# DONOR RECOMMENDED INVESTMENT MANAGEMENT

**Community**
**FOUNDATION**
**OF THE NORTH STATE**

We are pleased to partner with donors who wish to retain their advisor to manage their gifted funds at the Community Foundation of the North State (CFNS)

### Giving
Donors make a tax-deductible gift to CFNS

### Investing
The gift is placed in an account owned by CFNS with the donor's Investment Manager

### Growing
The fund continues to grow under the management of the Investment Manager

### Granting
Grants are made according to the fund's guidelines

## Here's How It Works

Donors create a fund, designate a bequest, or establish a Charitable Remainder Trust and recommend their gifted assets to be managed by their Investment Manager under the ownership of CFNS.

– The donor must provide a written recommendation that your services be retained
– Donor must represent that you are not a related party
– You must meet regulatory and registry requirements as provided for by CFNS
– CFNS and the Investment Manager will enter into a written Client Agreement

The donation must have a minimum value of $500,000 for new funds or $100,000 for Charitable Remainder Trusts; contact us to discuss circumstances that may deem an exception.

The fund, if endowed, will be governed by CFNS policies relating to endowed funds, including the establishment of the annual payout rate, and adherence to the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

**Questions? Call us at 530.244.1219**

## Investment Management Guidelines

- CFNS Investment Committee will provide counsel to the Investment Manager
    – CFNS will provide its Investment Policy Statement (IPS) to the Investment Manager
    – Investment Manager will provide the Investment Committee a proposal for investing the Assets under Management (AUM) based on CFNS objectives; it is not expected that the proposal be identical to CFNS's portfolio
      – The proposal must be approved by the CFNS Investment Committee
      – The Investment Manager must provide timely, reconciled performance reporting and asset allocation to CFNS
      – A total fee calculation must be provided annually by the Investment Manager and include the following:
        • Weighted average mutual fund expense ratio (or management fees in the case of separate account managers)
        • Custody and transaction costs
        • Advisory fee charged by the Investment Manager
        • Other fees and expenses that are charged to the account
    - All purchases or sales of mutual funds must be done at Net Asset Value
    – Lowest cost share class mutual funds must be used (i.e., if an institutional share class fund is available and the investment qualifies, the "I" share class fund must be used)
    – No revenue sharing arrangements are allowed without first disclosing such arrangements to CFNS, subject to approval
    –The Investment Manager must document the objectives of the fund and the benchmarks used to measure performance

**The Community Foundation of the North State is a grantmaking public charity dedicated to improving communities in the North State.**

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– If the Investment Manager is a sole proprietor, or the managing partner within a firm, a "key man" clause shall be required. All Investment Manager(s) must notify CFNS of any material changes to their firm or their status therein
– At the request of CFNS, the Investment Manager will make a formal presentation of the portfolio and AUM to the Investment Committee

- CFNS fees are in addition to fees charged by the Investment Manager
- CFNS may terminate their Client-Manager relationship at any time
- If the Investment Manager sells or transfers their book to another manager, the Client relationship with CFNS will be terminated and all funds owned by CFNS within the book will be transferred to CFNS's investment pool
- CFNS may change the terms of this policy at any time

**Contact us to discuss ways we can help meet your Clients' philanthropic goals**

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**Follow us @cfnorthstate**