

Pledge 1% Corporate Donor Advised Fund

By opening a Corporate Donor Advised Fund at Tides, you establish an efficient and effective way to facilitate your Pledge 1% commitment to make positive change in the world. You also join a diverse community of family, foundation and business leaders working with Tides to drive meaningful local, national and global impact. Our staff has special expertise in social change philanthropy, grantmaking, mission related investments, micro-loans and donor collaboration.

Establishing a Corporate Donor Advised Fund gives you several advantages:

- Tides is a public charity, so contributions (including gifts of appreciated stock, real estate property and other assets) are immediately tax-deductible to the extent allowed by law.
- Tides handles all administrative details of the fund, allowing you to focus on your values and charitable vision.
- In addition to grantmaking, your fund can pay charitable expenses related to the grantmaking activity of your fund.
- The money in your standard corporate donor advised fund is always available for grantmaking and related charitable expenses.

Donor Advised Funds, Explained

Briefly, a Donor Advised Fund (DAF) is a fund or an account where you deposit assets specifically slated for charitable giving. Your company designates a representative to serve as the fund advisor and make recommendations to Tides on how those funds are to be invested in support of your company's charitable giving goals and values.

Contributions

Typically, corporations establish donor advised funds by making grants of cash or tradable stock to Tides. Pledge 1% companies that are private and have illiquid stock can elect to pledge stock through a warrant document (at no cost), which will be executed by Tides upon a liquidity event. The stock will be converted to cash and placed into a DAF (certain fees apply for the execution of a warrant upon liquidity). Later stage companies electing to fulfill their pledge with cash or tradable stock can open a Tides Corporate DAF immediately.

Grant Recommendations

Contributions to a fund are technically within the exclusive control of Tides which is why you, as the fund advisor, make recommendations to Tides for the distribution of grants from your fund. Although Tides is not legally bound by those recommendations, only rarely do fund advisors make recommendations that we cannot process as grants. Tides ensures that grantees are eligible to receive charitable funds and are aligned with Tides' social justice mission. (Please refer to the "Key Tides Engagement Points with Pledge 1% Companies" document for more information.)

TidesPartners.org

Through our online system, TidesPartners, you can recommend grants, check fund balances and research nonprofit groups.

Quarterly Reporting

On a quarterly basis, Tides sends you a report summarizing fund activities for the previous three months. At any time, you can review your fund's activity online through Tides Partners.

Fees & Expenses

Basic Administrative Fees

Contributions to a standard fund will be charged an administrative fee of 1.25% on all contributions made to the fund. This fee covers the basic administration of your fund including the processing of contributions, quarterly reports, grants administration, and access to Tides Partners.

Alternatively, corporations may elect to open an invested DAF in which funds not planned for near-term grant making will be invested in a diversified portfolio managed by Walden Asset Management. Invested DAFs have the potential to earn additional income for the fund (depending on market conditions) and carry the following fee schedules, charged annually on quarterly balances:

- 1.00% on first \$500K
- 0.75% on the next \$500K
- 0.50% on the next \$4M
- 0.25% of any amount over \$5M
- *Investment Manager Fee*: 0.35% of invested balance

Additional Services & Fees

In addition to the basic administration of your DAF, Tides can work with you in a variety of other ways including conducting research, assisting you in developing a giving strategy, supporting grant application processes, and structuring charitable investments in innovative social ventures. We can also help create or manage a donation-linked corporate giving program. These additional administrative, consulting or investment services require additional fees. Those fees are developed and negotiated based upon a mutually agreed upon scope of work and set of deliverables. They may be based on a percentage of contributions, a flat fee, or combination thereof.

Direct Expenses

Tides will assess your DAF for any direct costs incurred while operating the fund. These could include the following:

- **Expenditure Responsibility Fees**
Donor advised funds may make restricted expenditure responsibility grants to groups that are not 501(c)(3) organizations, including those formed and operating outside of the U.S. These grants require additional due diligence and reporting and require a fee of \$350.
- **Grant Fees**
Funds are charged a per grant fee of \$50 for all domestic and international grants. The grant fee will be charged for each installment of an installment grant. The fee will be charged to your fund after a grant payment is made.
- **Wire Transfer Fees**
Tides generally makes grant payments through printed checks. Upon request, payments can be transmitted to domestic grantees via wire transfer for an additional cost of \$20 per wire. Most international grant payments must be transmitted via wire transfers at a cost of \$40 per wire.
- **External Legal Review**
On occasion, your Philanthropic Services team may identify that a particular activity of your fund requires external legal review, such as proposed grants that intersect with political activities or complex financial or legal activities. The decision to seek external legal review is part of our comprehensive effort to ensure that grant activities are fully compliant with all federal and other legal restrictions. Any charges related to seeking external legal review will be charged to your fund, and discussed with you beforehand.
- **Minimum Annual Fee**
Throughout the year, administrative fees on contributions, as well as all grant and Expenditure Responsibility fees paid by a fund, are tracked towards the minimum annual fee of \$500. If a fund has not met the minimum threshold at year-end, the fund will be charged \$500 or the balance to meet this minimum.

Your Partnership with Tides

To ensure that our partnership works effectively, direct communication is recommended between you, your Tides philanthropic advisor, and your finance or administrative staff regarding the fund and recommended grant making activities. This discussion can be particularly helpful if this is your first time working with Tides.



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