

DONOR ADVISED FUND Policies and Procedures



Thank you for establishing a **Donor Advised Fund** with the Allendale Community Foundation!

The purpose of the Allendale Community Foundation's Donor Advised Fund program is to create an opportunity for people like you to connect and give back to their communities in an informed and active way. This handbook is designed to explain the Foundation's procedures and overall objectives, and to answer the questions you may have about an Advised Fund. It is our goal to make your participation in the work of the Foundation as rewarding as possible.

How do I suggest a grant from the Fund?

The easiest way is to fill out the Grant Recommendation Form provided by our office. You can download the form by going to our website www.ghacf.org and clicking on the Resources page. Or, we have them available in our office as well. On this Form you tell us the name and address of the organization, the purpose of the grant and then sign it.

When we receive your Grant Recommendation Form, we verify that the recommended grantee is certified by the Internal Revenue Service as a charitable organization. The Board of Trustees, in the exercise of its discretion, will then approve or deny the recommended grant, in whole or in part.

How often and when may I make distributions from the Fund?

Grant recommendations may be made at any time. However, because of the increased volume of activity at year end, it would be greatly appreciated by our staff if Grant Recommendation Forms are in our office by mid-November for grants that need to go out by the end of the year.

Individual grant recommendations of \$250 or more are required.

We strive to respond promptly to your suggestions. Checks to organizations, which we know already meet IRS charitable guidelines, will usually be cut every two weeks.

Will I receive an accounting of my Fund's activities?

Yes, you will receive a quarterly Fund Statement. If your Fund is endowed, the amount available for annual spending will appear on the February statement. You also may call our office anytime and we can give you this information.

What kind of organizations may I recommend for grants?

You may recommend to non-profit public charities, schools and government programs which have IRS 501(c) 3 Tax exempt status. (Most well known non-profit organizations, such as the Salvation Army, United Way, and churches have this status). If you are not sure of the status of an organization, first give us a call. If they are a local agency we can most likely give you a very quick answer.

May I recommend a grant to an individual?

No. According to IRS regulations, Allendale Community Foundation may make distributions only to qualifying public charities. Foundation staff checks all organizations for documentation of nonprofit status.

May I recommend grants to organizations outside of Allendale and Michigan?

Yes, if the organization's mission falls within the guiding principles of the Foundation. Before making the grant, we will need to be sure that the organization has IRS 501(c) 3 status. We are able to check online, but may need the phone number to call the organization if their status is not listed online at GuideStar. The Foundation can make limited international grants if the nonprofit organization operates under the umbrella of a recognized U.S. charitable organization. On the whole, we request that at least 50% of your recommended grants go to Ottawa County nonprofits.

May I recommend a multi-year grant from my Donor Advised Fund?

Yes, at the time of your recommendation please indicate that the distribution is to be made in increments. We will administer the distribution and payment schedule. You also can make monthly or quarterly reoccurring grants. We do ask that you resubmit these types of recommendations each year in January.

Are there any restrictions?

Restrictions on the nature of grant advice are few. However, there are a few things that are not allowed by the State or Federal Tax Code:

- **The donors and their family must not receive personal benefit from the grant.**
- **Your Fund cannot be used to satisfy an irrevocable personal or corporate pledge. *It is important that you do not sign a pledge card obligating your Fund to pay a personal pledge.***
- **Your Fund cannot pay memberships or dues.**
- **Your Fund cannot be used to purchase raffle tickets or pay for fundraiser event tickets or purchase auction items.**
- **Your Fund cannot support political campaigns or lobbying activities.**

Please call us if you need clarification on any of these points.

May I serve on the board of an organization and recommend a grant to it from my Donor Advised Fund?

Yes, as long as you receive no personal benefit from the grant.

How is the grantee notified?

When the Foundation makes a grant from a Donor Advised Fund, the charitable organization receiving the grant is informed by letter indicating which Fund made the grant so that they may send you a note of thanks. You will receive a copy of the grant letter sent to the grantee.

May the Fund make an anonymous contribution to an organization?

Absolutely. Just let us know that you desire anonymity and we will ensure that your wishes are followed.

How is my Fund invested?

The Board of Trustees has the ultimate responsibility for the Foundation's investment portfolio. The Board delegates responsibility to the Investment Committee for implementing and ongoing monitoring of the Foundation's investment policy. The Investment Committee meets quarterly and is comprised of local business and financial leaders in our community. The Grand Haven Area Community Foundation is audited annually and its report is available upon request.

What fees are charged to my Fund?

Each Fund held by the Foundation is charged an administrative fee to help cover the operational costs of the Foundation. The administrative fee for a Donor Advised Fund that is non-endowed is 1.5% annually. The annual fee for an endowed Fund is 1%. Administrative fees are assessed quarterly, based on the market value of the fund. There is a minimum charge of \$25 per quarter for each Fund.

How do I add to my Fund?

Creating a Fund with the Allendale Community Foundation allows you to sustain a permanent legacy of philanthropy in your community, and you may make a tax-deductible contribution to your Fund at any time. In many cases, significant tax benefits can be realized through gifts of appreciated stock or real estate. We encourage you to discuss any gift you may be considering with our staff and your financial advisor.

If you plan to make a stock gift, please let us know. The Foundation has accounts with many brokers, and most likely has an account with your broker. If timing is of concern to you, be sure to:

1. Ask us for GHACF's account number at your brokerage firm;

2. Include our account number in your letter to your broker requesting that they transfer the stock;
3. Send us a copy of your letter or notify us by telephone or e-mail.

By creating a Fund with us during your lifetime, you have already made it possible to leave a permanent legacy in your name. Many families suggest their Fund in the Foundation as an appropriate memorial upon the death of a family member. Upon the death of the last surviving advisor, the Fund will continue as a permanent Named Fund meeting the needs of the greater Allendale area for generations to come.

It is also simple to add to your Fund by bequest. Simply name your Fund as one of the beneficiaries of your will or trust. Or you may create a new Fund bearing your family name or in honor of a relative or friend to serve as memorials to them. Grants will be made in the name of these Fund's in perpetuity.

Thank you for giving the Allendale Community Foundation the opportunity to assist you with your charitable giving. If you have questions about your Allendale Community Foundation Donor Advised Fund or you have ideas on how we may serve you better, please call or write.

For Further Assistance:

We hope this handbook serves as a helpful guide to your Donor Advised Fund with the Allendale Community Foundation. Please contact us for any other information we can provide. We can be reached by phone at 616-842-6378 or by Fax at 616-842-9518.

Hadley Streng
President
hstreng@ghacf.org

Chris Riker
Vice President of Advancement
& Donor Services
criker@ghacf.org

Patty MacDonald
Vice President of Finance & Administration
pmacdonald@ghacf.org

Holly Cole
Vice President of Grants & Program
hcole@ghacf.org

Lauren Grevel
Education & Youth Initiatives Officer
lgrevel@ghacf.org

Melanie Swiftney
Director of Marketing & Communications
mswiftney@ghacf.org

Adrienne Whisman
Philanthropic Services Associate
awhisman@ghacf.org

Crystal Weersing
Administrative Assistant
cweersing@ghacf.org

Thank you for allowing us to be a part of your charitable giving –
we are honored to partner with you to care for the causes that you care about most!

For good. For ever.™