
Which Component Fund is Right For You?



At the Community Foundation, our staff routinely design highly customized charitable funds for our donors. Each fund reflects the philanthropic goals of its donor and their preferred balance between their ongoing involvement in grantmaking decisions and the level of discretion that they afford the Foundation. Many of the fund types described below are often blended within a single fund to reflect a donor's wishes, with the exception of donor-advised funds and agency funds remaining separate.

Unrestricted Funds allow the Community Foundation to use its discretion to provide grants to nonprofit organizations and charitable programs addressing the most pressing community needs in Staunton, Waynesboro, and the counties of Augusta, Highland and Nelson.

Field of Interest Funds are directed as grants within the area(s) of interest of the donor at the Foundation's discretion. This form of charitable fund is particularly effective for charitable endowments that will exist in perpetuity.

Designated Funds are created when donors have a specific nonprofit organization or (s) that the Community Foundation is to support. Designated Funds are particularly appropriate for a donor who wishes to extend their support long after their own lifetime.

Donor-Advised Funds are ideal for donors who have a range of charitable interests and wish to actively respond to the shifting needs of the community

through their routine advisement of their fund's investments.

Scholarship Funds support individuals who aspire to better lives through education. Donors select the scholarship criteria that allows the Community Foundation to identify the best and most deserving recipients.

Award Funds: One of the first, and arguably one of the best-known funds established at our Community Foundation is the Dawbarn Education Awards, which recognizes individuals in our community who inspire, encourage, and foster learning in the public schools. Donors interested in celebrating the contributions of exceptional individuals in our community may consider creating an Award Fund.

Agency Funds are created by nonprofit organizations who contribute assets to the Community Foundation for our management. Their Agency Fund can be a source of annual income for their general operations or a reserve fund for their future use.

Customized Charitable Funds

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Options range from **donor-advised funds**, which allow donors to advise the Foundation on all grants each year, to **unrestricted funds**, which give the Foundation full discretion to direct grantmaking activity in response to the community's most pressing and evolving needs.

Our donors may also **designate** one or more specific nonprofit organizations to receive grants each and every year, name one or more **fields of interest** to guide that Foundation's grantmaking decisions, blend these features within a single charitable fund, and incorporate contingencies. They may also create custom **scholarship** and **award** funds. Our commitment is to ensure that each charitable fund is thoughtfully and thoroughly designed to fulfill our donors' philanthropic goals.

Professional advisors can work with the Community Foundation with confidence, knowing that their clients will receive expert guidance in identifying the best charitable solutions for them. Whether a client's priority is creating a lasting community legacy, engaging family members in philanthropy, or maximizing tax advantages, our team provides the experience and local insight needed to help craft an effective plan.

We document those plans in fund agreements that serve as our donors' instructions to the Foundation. In addition to documenting the name, purpose and function of each fund, we also disclose in each agreement all administrative and investment fees, and any applicable restrictions.

Since our donors may revisit and revise their fund agreements at any time, this can be a very efficient feature for funds to be created or supplemented through an estate gift. Rather than incorporating all fund details in your clients' estate documents, they may simply direct an estate gift to the Community Foundation to be utilized according to the fund agreement on record. Subsequent revisions to a fund agreement, therefore, would not require a change to your client's estate documents.

Because we are **deeply connected to the local nonprofit community**, we can also offer donors and advisors valuable perspective on current needs, emerging opportunities, and organizations making measurable impact. This connection ensures charitable resources are directed where they can do the most good.

Finally, charitable funds may be designed to be **expended** immediately upon the receipt of contributions or within a defined period of time to maximize current impact, **invested** in order to continue the good work of the fund in perpetuity, or progress from one form of fund to the other upon a triggering event, such as the Foundation's receipt of an estate gift.

Whether the goal is to create lasting impact or address urgent needs, the Community Foundation provides the structure, stewardship, and local expertise to make charitable giving both meaningful and effective.