

Create a Donor Advised Fund at Greater Worcester Community Foundation

Let's Work Together

You can support the organizations and causes you care most about today and after your lifetime, all while maximizing your financial and tax advantages. We can help you put your passion into action through a Donor Advised Fund at the Foundation.

What is a Donor Advised Fund?

A sum of money given to a tax-exempt community foundation to hold and invest. Donor Advised Funds distribute a percentage of the money they hold each year in the form of grants to charitable organizations, reflecting the advice and wishes of those who established the fund. Donors who set up funds in this way can determine a percentage of the fund that is distributed each year.

As a qualified 501(c)(3) public charity, the Greater Worcester Community Foundation offers the maximum deductibility for income,

gift and estate tax purposes. With a donor advised fund, you may select the most opportune time to recommend grants to other nonprofit charitable organizations. The fund is commingled with other funds in one of two portfolio options, both designed to ensure preservation and growth of principal and a dependable source of revenue for distribution and expenses.

How Greater Worcester Community Foundation Can Help

Grants may be awarded to qualified, 501(c)(3) public charities located anywhere in the United States. The Foundation will determine the eligibility and may require additional information from the organization before approving the grant recommendation. If you want ideas and advice, our team will provide them. The Foundation handles all of the administration. See the following FAQ's for additional information.

"We believe in the Greater Worcester Community Foundation, and we've donated to its Director's Fund for years. In choosing the Foundation to administer our fund, we gain superb stewardship and investment management without the burden of setting up our own foundation. Our fund allows us to benefit cultural institutions we love. Additionally the Foundation simplifies legacy philanthropy by continuing our designated donations from the fund- without probate- after we pass."

-Drs. Ivan and Noreen Green



Donor Advised Funds FAQs

What are the fees for having a Donor Advised Fund?

The Foundation charges an annualized administrative fee for Donor Advised Funds that is currently set at 1.25% of the fund's total market value; this amount is drawn on a monthly basis. Balances above \$5 million are charged a reduced 1% administrative fee. Investment fees are set by our fund managers and are approximately 0.90% of the fund's market value.

Is there a minimum or maximum size for a Fund?

The minimum size for a Named Fund is \$10,000. There is no maximum; we have funds that are quite large, more than \$15 million.

Is the Fund permanent?

The agreement you sign when you establish the Fund governs whether invasions of principal are permitted. We allow you to establish either a permanent or an unrestricted fund. We request that a minimum of \$10,000 be maintained in the Fund since the Foundation's mission is to build lasting endowments.

If my Fund is permanent, how much is available for grants?

We use a total return spending policy and have established a 4.0% payout rate, based on the Fund's market value averaged over twenty trailing quarters.

Once the Fund is established may I or others make additional gifts to it?

Yes. Once a Fund is created, additional gifts of any amount may be contributed to it at any time.

How often will I receive information about the Fund?

When you open your fund, you will receive access to our on-line donor portal. Through the portal you will be able to view financial information, monthly fund statements and recommend grants.

How often may I make grant recommendations from my Fund?

You may make grant recommendations at any time. Grants are processed and paid within two to three weeks. All grants are made payable to the charitable organization. You will be able to view the process of the grant payment through the on-line donor portal.

I don't want a charity to know I made a gift. Can I be anonymous?

Yes; we will accommodate your needs for anonymity in our annual report and in grantee correspondence, as you wish.

How do I make grant recommendations?

Recommendations may be made through 1) our on-line donor portal; 2) by submitting a donor recommendation form through the mail or by fax; or 3) you may contact us directly via email or telephone with your grant list. You will be automatically signed up for our donor portal when your fund is opened. If you prefer to submit recommendations on paper, forms are available to download from our website, www.greaterworcester.org. There is a minimum grant amount of \$100.

May I recommend grants to organizations outside Worcester County?

Yes; you may award grants to any qualified charitable organization in the United States.

Are there restrictions on the types of grants I can make from my Donor Advised Fund?

Grant recommendations must be for a charitable purpose. Distributions to individuals are prohibited from Donor Advised Funds; this includes earmarking a grant to a nonprofit to sponsor or support fees for any named person. By law, you cannot suggest a grant to fulfill a charitable pledge, pay for a membership, buy a ticket to a charitable event, or anything for which you receive a personal benefit.

Can you send me the grant check to give to the charity?

We are not able to send grant checks to the Donor or any party other than the organization. Checks are mailed directly by the Foundation to the nonprofit.

If I have questions about a particular charity or want to find an effective organization working in an area of interest, can you help me?

Yes, we can. Our Program team will be happy share their knowledge with you and assist you in any way possible.

What happens to my Donor Advised Fund after I die?

We hope that the Fund will continue after your lifetime. You are invited to name up to one generation of successor advisors; this may be a family member or others whom you name to serve as donor advisor after your lifetime. After that, the Fund is typically maintained as a permanent endowed in your name. It may continue to support the causes and organizations you cared for during your lifetime. Alternately, you have the option of suggesting that the Fund be used for changing community needs or for a particular area of interest.

