

# Fund Activity Policy

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As the legal owner of assets contributed to the GiveWell Community Foundation (The Foundation) and held in its funds, The Foundation is responsible for ensuring the funds are used for grantmaking, exclusively for charitable purposes, and do not confer any private benefit on the Donor or any other person. With Donor Advised Funds, The Foundation works with the Donor and/or Donor Advisor(s) to determine when grants will be made from those funds. To that end, The Foundation monitors the use of Donor Advised Funds to ensure their activity leads to charitable distributions. Any contribution(s) to a Donor Advised Fund is an irrevocable charitable contribution that is legally owned by The GiveWell Community Foundation. These funds are institutional funds of The Foundation-not a personal savings account of the donor-and may only be used for charitable purposes which do not confer any private benefit of the donor or any other person.

## **Acceptable types of Fund Activity**

The following are examples of Fund activity that lead to distributions. If this policy ever conflicts with federal law or state law (including the Uniform Prudent Management of Institutional Funds Act, commonly known as UPMIFA), the relevant law controls. A Fund is considered active when there is regular communication between a Donor, Donor Advisor(s) (or named successors) and The Foundation regarding the existence and purpose of that Fund. Examples of some of the activities that would deem a Fund active include, but are not limited to:

- Regular Grant Recommendations. Donor advisor generally recommends grants at least annually to qualified charitable organizations. The amount of grantmaking can vary from year to year.
- Developing a Philanthropic Program. Donor makes a substantial contribution to a Fund, for example upon the sale of a business, and refrains from recommending grants for a given initial period while the Donor consults with The Foundation and/or does his or her own research to determine what types of grants will best meet community needs and/or the Donor's philanthropic goals.
- Long-term Giving Plan. Donor Advisor deliberately reduces the frequency or size of grant recommendations from the Fund, for example:
  1. During his/her working years, with the intention of increasing the Fund balance to support grantmaking during retirement when the Donor Advisor expects his or her income to change.
  2. To build a Fund over time so the Donor's children can make grants later (idea being the Donor is leaving a charitable legacy for the next generation to administer).
  3. When the Fund is invested in an illiquid or undervalued investment and the Donor Advisor intends to begin making grant recommendations when the investment can be sold at a reasonable price.

- Project Grants. Donor makes a substantial contribution to a Fund and determines to recommend grants to a specific qualified charitable organization over a period of years so that the Donor can monitor how the charitable organization performs, and to consider whether another organization would better achieve the Donor's charitable objectives.
- Starter Fund. Donor wants to build the Fund balance to make substantial grants to the community. Therefore, there may be no distributions made until the Fund balance reaches an amount stated in the Fund agreement based on The Foundation's conversations with the Donor and/or Donor Advisor(s).
- Specific Occasion Grant. Donor Advisor refrains from recommending grants for a number of years with the specific charitable goal of recommending a grant upon a specific occasion. Examples may include, but are not limited to:
  1. Donor is incapacitated with no successor Advisor(s) named. Upon Donor's passing, The Foundation will distribute funds according to the Donor's original intent on file with The Foundation;
  2. The Fund has transitioned to named successor Advisors but they are minors and no adult representative is named to represent them (so grants resume when successor Advisors are adults);
  3. Founders of Fund who are also the Donor Advisors are getting divorced so that grants are suspended until both the spouses agree on grants, which may include splitting the Fund into two separate funds, one for each spouse to advise, or eventually dissolving the Fund by the making of charitable grants;
  4. Grants are suspended during litigation involving a Fund (e.g., the Donor left his/her estate to a Fund, but the Donor's heirs are disputing the bequest so the Community Foundation does not allow grants until the litigation is resolved); or
  5. Donor leaves a bequest to a Fund and distributions are made periodically to the Fund during the estate settlement process, but grants are not made until the estate is fully settled and the Fund receives a final distribution from the estate.

Should there be no grant activity in a donor advised fund for at least **three years**, steps will be taken by The Foundation to activate the Fund. These steps may include, but are not limited to:

- a. Notify the Fund Advisor regularly and periodically (at least annually over a period of three years) by letter, or face to face meeting to encourage the Advisor to activate the fund.
- b. Distribute grants from the Fund to qualified grant recipients that align with the Donor's intent, but if The Foundation determines such intent is obsolete, incapable of being fulfilled, impractical, or inconsistent with the community's charitable needs, then The Foundation shall exercise its variance power to enable The Foundation to continue to use its resources to meet the needs of the community and to address the charitable purposes for which the funds were committed.

Approved by the Board of Directors: September 26, 2017

Date

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Board Secretary

