

Attachment-4

Report on Palm Desert Staff Visit with Desert Community Foundation

Staff met with Desert Community Foundation (DCF) to explore the viability of the City using DCF as a mechanism to fundraise and/or invest and bank fundraising proceeds in early March 2025.

Background

Since 1999, Desert Community Foundation, a 501(c)(3) has supported nonprofits, donors, and scholarship committees in the Coachella Valley. They empower nonprofits through Donor Advised Funds, Scholarships, and Donor Directed Grants. DCF is committed to creating lasting change and investing in the future of the region. They manage \$132 million in investments for donors.

Primary work of DCF: Donors deposit funds with DCF. The deposit is irrevocable. Donor gets an immediate tax write-off, if eligible. Donor specifies which organization or organizations they wish their funds to support. The corpus (or deposit) is generally preserved and the donor will request that the earnings be disbursed annually in perpetuity. If the designated nonprofit goes out of business, DCF tries to identify a nonprofit with a similar mission to receive the ongoing funding.

Work DCF does that other community foundations may not: DCF runs several successful scholarship programs for local Country Clubs. Collectively, they have awarded \$2.9 million in scholarships for the 2024-2025 academic year, sent 1,600 scholarship recipients to colleges, and funded over 15,000 semesters for those students.

How DCF earns money for its operations: Four times a year DCF accesses a 0.25% (1% annually) fee on the amount in all fund as a management fee. The quarterly fee drops to 0.1875% (0.75% annually) for balances above \$5 million.

Who manages DCF's portfolio: DCF has outsourced the management of their various funds to the California Community Foundation (CCF) located in Los Angeles. CCF has been in operation since 1918. Manages over \$2.3 billion in assets, and collectively oversees over 1,900 funds.

Scenario for the City of Palm Desert: The City could set up a library fund at DCF to which donors may contribute. The City would need to make an initial deposit of \$50,000. The City would then need to instruct potential donors to make a contribution to the library by making out a check to Desert Community Foundation and putting in the memo portion: Palm Desert Library. If the donor wishes to specify that their donation be directed to something specific (e.g. children's services), they would need to write "Palm Desert Library: children's services" in the note field.

Consideration: DCF also accepts credit card donations. A custom donation button link for the fund can be set up for those donors who prefer to make credit card donations. Donations earmarked for the library can be in the form of a check or credit card. DCF will also accept stock donations and wire transfers. DCF also administers an online event once per year during their CV Giving Day campaign where donors can make a credit card donation. Over 136 charitable organizations participate. Each organizations success is dependent on that organization's marketing of the event.