



Inactive Donor-Advised Fund Policy

Purpose/Applicability

This policy applies to all current and future Donor-Advised Funds (DAFs) of the CFO. This policy is necessary to:

- Understand and support the charitable goals of donor-advisors;
- Ensure that charitable dollars are being used to benefit communities through intentional grantmaking; and
- Help address policymakers' concerns about funds that do not make periodic distributions — concerns which have prompted some legislators to propose solutions such as mandatory payout requirements for donor advised funds that would be enforceable via IRS guidelines.

Definitions

- A fund is considered inactive if there has been no grantmaking in a three-year period.
- A fund may also be considered inactive if there has been no communication between the fund advisor(s) and a CFO representative during a three-year period. This communication may come in the form of a phone call, email, written letter, or in-person visit.
- A fund will be considered inactive if the fund advisor passes away (or resigns or evidence of their incapacity is provided to the CFO) and no succession plan exists, or no successor advisor has been named or is willing to serve as such.

Processes

- If after a consecutive three-year period, the advisor(s) has not directed a grant from their fund or communicated with a CFO representative, staff will make every effort to contact the advisor(s), including certified mail as a last resort.
- If the CFO staff cannot make contact with the advisor(s) after the three-year inactive period, the CFO Board of Directors will exercise variance power in the following manner:
 - In the case of a donor-advised fund with an endowed portion, half of the annual distributable amount will be transferred into the community grantmaking fund serving the fund's community (i.e. Springfield or affiliate regional area).
 - In the case of a non-endowed donor-advised fund, up to 4% (the current CFO distribution policy percentage) of the fund's current balance will be transferred into the community grantmaking fund serving the fund's community. The Investment Advisory Board reviews and sets the distribution policy annually.
 - If a non-endowed donor-advised fund has a balance less than \$1,000, the full remaining balance will be transferred into the grantmaking fund serving the fund's community and the fund will be closed.

The CFO prides itself on being your partner in philanthropy and aims to encourage grantmaking to better communities across the Ozarks region and beyond. It is highly recommended that donor-advisors direct at least one grant per year from their donor-advised fund to remain active and honor the donor's charitable intent.