees for grant distributions, although fees may apply in the case of certain international grants that require specialized review. Once established, assets held in the Fund are subject to administrative and investment fees. Fees are subject to review and amendment by the Foundation's Board of Trustees.

### A. SFF Administrative Fee (Assessed quarterly)

Gifts to the Fund are assessed the full annual administrative fee upon donation; therefore, no additional administrative fee is assessed on those donations for the following 12-month period. Fees are assessed quarterly following the initial 12-month period.

<b>BALANCE</b>	<b>FEE</b>
First \$0 - \$3,000,000:	1.00%
Next \$3,000,000 - \$10,000,000:	0.75%
Next \$10,000,000 - \$25,000,000:	0.50%
Over \$25,000,000:	0.25%
Minimum annual fee:	\$500

### B. Investment Management Fees

The Foundation utilizes professional money managers as well as an independent investment consultant to invest the assets entrusted to us. The average investment management fees associated with these professionals as well as custodial and other asset administration expenses are charged proportionally to the individual funds that hold those investments.

<b>INVESTMENT POOL</b>	<b>AVERAGE FEES</b>
Short-Term	Approximately 0.16%*
Long-Term	Approximately 0.92%*
Mission-Aligned Investments Pool	Approximately 0.74%*

\* The investment management fees assessed by investment managers generally range from 5 to 150 basis points (i.e., .05% to 1.50% of assets), excluding incentives. Each manager's fee schedule is negotiated independently. The average fee on the total pool will fluctuate over time as market values change.

# SECTION V - INVESTMENT POOLS AND ALLOCATION

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Primary advisors elect an investment allocation for the Fund at the time the Fund is established. Primary advisors may request a change to the investment allocation in writing at any time, subject to the approval of the Foundation. Assets of the Fund may be commingled for purposes of investment with other assets of the Foundation. The Foundation will consider a change to the investment allocation of your fund no more than once per month and reserves the right to manage the timing of any transfers.

## Investment Pools

### Short-Term Investment Pool

Assets are invested in US dollar denominated cash equivalents and other short-term, fixed-income securities.

### Long-Term Investment Pool

Assets are invested in a broadly diversified portfolio with a very long-term investment horizon. Please contact the Foundation for the current asset allocation.

### Mission-Aligned Investments Pool

Assets are invested in a portfolio that is screened for positive social and environmental impact.

## Asset Allocation

The primary advisor’s recommended asset allocation should reflect the Fund’s philanthropic strategy for the year. Grant distributions are paid from assets in the short-term investment pool. As such, the Foundation recommends a minimum allocation to the short-term investment pool equivalent to at least a year’s worth of grants to ensure adequate liquidity.

\_\_\_\_\_ % Short-Term Investment Pool

\_\_\_\_\_ % Long-Term Investment Pool

\_\_\_\_\_ % Mission-Aligned Investments Pool

(Must total 100%)

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## SECTION VI - DISPOSITION OF DONOR ADVISED FUND ASSETS

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After the death, resignation, refusal, removal, or inability to act of the last of the named primary advisor(s), any remaining Fund assets (of \$100,000\* or more) shall be disposed of as provided below.

Undistributed assets will be held as the \_\_\_\_\_ Fund, a permanent named fund of the Foundation.

Distributions from the Fund will be (if selecting more than one, allocations must total 100%):

\_\_\_\_\_ % Unrestricted: Distributions will be pursuant to the Foundation's spending policy to meet future charitable needs of the Bay Area.

\_\_\_\_\_ % Restricted: Distributions will be made pursuant to the Foundation's spending policy for (specify purpose): \_\_\_\_\_

\_\_\_\_\_ % Designated: Distributions will be pursuant to the Foundation's spending policy to the following organizations: \_\_\_\_\_

\_\_\_\_\_ % to \_\_\_\_\_  
\_\_\_\_\_ % to \_\_\_\_\_  
\_\_\_\_\_ % to \_\_\_\_\_

(Must total 100% of designated allocation.)

Note: Assets less than \$100,000 will become part of the Foundation's unrestricted endowment.

\*Inclusive of any legacy gifts.

### Estate Planning Purposes

I have remembered the San Francisco Foundation in my estate plans.

I would like more information on how to include my donor advised fund at the San Francisco Foundation in my estate plans.

## SECTION VII - FUND TERMS AND CONDITIONS

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### Tax Status

The Fund shall be a component fund of the Foundation and not a separate entity for tax purposes. Nothing in this agreement shall affect the status of the Foundation as a charitable organization described in Section 501(c)(3) of the Internal Revenue Code and as an organization that is not a private foundation within the meaning of Section 509(a) of the Code. This Agreement shall be interpreted to conform to the requirements of the foregoing provisions of the federal tax laws 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 purposes of the Fund.

Any contribution to a component fund is automatically treated as a gift to a 501(c)(3) public charity and is generally income tax deductible, subject to IRS individual deductibility rules. Acceptance of charitable contributions other than cash or marketable securities must first be approved by the Foundation. The Foundation does not provide tax or legal advice; we recommend consulting a professional advisor if you have questions about a charitable gift to the Foundation.

### Variance Power

As required by law, all assets contributed to the Fund become irrevocable gifts to the Foundation. Legal control and responsibility for the Fund rests with the Foundation in accordance with its governing documents (as amended from time to time), the Foundation owns the Fund and has the ultimate authority, discretion, and control over all property in the Fund and the income derived from it. The Foundation has the authority to vary the terms of the gift in certain circumstances. Charitable distributions from the Fund shall be made at such times, in such amounts, in such ways, and for such purposes as the Foundation shall determine, in its sole and independent discretion, within the scope of the charitable purposes of the Foundation.

The Fund shall be subject to the Foundation's governing documents, which provide that the Board of Trustees of the Foundation shall have the power to modify any restriction or condition on distributions from the Fund for any specified charitable purpose or to specified organizations if, in the sole judgment of the Foundation's board of trustees without the necessity of approval of any other party, such restriction or condition becomes unnecessary, incapable of fulfillment, wasteful or inconsistent with the charitable needs of the community or area served. 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 purposes of the Fund.

### Investments

In making a gift to the Foundation for inclusion in the Fund, donors give up all right, title, and interest to the assets contributed. In particular, donors cannot control the selection of investments, investment managers, or brokers after their gift has been made. The board of trustees and Investment Committee of the Foundation have the right to make any or all investment decisions regarding gifts received, except that Primary Advisors have advisory privileges with respect to fund investment pool selection and asset allocations. Assets contributed to the Fund will be managed in the Foundation's investment pools. All income and capital gains or losses will be allocated to the Fund on a monthly basis. As part of the Foundation's Donor Choice option, and subject to Foundation approval, a donor may request and recommend a customized investment approach through an outside investment advisor for funds carrying a significant balance. The Foundation's Investment Committee must approve



the recommended advisor and the investment advisor's proposed investment strategy and underlying investments.

The Foundation offers several different investment pools for the Fund: short-term pool, long-term pool and socially responsible pool. Primary advisors select an investment pool allocation at the time the Fund is established. Primary advisors may request to change the investment allocation in writing at any time, subject to the approval of the Foundation. The Foundation will consider a balance reallocation request no more than once per month and reserves the right to manage the timing of any transfers.

## **Complex Gift Fee**

Gift assets that require special review may incur additional fees to cover tax, legal, or other Foundation expenses associated with the transaction. Fees may also apply in the case of certain international grants that require specialized review.

## **Inactive Funds**

The Foundation encourages the Primary Advisor(s) to maintain an active role with the Fund. In order to carry out its mandate of distributing charitable dollars to the community, the Foundation shall annually review the Fund's activity. Should the Fund have no activity (e.g., contributions, grants, or inter-fund transfers) for more than three years, the Foundation will attempt to contact the Fund's Primary Advisor(s), professional advisor(s) (if any), and/or other named advisor(s). If the Fund remains inactive for another year following the Foundation's notice of inactivity (for a total of four years of inactivity), the Fund may be closed and the Foundation may follow the instructions for disposition of Fund assets as indicated in this Agreement.

## **Zero and Negative Balance Funds**

If the Fund carries a negative or zero balance for more than one month after the primary advisor is notified, the Fund will be closed unless other arrangements are made with the Foundation.

## **Successor Advisors**

Only the original donor to the Fund and/or Primary Advisor(s) chosen by that person may designate Successor Advisor(s) to exercise the privileges and duties of a fund advisor. Successor Advisors may assume the privilege to advise the Fund only after the deaths, resignations, refusal, removal or inability to serve of all Primary Advisors named on the Fund. Successor Advisors may not appoint further successors. All requests to modify or appoint additional Primary Advisors and Successor Advisors to a Fund must be communicated to the Foundation in writing.

## **Succession Plans**

The original donor to the Fund and/or Primary Advisor(s) selected by that person may select a succession plan for the Fund. There are several options available including naming Successor Advisors or establishing an endowed fund with various levels of restriction. All succession plans must be submitted in writing and are subject to the Foundation's approval.

Should the Primary Advisor(s) die, be unwilling, or unable to serve, or cannot be located, and/or a Successor Advisor has not been named and there is no written fund succession plan on file at the Foundation, then the Foundation's inactive fund policy will be implemented and the balance of the Fund may be distributed to the Foundation.

## Endowment Funds and Distribution of Annual Spending Policy Amount

For endowed funds, annual fund distributions are made in accordance with the spending policy for endowments adopted by the Foundation's Board of Trustees, as such spending policy is amended from time to time. Distribution of the spending policy amount shall be distributed net of applicable Foundation fees.

## Grant Restrictions

Grants from a donor advised fund must be:

- \$250 or more; and
- Made for charitable purposes that do not provide more than incidental benefits to the Fund's advisor(s); and
- Directed to a qualified 501 (c) (3) public charity in good standing with the IRS; or
- Directed to a private operating foundation in good standing with the IRS; or
- Directed to verifiable charitable organizations with tax status equivalent to 501 (c) (3), such as public schools, religious organizations, or government agencies.

Grants from the Fund to the following are not permitted:

- Individuals;
- The discharge of a legally enforceable charitable pledge or obligation of any person;
- Organizations with 501 (c) (4) status;
- Political contributions, or to support political campaign activities or lobbying activity;
- Any purpose that would provide benefits, goods, or services to the advisor or related party;
- Memberships, event tickets, sponsorships, registration fees in tournaments, and cause-related marketing activities where a more than incidental benefit is provided to the advisor or related party;
- Private non-operating foundations.

Each time an advisor(s) recommends a grant, we will ask the advisor(s) to confirm the following:

*"I understand that this grant recommendation is subject to review and approval by the board of trustees of the San Francisco Foundation, which is guided by the governing documents and grant making policies and guidelines of the Foundation. I certify that this grant recommendation is not intended to discharge or satisfy a legally enforceable charitable pledge or obligation or to pay for goods or services of more than incidental value for the benefit of myself, other donors or advisors to the advised fund, or any related persons; any such benefits are waived and will not be accepted by me, other donors or advisors to the fund or related persons. I further certify that this grant recommendation is not for a specific individual, and I understand that if the purpose of the grant indicates support for an individual, the nonprofit accepting the grant has the discretion to choose to support a different individual. I acknowledge that Foundation staff may need to contact me or the intended grant recipient to confirm the grant recommendation meets these requirements and that language supporting these certifications may be added to the grant transmittal letter."*

This confirms that advisor(s) are waiving benefits which may be associated with the grant. If the grantee has mechanisms in place to enable benefits not to be provided to advisor(s), then the Foundation can make a grant, but advisor(s) will not receive any of the benefits which such advisor(s) may have expected when recommending the grant. If the grantee cannot waive benefits, we will inform the advisor(s) of this and the grant will not be made.

## International Grants

Grants to international organizations with a Section 501 (c) (3) determination letter issued by the Internal Revenue Service (“IRS”) are subject to the Foundation’s standard due diligence procedure. Grants to international organizations without a Section 501 (c) (3) determination issued by the IRS may also be possible after the Foundation conducts an alternative qualifying process through a third-party agency for additional fees. Contact the Foundation’s Donor Services team for more information.

## Donor Benefit Restriction

Grants made from the Fund cannot provide a benefit to the original donor to the Fund, any Fund advisor(s), and any family member or related party to the original donor or Fund advisor(s). Grants of this type risk significant penalties to the individual that advised such benefit and the Foundation.

## Grant Acknowledgement

Grant checks sent to organizations are accompanied by a Foundation letter specifying the name of the Fund and the Fund advisor’s name(s) unless requested otherwise by the donor or Fund advisor(s) and as approved by the Foundation. Approved grants are typically sent within seven (7) working days after receiving a grant recommendation. Grants made from the Fund are issued on checks with the name and logo of the Foundation. Notwithstanding the foregoing, the Fund advisor(s) may choose to give anonymously on a grant-by-grant basis.

## Fundraising Policy

On some occasions, the Foundation may consider permitting fundraising (including matching and challenge grants) on behalf of the Fund. All fundraising activities must be pre-approved by the Foundation. Fund advisors must allow at least 30 days for approval. Use of the Foundation’s name on any fundraising material is expressly prohibited without prior written approval by the Foundation. The Foundation cannot reimburse the donor, Fund advisor(s), or related parties for expenses related to fundraising activities. All contributions raised in support of the Fund must be made payable to The San Francisco Foundation with the name of the Fund in the memo line. The Foundation is not responsible for the success of fundraising to benefit the Fund. Please contact the Foundation’s Donor Services team for more information.

## Fund Closure

A Fund advisor may recommend closing the Fund by granting 100 percent (100%) of the balance of the Fund (net of any fees and/or investment returns) to qualified Section 501 (c) (3) public charities, including any of the Foundation’s funds. Such recommendations must be received in writing and, if approved, Fund assets will be disbursed in accordance with the Foundation’s governing documents, current agreements, laws, and regulations.

## Conflict of Terms

In the event of an inconsistency between these terms and conditions and any terms and conditions appearing elsewhere in connection with the Fund, these terms and conditions, as interpreted by the Foundation, shall govern and the Foundation reserves the right to take any actions at any time which, in its discretion, it deems reasonably necessary or desirable for the proper administration of the Fund and/or to comply with applicable law.

## SECTION VIII - ACKNOWLEDGEMENT AND SIGNATURES

I acknowledge that I have read The San Francisco Foundation's Donor Advised Fund Agreement and Fund Terms and Conditions and agree to the terms, fees, and conditions described therein. I understand any contribution, once accepted by the Foundation's board of trustees, represents an irrevocable contribution to the Foundation. The Foundation's board of trustees has variance power under Internal Revenue Service (IRS) regulations, and this gift is not refundable to me.

I hereby certify, to the best of my knowledge, that all information presented in connection with this form is accurate, and I will promptly notify the Foundation of any changes.

### For the Donor:

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Name

### For the San Francisco Foundation:

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Name and Title

\_\_\_\_\_ CFO must initial donor advised fund agreement if there have been any edits to the standard language.

### Please share who referred you to the Foundation so that we may thank them.

First Name	MI	Last Name	Salutation
Phone		Phone Type	
Mailing Address 1			
Mailing Address 2		Email	
City	State	Zip	
Relationship to Donor (e.g. professional advisor, friend, family member)			

### Please send this form to:

The San Francisco Foundation  
Attn: Director of Development,  
Development and Donor Services  
One Embarcadero Center, Suite 1400  
San Francisco, CA 94111

Fax: (415) 399-1610  
Email: [donorservices@sff.org](mailto:donorservices@sff.org)  
**[www.sff.org](http://www.sff.org)**