

## New Fund Set Up Process

1. Discuss general charitable interests with donor prospect or professional advisor. Explain all fund types and relevant subtypes as necessary.
2. Once you and the donor have determined what fund type that works best for them, complete the New Fund Information Form (NFIF). Send the NFIF to Central Office (CO).
3. CO will draft an agreement and enter a fund founder profile based on the info in the NFIF. Two copies of the agreement will be mailed\* to the donor (or professional advisor or affiliate ED to hand deliver) for signature, with a return envelope to the CO. Once the agreements are returned to the CO, the CEO will sign. \*If expediting the receipt process is necessary, the agreement may be emailed.
4. After the agreement is signed by all parties, CO returns one original agreement to the fund founder with a Community Foundation welcome packet.
5. CO sets up the fund in the FIMS database when the signed agreement is returned OR when money is received. *A signed agreement is always necessary – even when the money comes in first.*
6. If the fund is tracked to an affiliate area, the Affiliate ED is given DC access, and an electronic version of the executed fund agreement is emailed to that ED for their records. CO maintains paper copies of legal agreements for each active fund in fire-safe cabinets and digital copies are stored digitally in FIMS.
7. Initial gifts to a fund can be sent in with the NFIF, the signed agreement or at a later point.
8. Once the signed fund agreement has been returned, Central Office will send a welcome packet to the fund founder. When necessary, a copy is mailed or emailed to the referring PA.

### Special Considerations:

1. **Memorial Funds:** To respect the sensitive nature of these funds, they follow a slightly different set up procedure. See below.
2. **Scholarships:** be sure the NFIF indicates whether a scholarship will be *advised* or *designated* to a particular school. Include guidelines and criteria on the NFIF—a template can be provided. Once the scholarship becomes operational, you or the donor can work with the CO Program Officer to develop an application.
3. **DAFs:** when completing NFIF, get contact information for everyone who will serve as fund advisors or successor advisors.
4. **Designated/Organizational Funds:** Note on the NFIF if grants will be made “on request” or if the fund holder prefers automatic distributions quarterly, bi-annually or annually on the 15<sup>th</sup> of either September, December, March or June.
5. **Anonymous Funds:** When a fund holder wishes to be anonymous, the fund is named by a number. If a donor prefers a named fund but does not want to be listed in any Community Foundation materials, please indicate a DO NOT LIST preference.
6. **Tax Acknowledgements:** letters are sent to those making gifts to funds held by the Community Foundation. Letters will be sent to whomever is named on imprinted checks – even in the case of pooled gifts. Try to avoid cash at all costs. Even in the case of cash, pooled gifts will be acknowledged as to the person who delivers it.
7. **Fundraising Efforts:** Remember the Community Foundation has a policy of not fundraising for component funds. As a result, we will not support, endorse or send tax acknowledgment letters for fundraising efforts (i.e. checks made out to a silent auction or fundraising event).

## MEMORIAL FUND PROCEDURE

A memorial fund will be defined as a fund established to honor a deceased individual, that is intended to receive various in memoriam gifts and the establishing gift is less than \$10,000.

When contacted about establishing a memorial fund, staff will provide donors with the “Honoring Your Loved One with a Community Foundation Memorial Fund” document. When the donor decides to establish a memorial fund, staff will complete a New Fund Information Form to capture the primary contact’s contact information, desired name of the fund and intended charitable purpose. **All memorial funds will be initially set up as donor-advised action funds.** Donor Stewardship Director (DSD) will create a FIMS shell to receive gifts and notify Finance of the fund ID and contact to receive acknowledgements. DSD will request an online giving link from Communications to provide to the donor.

Development will review each memorial fund six months after it is established to evaluate the fund’s balance and discuss more specific options with the primary contact—i.e. granting out, retiring the fund or transitioning to an endowment. At that time\*, an agreement will be executed based on the fund type and charitable purpose determined.

*\*A legal agreement must be in place at the close of each fiscal year for the financial audit. Timeline and delivery of the agreement may be adjusted to suit the fiscal year close.*