What is a Donor Advised Fund?

A Donor Advised Fund (DAF) is a giving vehicle that provides you with immediate tax benefits and allows you to support your charities of choice through grant recommendations on your own timetable. Donor Advised Funds are the most efficient, cost-effective alternative to private or family foundations.

Who Should Consider a Donor Advised Fund?

Donors who want an efficient, cost-effective solution that will give them the flexibility to make grants to multiple charities (domestic and international) over time. A DAF may also be appropriate as an alternative to a private foundation.

What Are the Benefits of a Donor Advised Fund?

- A low-cost, flexible giving vehicle that is easy to establish
- Administrative convenience (e.g., consolidation of the management and tracking of tax receipts associated with charitable donations)
- Give complex or unusual assets at fair market value (e.g., real estate, closely-held stock)
- Opportunity to name the fund after you or in honor of a family member, a friend or an organization (e.g., the Sheryl Ross Family Foundation)
- An efficient vehicle for supporting meaningful issues and causes, in Los Angeles County and beyond
- Involve family in your philanthropy
- Give anonymously if you so choose
- No annual minimum distribution requirements, unlike private foundations

How Does a Donor Advised Fund Work?

1. Donor gives assets to CCF, who will steward the fund.
2. Donor evaluates and recommends grantees/nonprofits with the assistance of CCF.
3. CCF distributes grants from the fund to eligible nonprofits.
WHAT ARE THE TAX ADVANTAGES OF A DONOR ADVISED FUND?

- Receive the maximum tax deduction available in the year the contribution is made
- Avoid many of the restrictions imposed on private foundations
- Deduct the value of your gift for tax purposes, yet distribute grants on your own timetable
- Avoid punitive estate taxes on gifts that you and your beneficiaries make to CCF
- Avoid costly capital gains taxes while realizing the maximum tax-deductibility of your donation with a gift of real estate or other complex assets

CONSIDERATIONS

You can use your DAF to recommend grants to any eligible nonprofit organization in the United States or abroad. CCF can help you identify and vet qualified nonprofit organizations outside the U.S. that are eligible to receive grants.

Federal income tax law prohibits DAF funds from being granted to individuals or used when there is material benefit to the donor, a donor advisor or a person related to the donor or a donor advisor (e.g., compensation, expense reimbursement, or charitable event tickets). Funds also cannot be used for donations to political campaigns or related organizations. Further, donors, advisors or related parties are prohibited from receiving grants, loans, compensation or similar payments (including expense reimbursements) from donor advised funds.

WHAT ARE THE MINIMUMS AND FEES?

A Donor Advised Fund may be opened with as little as $25,000. Grants can be made over time in keeping with your wishes and in any increment you choose.

Administrative fees are assessed quarterly. Investment management and consulting fees related to the foundation’s investment pools are charged separately. Additional fees may be charged for any mutually agreed-upon extraordinary legal, banking or other services rendered on behalf of a fund.

To establish an Donor Advised Fund, contact Vice President of Development & Donor Relations Teresa Mosqueda at tmosqueda@calfund.org or (213) 452-6298.

ANNUAL ADMINISTRATIVE FEE STRUCTURE

<table>
<thead>
<tr>
<th>ASSET AMOUNT</th>
<th>RATE*</th>
</tr>
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<tbody>
<tr>
<td>Assets up to the first $1,000,000</td>
<td>1.25%</td>
</tr>
<tr>
<td>Assets over $1,000,000 and up to $5,000,000</td>
<td>0.75%</td>
</tr>
<tr>
<td>Assets over $5,000,000 and up to $20,000,000</td>
<td>0.50%</td>
</tr>
<tr>
<td>Assets over $20,000,000 and up to $100,000,000</td>
<td>0.15%</td>
</tr>
<tr>
<td>Assets over $100,000,000</td>
<td>0.05%</td>
</tr>
</tbody>
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*Assessed quarterly (minimum of $750 per year)

To support individuals through scholarships, CCF offers a range of Scholarship Fund options that may fit your giving goals. CCF manages the largest scholarship program in L.A. County.