

DONOR SERVICES

Guidelines for Advised Funds



The Community Foundation of the Ozarks welcomes contributions to **donor advised, family and corporate grantmaking funds** by members of our community. To ensure that such funds comply with both the mission of the CFO and the requirements of the United States Internal Revenue Service, the following guidelines must be followed.

- A request for the establishment of a donor advised/family/corporate grantmaking fund shall be subject to the CFO's review and approval to make certain that the purpose of the fund is consistent with the practices and policies of the CFO.
- All manner of readily marketable stocks/securities or cash are acceptable as the original source of funds or as an addition to an already-established fund. A proposed gift of an asset not readily marketable (such as restricted or closely held stock or real estate) should be proposed to the CFO for acceptance before being given.
- The CFO acknowledges the tax-deductible donations to the fund through a letter, unless it is for a fundraising activity where something of value is accorded to the donor. The CFO may or may not be able to offer IRS acknowledgement for a donation depending on fundraising activity, confirmation of value received for donor, etc.
- IRS rules expressly recognize the right of living donors and advisors to make grant recommendations. However, the law also is clear that the CFO's Board of Directors will approve advisor recommendations.
- To help defray the cost of administration, the CFO charges a fee for management and administration of the fund's assets.
- Donor advised funds have a minimal balance of \$25,000 and must have an endowment component. Family and Corporate Grantmaking funds must reach \$2,500 before grants are distributed and are not endowed funds.
- Advisors will receive quarterly statements detailing fund activity. Advisors also have the opportunity to use Fund Manager, a web-based donor service that provides access to financial and grant information.
- Grant distributions must be made to organizations classified by the IRS as 501(c)3 organizations, recognized houses of worship and incorporated government entities and not classified as 509(a) private foundations. Grants can be made to any qualifying entity within the United States. If advisors want to give internationally, the charity will need a U.S.-based partnering organization.
- Grants from donor advised/family/corporate grantmaking funds may not be used to pay membership dues or to satisfy a legally enforceable

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personal obligation or pledge of a donor. Multi-year grant recommendations may be submitted.

- Grants from these types of funds also may not grant to a charitable organization to pay the salary of family members. Example: Advisor's daughter works for a nonprofit. Grants can only be made for programming or capital expenditures, not for unrestricted or salary support.
- Grants also may not be made for event sponsorship when it includes tickets or a table. The fund may support charitable events through a grant to a nonprofit in two cases: No one is attending the event so tickets are not needed or tickets will be purchased at full price outside of the sponsorship (even if the sponsorship includes tickets). This is an IRS guideline and your contact at the CFO can share additional information if needed.
- The CFO honors the fundamental value and dignity of all individuals and will not support organizations through donor recommendations or establishments of funds that benefit such organizations that attack or malign individuals or groups on the basis of race, color, religion, gender, national origin or sexual orientation. We also recognize that philanthropy is reflected in the principles of the First Amendment, and we do not police the ideology of our donors or fund establishers. We rely primarily on the IRS to regulate the charitable status of organizations, but if we become aware of a public charity that does not align with our beliefs as stated above, the CFO will exercise our variance power.
- To make grant recommendations, advisors will provide applicable information to the CFO by letter, email, Fund Manager or telephone. This information should include organization, amount of grant recommendation and purpose of grant. CFO staff is available to assist with the grantmaking process in whatever capacity the advisor wishes.
- When a grant is made, the CFO lets the recipient organization know the name of the fund providing the grant and the advisor(s) recommending, unless the advisor requests to remain anonymous. It is CFO's practice to list all funds in the annual report and other applicable publications unless donors and/or advisors request otherwise.
- Individuals with donor advised or family funds may designate their spouse, children or others to serve as advisor with, or in place of, the donor. Donors may also name one or more successor advisors, or they may designate an organization or purpose for the fund at such time that advisors are no longer able to act. CFO's Board of Directors will assume the responsibility for directing fund distributions for charitable purposes if no "succession planning" is in place for the fund.
- The CFO Inactive Advisor Policy states that in order to understand the charitable goals and objectives of a fund, the CFO staff and fund advisor need to communicate at least once every three years. If contact cannot be made after exhausting all possibilities, a grant will be made from the fund to the grantmaking fund serving the fund's community.

