



PARTNERSHIP POLICY

Financial institutions often have a unique role in assisting potential donors to choose the Foundation for their charitable giving. Institutions qualified to use our Partnership Policy include certified financial planners, brokers, investment advisors and banks.

The Partnership Policy explains the conditions under which the Community Foundation for Southwest Washington enters into investment partnerships with local financial institutions. The following is the list of conditions, which shall apply for Foundation assets to be managed outside its pool of funds, under the adopted asset allocation policy.

- 1.** The funds under consideration must be new money to the Community Foundation. As such, the new money may be received from an existing donor to add to an existing fund or to create a new fund. Future gifts from the donor may go into the Foundation's pooled investment fund or into the donor's existing Community Foundation non-pooled fund.
- 2.** The charitable asset would become an asset of the Community Foundation, and be under the control of the Foundation's Board of Directors.
- 3.** The Community Foundation would retain the financial institution as a fund manager over the specific asset. The financial institution must comply with the Community Foundation Investment Guidelines.
- 4.** The financial institution would be subject to quarterly and annual reviews by the Investment Committee, as with all other fund managers.
- 5.** The Community Foundation and financial institution would enter into an agreement, covering ongoing management, fees, and other pertinent information.
- 6.** A minimum of \$200,000 would be required to establish this kind of arrangement.
- 7.** All activity within the fund (earnings, dividends, gains/losses) would be separately posted to the donor's fund. It would not share in the investment activity of the pool. A separate accounting arrangement would be established to track activity in the fund.

Note: *Life income gifts (annuities and charitable remainder trusts) should be managed similarly to the Long-Term Pool, with the exception that charitable remainder trust accounts may not hold any business income generating assets.*



**COMMUNITY
FOUNDATION**
SOUTHWEST
WASHINGTON

PARTNERSHIP POLICY DIAGRAM

Through our Partnership Policy, professional advisors can manage their clients' assets outside of the Community Foundation investment pool. The assets become the property of the Foundation, which enables the client to receive an immediate tax deduction. The Foundation then partners with the client's firm as an investment manager. This allows an advisor to invest their clients' funds independently, with accordance to the Community Foundation Investment Policy.*



Donor contributes initial gift of at least \$200,000 to CF.

1

CF opens an account with donor's advisor as its financial partner.



Donor can begin recommending grants to CF immediately.

2

CF offers the donor charitable advice and administers all grants.



The donor's advisor invests the charitable assets according to the CF Investment Policy.

3

CF periodically sends check requests to the advisor and monitors investment activity.



* The Community Foundation's Investment Committee regularly monitors portfolio investment performance.

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