

JEFFERSON COMMUNITY FOUNDATION

FUNDHOLDER GUIDE



*Everything you need to know about your fund
and how to get the most from it.*



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Thank you and welcome!

Thank you for establishing an Advised Fund with Jefferson Community Foundation (JCF).

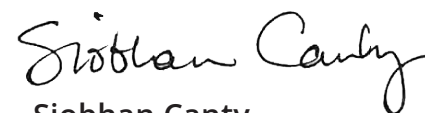
With the creation of your Fund, you have joined a community of donors committed to Jefferson County and to the people and organizations who make this a wonderful place to call home!

This handbook is designed to empower you to become an active fund holder and change maker. You will find information on how to submit a grant request, how to make additional contributions, and how to get more involved with JCF through educational and donor programs.

As your philanthropic partner, JCF is here to assist you in every way. If you have any questions, please do not hesitate to contact us. We are happy to help.

Welcome to the Jefferson Community Foundation family!

Sincerely,



**Siobhan Canty
PRESIDENT & CEO**



PHOTO BY DIANE URBANI DE LA PAZ

Introduction to JCF

In 2005, Jefferson Community Foundation was formed to be a resource for local donors as they support the causes they love, by JCF providing our Fundholders with the information and resources necessary to have real impact. We serve as a support to and convener of local change makers like you — people who embody and practice the values of empathy, generosity, engagement, and a willingness to invest dollars, ideas, time, and skill into making life better for all who live here. With a strong staff and Board leading the organization into the future, JCF continues a tradition of excellence as we make it easy for you to give, now and for generations. We are honored to be your partner in charitable giving.

For your Fund, the Foundation staff will provide all IRS reporting and fund accounting, as well as performing the required due diligence on your requested grants. If desired, we can also provide information on area nonprofits, causes, and issues that you want to learn more about. If you prefer, we can provide you with complete anonymity for all or certain grants from your fund. All these services, including the professional investment management of your fund balance, are covered by the Foundation’s administrative fee and investment management fees.

OUR MISSION

Jefferson Community Foundation connects diverse people, ideas, and resources to build a future of opportunity for all in Jefferson County. We serve as a hub for our community to:

- **GIVE** donations informed with local knowledge and strategy,
- **BUILD** strong and collaborative nonprofits,
- **SOLVE** regional issues by working together on solutions.

OUR VALUES

TRUSTWORTHY Accountable for stewarding exceptional, considerate, and responsive relationships accurately tailored to an individual’s values and goals.

COLLABORATIVE Engaging and empowering changemakers to identify shared challenges and opportunities for innovative solutions.

DIVERSE Actively building relationships that connect people across traditional divides.

CREATIVE Applying innovative problem-solving to identify solutions to challenges without obvious answers.

GENEROUS Modeling the generosity we want to see in the world.

KIND Bringing our authentic selves and passion to the work with mindfulness and compassion.

YOUR FUND AT A GLANCE:

FUND NAME:

FUND TYPE:

DATE CREATED:

HOW TO ACCESS YOUR FUND

Online Donor Portal Instructions

You will receive an email from "Jefferson Community Foundation, no-reply@fcsuite.com" with the subject "Jefferson Community Foundation Fund Advisor Online Access." In this email, there will be a link to set up your online account by choosing a password that you will use in the future to access the site (save this password so you will remember it, but if you forget, JCF can reset it for you).

Below is what the setup and the setup completion pages will look like. When you click "Continue" you will be taken to your fund's home page, which is where you will access your fund information (see image below). If you have multiple funds, you will first be asked to select which one you would like to view.

Your home page will look like the sample below.

From this home page, you will be able to view:

- Contribution history to your fund
- Grant history made from your fund
- Your quarterly fund statements
- Any files that we have uploaded regarding your fund
- The current balance of your fund (*this will include your grant activity prior to statements, but not gains, fees, etc.*)
- Who the current fund advisors are for your fund

For large donations, please consider donating by check, as a credit card processing fee will be deducted for donations made online.)

The JCF staff is happy to help at any time. You can reach us at (360) 385-1729, Monday through Friday, 9:00 am to 5:00 pm.

Your User Name is _____ and you can use this password the first time: _____. You will then be given the opportunity to change your password to one only you know. When you do change it, write it down below:

PASSWORD	DATE SET OR CHANGED



HOW TO

MAKE A GRANT RECOMMENDATION

JCF can facilitate your grantmaking anywhere in the United States. Although we find most grants made from individual funds remain in this local area, grants from a Foundation fund may be made to any 501(c)(3) public charity, church, school or public-serving government agency in the United States. JCF's professional staff are experts on our local community and are glad to help you develop a personal plan to impact causes you care about.

IRS Regulations and JCF Board Responsibility

The Foundation must adhere to Internal Revenue Service (IRS) regulations regarding recommendations from advised fund donors. IRS rules stipulate a donor cannot make a tax-deductible contribution and at the same time retain future control over the contribution. Therefore, all grants are subject to authorization by the JCF Board. However, IRS law expressly recognizes the right of living donors to make grant recommendations to the JCF Board. Further, it is the responsibility of the JCF Board to use any donations received in accordance with the expressed intent of the donor. This means that, unless a recommended grant is illegal or is outside of charitable purposes, grant recommendations are approved by the JCF Board.

The IRS further provides that grants from advised funds cannot be made to pay dues for membership of an individual in an organization, to discharge or satisfy legally enforceable financial obligations of the donor, advisors, or related parties, or for any other purpose from which the donor, advisors, or any related parties will receive more than token benefit. Examples include: table sponsorship, ticket purchases to fund raising dinners, greens fees for a charity golf tournament, or contributions to an athletic fund which provides the ability to purchase tickets. In addition, grants from advised funds will not be made to support political campaigns or lobbying activities, or for loans to donors, advisors, or related parties.

To make a grant recommendation:

Select the "Grant Request" tab.

- The first drop down menu is for grants you would like to make to funds held at JCF, including JCF, UGN, Scholarships, etc.
- The next field is where you would search for the name of a nonprofit you would like to make a grant to outside of JCF. If JCF has made a grant to this organization in the past, the nonprofit name should come up there when you search. Once you have searched, a page with the results will show up. Below is an example of the page after searching for "bayside." If nothing is found, you can use the right tab to use Guidestar to search for your nonprofit's profile. If you are still having trouble locating your nonprofit, contact us for help.

Grantee Search Results for "bayside"		
Jefferson Community Foundation Results		
Guidestar Results		
Name	City / State	EIN
Create Request Bayside Housing & Services	Hadlock , WA	47-1798297

HOW TO

Once you have located the nonprofit grantee, select "Create Request" and fill out the required fields for that nonprofit. Under "Description," please list any specific purposes that this grant is to be used for. This description will be included to specify how the money is to be used by the nonprofit.

You will need to do this for each grant request. Once your request is submitted, you will see it appear to the right on this page and you will have the opportunity to cancel your request. The status will be updated as the grant moves through our process until it is paid. We will also notify you once grants have been paid.

DUE DILIGENCE

You don't have to worry about performing due diligence on your grants — we take care of that for you. When we receive your Grant Recommendation, we verify that each organization is a qualified 501(c)(3) nonprofit organization. When necessary, we contact organizations and gather pertinent information such as program descriptions, a list of board members, budget information and documentation of tax-exempt status. Be assured we take the performance of our due diligence functions seriously and will alert you prior to issuing the grant if there are any issues.



HOW TO

Distributing Grants

Once all the necessary due diligence procedures are complete, a check will be issued to the organization. The organization will receive a letter with the check stating that the grant they are receiving was made possible by your JCF Fund. If you desire, we will list your name and address so the organization can follow up personally with you. Any grant from your fund may be made anonymously if you inform us in advance. There is an option for doing so on the portal. These choices are available to you on a grant-by-grant basis as you complete the Grant Recommendation Form.

If you have restricted the grant for particular use (for example, a certain program of the organization) notification of that restriction will be included with the check and grant letter.

In general, the approval and distribution of grants of any amount takes approximately 7–10 days from receipt of the grant recommendation form. If, for any reason, you require a rush on the processing of your grant, please let us know. We are happy to expedite your grants as needed.

THE DO'S AND DON'TS OF GRANT MAKING

- Do let us know if we can provide you with information about local nonprofits or best practices in charitable giving.
- Do submit your Grant Request for all recommendations from your fund via your online portal.
- Do let us know if you wish to remain anonymous.
- Do contact us if you have any questions.
- Don't ask us to make a grant to pay dues or fulfill any legally enforceable obligation.
- Don't ask us to make a grant to an organization for any type of membership, ticket to or table at a fundraiser, goods at a charitable auction, contributions to a college athletic fund, sponsorship, or other contribution that provides a personal benefit to you or another person.
- Don't ask that a grant be made to a private foundation, for lobbying purposes or to support a political campaign.
- Don't ask us to make a grant to an individual or an organization that is not a 501(c)(3) public charity.



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HOW TO

ADD TO YOUR FUND

Your fund at the Foundation already makes an impact, year after year, through the grants made from it to the charitable causes you support. You can increase your impact by adding to your fund annually.

To do so, you can make additional contributions to your fund at any time in many ways, including the following:

Online via credit card:

Visit www.jcfgives.org.

Click on the "Donate" button in the upper right corner

Begin filling in the online secure form

Step 1: Select a fund type > *In the drop down menu, select "Personal Funds".*

Step 2: Select a fund > *Select your fund.*

Step 3: Enter Donation Amount > *Enter the additional amount you would like to contribute.*

Complete the remainder of the form and select "Submit."

Your donation will process securely over our internet server. The information will be sent directly to our Finance Officer and an acknowledgement and tax receipt will be prepared by the Foundation's staff and mailed to you with in 3 to 5 business days. *Please note: A small assessment is taken by the credit card company for this service.*

By Mail:

Mail a check for your additional contribution to the Foundation. Be sure to indicate the name of your fund on the memo line.

With Appreciated Securities:

You might want to consider using appreciated securities to make your gift — if you have owned the stock for over one year, and you give the stock directly to the Foundation for your fund, you will avoid the payment of any long-term capital gains tax that would otherwise be owed on the transfer. In addition, you are eligible for an income tax charitable deduction for the full fair market value of the stock on the day you make the gift. Please use the Stock Transfer Form included in the appendices to inform your asset manager of your directives. It is important that you also call or email JCF and let us know your stock is being transferred since we have numerous gifts being received this way, and we want to be sure we know which stock is yours.

Year-End Giving

As each calendar year draws to a close, you may wonder if there are ways to take advantage of a tax deduction now while deciding about your grants later. Consider making a year-end gift to your fund. Additional gifts to your fund qualify for the maximum charitable income tax deduction. Then, on your own schedule, you can decide what organizations or programs you want to fund in the coming year.

Bunching

Bunching is a tax strategy in which you group your charitable contributions for multiple years into a single year so that you can itemize your tax deductions in one year and take the standard deduction in the other years, maximizing your tax savings. The standard deduction for individual taxpayers changes each year. To find out what it is now, please call the JCF office.

Feel free to contact our office if you have questions.

QUARTERLY FUND STATEMENTS

JCF provides fund statements to fund advisors on a quarterly basis. The purpose of the fund statement is to keep you up to date on the current balance of your fund, investment returns, fees, and the amount available to grant from your fund. We will send you the statement via email. You can access all of your fund statements via your grant portal.

Because we contract with an external investment manager, fund statements will be delivered five weeks after the close of the quarter:

- Quarter 1 (January — March) Statement available in early May
- Quarter 2 (April — June) Statement available in early July
- Quarter 3 (July — September) Statement available in early November
- Quarter 4 (October — December) Statement available in early February

INVESTMENTS

Investing funds for the best returns is critical to achieving both our mission and the philanthropic goals of our donors. We strive to maximize income while ensuring that we are managing financial risks prudently.

Our investment philosophy is to assure a long-term rate of growth sufficient to offset normal inflation, administrative fees, and management fees (if any), plus reasonable, regular distributions. Any income over the amount available to spend stays in the fund to make up for the years in which the overall returns fail to meet our goal.

Jefferson Community Foundation manages the investment of our Funds through a contract with Greater Tacoma Community Foundation (GTCF). This means that our investments benefit from being part of a much larger \$160+ million pool to provide investment management economies of scale and access to investment vehicles that are unavailable to smaller individual funds.

GTCF's investment model is based on modern portfolio theory, employing strategically diversified asset allocation. Overseeing our investments is the work of the Investment Committee, which is comprised of experienced professionals with extensive backgrounds in investment and finance including a representative from Jefferson Community Foundation. The Committee adheres to disciplined decision-making processes, guided by our Investment Policy Statement. To learn more about the historical performance of our investments via GTCF, you may go to <https://www.gtcf.org/about/financial-information/>.

STOCK TRANSFER DIRECTIVE



JEFFERSON
COMMUNITY FOUNDATION

STOCK TRANSFER DIRECTIVE

*Thank you for your charitable gift! To transfer a gift of stock, please complete the form below and provide it to your broker. It is extremely important that you or your broker **notify us when transferring securities** into this account so that we may credit your gift to the appropriate charitable fund. Please notify Siobhan Cauty that a stock transfer is in process and provide the name and number of shares and the fund to which the shares should be credited. Siobhan can be contacted by email at Siobhan@JCFgives.org or by phone on her cell at (202) 821 6706 or at the office at (360) 385 1729.*

Broker name: _____

Broker's firm name: _____

Broker's address: _____

Re: Your account number: _____

Your name: _____

Dear Broker: Please accept this letter as a request and authorization to execute the following stock gift transfer of shares from the above referenced account. Please deliver these shares to the broker for the Jefferson Community Foundation as follows:

DTC #0385
E*TRADE Account #63828980
Jefferson Community Foundation
Attn: Siobhan Cauty, cell (202) 821 6706 or
office (360) 385 1729

Asset description: _____

Number of shares: _____

Date of transfer: _____

Please note that the date of your gift will be the date the stock is titled in the Community Foundation's name or is transferred to our account.

Fund designation for this gift: Jefferson Community Foundation

After the stock is received, it is sold immediately, and the proceeds are deposited into the appropriate account. A letter will be sent from us which confirms the stock transfer including the number of shares, and fair market value. That letter can then be used as documentation for your individual tax return.

**Please contact Siobhan with information on securities being transferred once the order has been placed.
Thank you again for your generous support for our community work!**

P.O. Box 1394 • Port Hadlock, WA 98339 • 360.385.1729

Tax Status of Funds:

Funds established at Jefferson Community Foundation (the “Community Foundation”) are component funds of Jefferson Community Foundation, a Section 501(c)(3) public charity and are tax deductible to the extent allowed by law, subject to individual and corporate limitations.

Property of the Fund:

The fund shall include the property received herewith, such property as may from time to time be received by the Community Foundation from the donor for inclusion in the fund and accepted by the Community Foundation, and all undistributed income from the foregoing property. The fund shall be the property of the Community Foundation, held by it in its corporate capacity, and shall not be deemed a trust fund held by it in a trustee capacity. The Community Foundation shall have the ultimate authority and control over all property in the fund, and income derived there from, in accordance with the Articles of Incorporation and Bylaws of the Community Foundation, as they may be amended from time to time, and the terms of this Agreement applied in a manner not inconsistent with said Articles and Bylaws.

Administrative and Investment Fees:

The fund shall be assessed an annual administrative fee and a fee to cover investment consultant and custodian expenses. The amounts of such fees shall be the amounts assessed to similar funds held by the Community Foundation based upon its administrative fee schedule in effect at the time the annual fee is assessed and the amount of investment consultant and custodian fees paid to outside parties.

Please note, the fees you pay to JCF go right back into the local community to support our nonprofit services and programs such as workshops, trainings etc. A note about the fees charged by JCF: compared to a private option like Fidelity or Schwab Charitable, JCF’s fees might seem high; however, choosing JCF is an additional way of strengthening your local philanthropy. The fees you pay to JCF fund our nonprofit services, including things like nonprofit knowledge exchanges and trainings, convening to increase collaboration, strategy guidance, free access to a national funders database, and access to an event supply lending library. We believe the choice is akin to that of where you buy your groceries. You can buy groceries for less at places like Walmart or you can pay a little more at the Farmers Market or Food Co-op and help support a local ecology of farmers and food supply. When you give through a community foundation, you pay a little more, but you support a healthy ecology of nonprofits and social support systems.

Distributions:

With endowed funds, distributions from the fund are governed by the Community Foundation’s spending policy. The Community Foundation reserves the right to change the spending policy from time to time at its discretion within the parameters established by law. For donor-advised funds, the Donor Advisor may recommend distributions to qualified charitable organizations for qualified charitable uses; the recommendation shall be submitted in writing to the Community Foundation. It is recognized that distributions must be in furtherance of the Community Foundation’s charitable purpose, as defined in Section 1.170 A-9(e)(11) of the Internal Revenue Service Regulations, and that final control over distributions resides with the Community Foundation through its Board of Directors. Each grantee must be able to satisfy the Community Foundation’s due diligence requirements in order to obtain the approval of the Board of Directors. Final approval of grants recommended by advisors rests in the hands of the Board of Directors of Jefferson Community Foundation.

Variance Power:

The Community Foundation may modify any recommendation or condition on distribution from a fund for any specified charitable purpose or to any specified charitable organization if, in the sole judgment of the Community Foundation, such recommendation or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. Whenever possible, the Community Foundation will confer with the donor or the donor’s representative before the fund is modified and stay as close as possible to the original intent of the donor.

If the Community Foundation ceases to be a qualified charitable organization, or if the Community Foundation proceeds to dissolve, the assets of the fund shall, after payment or making provision for payment of any liabilities properly chargeable to the fund, be distributed in such a manner and to such an organization in Jefferson County community as satisfies the requirements of a qualified charitable organization and serves purposes similar to those of the original underlying donor intent.

Additions to the Fund:

Gifts may be added to the fund at any time by the donor. Other donors may also contribute to any fund types, excluding agency funds.

Financial Reports:

The Community Foundation shall provide a financial status report at least annually.

Investment of Assets:

Assets contributed to funds established at the Community Foundation will be managed in accordance with the Community Foundation’s “Investment Policy Statements.” All outside investment managers shall be provided with a copy of, and must agree to adhere to, the Community Foundation’s “Investment Policy Statements” as a condition of continued service in such capacity, and the Community Foundation reserves the right to replace any outside investment manager at its sole discretion. Minimum fund values are required for outside investment.

Definitions and Construction:

As used in the Agreement, a “qualified charitable organization” means an organization described in Section 501(c)(3), which is not a private foundation under Section 509(a) of the Internal Revenue Code of 1986.

It is intended that the fund shall be a component fund of the Community Foundation and that nothing in this Agreement shall affect the status of the Community Foundation as an entity which is a qualified charitable organization. This Agreement shall be interpreted in the manner which is consistent with the foregoing intention to conform to the requirements of the Internal Revenue Code and any regulations issued pursuant thereto applicable to the status of the Community Foundation as a charitable foundation.

WHAT IS YOUR LEGACY?

As a fundholder at Jefferson Community Foundation, you are effecting change now. But what about the future? We all want to leave a lasting impact on the community we call home, ensuring that those organizations we support now will last for generations to come. Jefferson Community Foundation is committed to helping you leave your legacy through our Legacy Society. You can create your own personal legacy on behalf of the causes and nonprofit organizations you care about by naming the Community Foundation as a beneficiary in your will or estate plan. By doing so, the causes you are passionate about will receive support, in your name, for generations. You may be able to add your legacy gift to your existing endowed advised fund or create a new fund to receive your future gift.

It is a simple matter to name the Foundation in your will or as a beneficiary on a life insurance policy or retirement account. Once you do, our professional staff will help you customize a personal plan to accomplish your charitable goals long into the future. You can be confident the Foundation will see to it that your charitable wishes are always carried out, even when you are no longer here to oversee them.

For more information on becoming a member of the Legacy Society, contact Siobhan Canty, President and CEO, at (360) 385-1729.

We are invested in strong community leaders.
WE ARE JCF
 Dick & Anne Schneider
 Kala Point



LEAVE A LEGACY

To ensure your charitable legacy continues in perpetuity, you can name JCF as a beneficiary through your will, trust, designation, or other planned gift. You can:

- Allocate the gift to be used at Jefferson Community Foundation’s discretion, to create the greatest impact in our community by supporting its most compelling needs and opportunities.
- Combine the assets with your existing Fund whose purposes most closely accomplish your intent.
- Combine the funds with another currently existing JCF fund such as the Fund for Women & Girls or Housing Solutions Network.

Here is some suggested bequest and estate language that you or your advisor can include in your will:

FOR DONATIONS TO JEFFERSON COMMUNITY FOUNDATION OPERATIONS OR DISCRETIONARY GRANTMAKING FUND:

I give, devise and bequeath to Jefferson Community Foundation, a Washington nonprofit organization with EIN # 841682682 \$ _____ OR _____% of my estate.

FOR BEQUESTS TO YOUR PREVIOUSLY ESTABLISHED FUND:

I give, devise and bequeath: (describe assets which are the subject of the bequest; for example, a stated sum \$ _____ OR _____% percentage of the estate OR the remainder of the estate) to Jefferson Community Foundation, a Washington nonprofit corporation with EIN # 841682682. These funds should be added to and become a part of the Fund.

FOR BEQUESTS TO ESTABLISH A FUND:

I give, devise and bequeath to Jefferson Community Foundation, a Washington nonprofit organization with EIN # 841682682, \$ _____ OR _____% of my estate OR the remainder of my estate to a component fund of JCF known as the _____ Fund.

PARTNER JCF’S PHILANTHROPIC EXPERTISE WITH YOUR FINANCIAL, ESTATE, OR TAX PLANNING TEAM!

JCF recognizes that trusted professional advisors are a valuable source of information and counsel on strategies for legacy giving, and we are ready and able to enhance their ability to create a charitable plan that honors your interests in perpetuity.



JEFFERSON
COMMUNITY FOUNDATION

www.JCFgives.org | (360) 385-1729 | EIN: 841682682

Mailing Address: PO Box 1394, Port Hadlock, WA 98339 | Physical Location: 63 Julian Street, Port Townsend, WA