“The Denver Foundation has been a wonderful partner. It has prudently invested our monies and provided invaluable advice.”
—Kenzo Kawanabe, Davis Graham and Stubbs Charitable Fund

THE DENVER FOUNDATION
BUSINESS DONOR-ADVISED FUND

- Personalized philanthropic consultation services
- Co-investing and co-branding opportunities
- Grantmaking expertise
- Strategies for employee engagement
HOW IT WORKS:

1. Make a gift to The Denver Foundation—cash, appreciated stock, real estate, or other assets. We specialize in complex assets.
2. The Denver Foundation creates a fund in the name of your company or a name of your choosing.
3. Your company receives tax benefits for the year your gift is made.
4. The Denver Foundation helps you establish or focus your corporate giving program as needed.
5. You recommend grants from your fund to the organizations you or your employees choose. The Denver Foundation handles all aspects of the grantmaking process and awards the grants in your name.
6. The Denver Foundation’s staff and board manage the investments and administration.
7. The Denver Foundation charges moderate annual administration fees.

QUESTIONS TO ANSWER:

1. What is the name of the fund?
   You have great latitude in the name for your fund as long as it does not duplicate the name of a fund we already hold and avoids the words “foundation” or “trust,” which imply a legal entity, rather than a component fund.
2. What is the type of the fund (non-endowed vs. endowed)?
   A non-endowed fund is one in which you can grant out the entire balance of the fund at any time. An endowed fund is one where you have chosen to preserve its corpus by limiting your annual distributions (usually to 6% annually). The fee for an endowed fund is lower than that for a non-endowed fund, as there is less activity in an endowed fund.
3. Who are the advisory committee members and who is the advisory committee chair?
   Advisory committees may be as small or as large as desired, and committees determine their own governance structure. You may add to or remove from the advisory committee at any time. It’s best to name titles rather than specific people. The authority to administer the fund lies with the chair.
4. What is the term of the fund?
   Most business donor-advised funds terminate at some point, either after the lifetimes of the original donors or advisory committee members, or upon some triggering event (e.g., after there is a period of no grantmaking activity for five years). Since we honor donor intent, we ask that fundholders decide from several options for final distributions. Options range from keeping the fund intact at The Denver Foundation, to granting all remaining funds to charities specified by the donors. It is easy to amend your fund’s “term” through a simple form.
5. How would you recommend the fund be invested?
   The Denver Foundation offers two options for business fundholders:
   - A highly-diversified investment pool with over 40 managers
   - A sustainable and responsible pool with eight funds in five asset classes
“Our parents planted these seeds, and it’s my goal to make their dreams a reality in my lifetime.”
— Adrianna Abarca, Co-owner of Ready Foods

Creating something for future generations. This is the goal for siblings and business owners Adrianna Abarca and Marco Antonio Abarca. The Abarcas’ parents instilled within them the value of being generous to the community. For their company, Ready Foods, generosity starts with employees.

“I learned from our father that one of the ways to be most generous in our community is to offer a good work environment and good employment opportunities and benefits for our employees and their families,” says Adrianna Abarca. She adds that what you provide for your employees says something about your concern for the community.

Taking care of their workforce is not the full extent of the Abarcas’ contributions to the community, by any means. Through donor-advised funds at The Denver Foundation, the family gives extensively to area nonprofits with a focus on arts and education and a special emphasis on nonprofits that support the Latino community.

Through their business and family philanthropy, the Abarcas have learned many lessons in giving, including how to give the right gift at the right time, and the importance of giving their time and their financial resources.

“We give whatever is the most helpful gift to the nonprofits,” says Adrianna. In addition to in-kind gifts of food and cash contributions, the family provides advice to directors, referrals to other resources, and helps foster collaboration among the organizations.

“We have a very personal relationship with the organizations we fund,” Adrianna says. “A couple dozen groups that we fund know that they can pick up the phone and call us for a problem that needs to be solved.” This means they might pay to repair a nonprofit’s HVAC unit one day and give advice to an executive director about business strategy the next. In addition to serving as informal advisors, the siblings volunteer on a number of nonprofit boards.

Two projects that are close to Adrianna’s heart and that further their family’s legacy involve developing a school that specializes in Latin American cultures and establishing an arts complex that highlights Latino heritage. She says, “Our parents planted these seeds, and it’s my goal to make their dreams a reality in my lifetime.”
Donor-advised funds are incredibly versatile, allowing you to recommend grants to a wide variety of organizations supporting causes of your choice. Recognizing that this flexibility brings with it the potential for misuse, the federal government has created some requirements regarding how donor-advised funds are used.

Donor-advised fund grants can be made to nonprofits based anywhere in the United States. You aren't restricted to Metro Denver. We will be glad to help you support international causes, but the dollars must go to a registered U.S. nonprofit.

Donor-advised fund grants must go to charitable organizations…but they don't necessarily have to be designated a 501(c)(3) organization by the IRS. The organizations may be 501(c)(3)-designated, or may be deemed by the IRS as educational, charitable, or scientific.

Options for sponsorships and pledges: The IRS does not allow grants from donor-advised funds to pay charitable pledges. However, it is allowable to include language on a pledge form such as "I commit to make a grant recommendation from my donor-advised fund in the amount of $______ ."

You can also request grants that have multi-year payments.

Sponsorships are allowed from donor-advised funds, as long as there are no benefits received by the business (such as event tickets, auction items, or tables at events). Often, businesses use marketing budgets to attend events.

One final note regarding fundraising:

The IRS does have rules about how people raise money for their donor-advised funds and The Denver Foundation has policies on this issue. If you think you might want to raise additional money for your fund, you must first discuss your ideas with the staff of the Philanthropic Services Group. The only approved method of raising monies for donor-advised funds is through direct solicitations: in person, in writing, or through marketing materials. Prior approval is required.
SERVICES YOU RECEIVE

• Two investment options
• Assistance liquidating complex and appreciated assets
• The option to participate in The Denver Foundation’s Impact Investment Fund
• Administration through quarterly statements, tax receipts, grantmaking, and recordkeeping

• Grantmaking expertise
• Personalized philanthropic consultation services
• International giving (through registered U.S. nonprofits)
• Anonymous giving option

• Nonprofit research and due diligence regarding grantees – research on giving in other communities throughout the United States
• Grantee reporting and communications
• Templates for proposals and grantee correspondence if desired
• Online grantmaking tools and services

• Educational seminars
• Opportunities to learn about impact investing & social enterprise
• Strategies for employee engagement
• Co-investing opportunities
• Opportunities for co-branding and publicity

• Private foundation collaboration strategies
• Custom Corporate or Business Scholarship Funds (additional fees apply)
• Connections to philanthropy groups such as B:CVIC (Businesses Committed to Investing and Volunteering in the Community), EPIC (Elevating Philanthropy in Communities of Color), and Social Venture Partners Denver (SVP)

TYPES OF FUNDS

Business Donor-Advised Funds | Our Business Donor-Advised Fund is a charitable investment fund. A great alternative to a corporate foundation, a Business Donor-Advised Fund means you don’t have to worry about tax filings, investments, and other costly administration that go along with a separate foundation. In addition, The Denver Foundation will help you with strategies to achieve your company’s philanthropic goals.

Business Scholarship Funds | Create a charitable legacy for your company with a business scholarship to support students in pursuit of their educational dreams. Open to the general public, these scholarships can be restricted by major/field of study, university, leadership qualities, financial need or any variety of factors.

Corporate Scholarship Funds | Offer your employees or dependents of employees an opportunity to advance their education through a corporate scholarship program. The Denver Foundation will design a scholarship process that furthers the charitable intent of your company while taking care of the complex fund administration.

Funds for Executives | Personal funds allow your company’s executives to easily invest bonuses, appreciated stock and real estate in a tax-wise and charitable way—an excellent benefit for employees and an easy way to encourage giving.

Matching Gifts Program | Show your employees that you care about their interests by creating an employee matching gift program. By outsourcing this popular employee benefit you can save on administration while growing your corporate citizenship. Fees are dependent on number of employees.

Employee Giving Circles | Allow your employees to collectively make decisions on their philanthropy through an employee giving circle. Employees make tax-deductible gifts, the company can decide to match them, and a committee of employees chooses the charities that benefit.
Some of the Current Business Funds Housed with The Denver Foundation

The Denver Foundation at a Glance

MISSION
We inspire people and mobilize resources to strengthen our community.

OVERVIEW
The Denver Foundation is Colorado’s oldest and largest community foundation—stewarding a permanent pool of money contributed by local donors to benefit charitable causes over time. We help donors give strategically to make a difference in the community and we invest in helping improve life and provide education and opportunities for those most in need.

HISTORY
The Denver Foundation is the product of nine decades of generous donors, hard working volunteers, and visionary grantees. In November 1925, community leaders came together to create an endowment to serve the future needs of Metro Denver. They recognized that community needs are always changing, and they wanted to give succeeding generations some resources to help meet future needs.

Call the Philanthropic Services Group at The Denver Foundation at 303.300.1790 to learn more about business donor-advised funds or visit www.denverfoundation.org.