

Understanding the Liquidity Account

Each donor-advised fund at the Independent Charitable Gift Fund (iGiftFund) has two components:

- An investment account held at the donor's preferred custodian, managed by the financial advisor, containing about 99% of the funds
- A liquidity account held at iGiftFund, containing about 1% of the funds (not less than \$600 and not exceeding \$10,000)

What is it?

The Liquidity Account holds a portion of the donor-advised fund's assets, serving as a cash reserve for grants and administrative fees. These funds are invested in a money market account to earn income and support growth in the liquidity account balance.

Purpose

The Liquidity Account covers small grant recommendations and quarterly administrative fees.

How it works

When a donor-advised fund is established, about 1% of the initial contribution is placed in the Liquidity Account, with the remaining 99% typically managed by the donor's financial advisor at their preferred custodian.

Donors can request a higher liquidity reserve for large pending grants or to reduce market exposure.

Investment

The Liquidity Account balance is primarily invested in a top-ranked institutional money market fund, with net earnings allocated monthly to each donor-advised fund.

Liquidity Requests

After the Liquidity Account is established, our Fiscal team will submit requests to the financial advisor to liquidate investments, either to rebalance the liquidity account or fulfill grant recommendations that exceed the current balance.

How to transfer funds into the liquidity account

If not completed during the investment account opening process, an ACH standing authorization should be completed to link the investment account to our liquidity bank account. Please refer to our corporate documents packet for the bank letter containing the routing and bank account information. If you need assistance, please contact our Donor Support Team at DonorSupport@iGiftFund.org.