

# Frequently Asked Questions

---

*This handbook explains the foundation's procedures and overall objectives, and serves to answer questions that you may have about your donor advised fund. Please contact a member of the Advancement & Donor Services team at [info@ghacf.org](mailto:info@ghacf.org) with any questions.*

**Q: What is a Fund Advisor?**

A: Fund advisors are the Foundation's contact person for the fund. The initial advisors to the fund are those named in the fund agreement. If there are multiple advisors to a fund, such as a family committee, then the committee must appoint one member as the designee for all grant communication to the Foundation. If no designee has been appointed, then Foundation will consider the first named advisor in the fund agreement to be the designee.

**Q: What is the minimum amount I can recommend for a grant?**

A: The minimum recommended grant amount is \$250..

**Q: How quickly are grant recommendations processed?**

A: We strive to respond promptly to your suggestions. Please allow two weeks for grant checks to be sent.

**Q: How are grant recommendations made?**

A: A written recommendation is required to make a grant recommendation. This can be achieved via email, a written letter or utilizing the Grant Recommendation Form,

or by submitting it through the donor portal. With this, you provide the name and address of the organization, the purpose of the grant, and then sign it. Once the organization has been verified, and the recommendation complies with foundation policy, the grant is processed, and a confirmation is sent to you via email or mail. Please note, a grant would not be denied unless there was a legal issue prohibiting us from making the grant.

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

A: Grant recommendations may be made at any time. December gets busy with year-end grants so we recommended you give us your grant recommendations by mid-November if you would like them paid by the end of the year.

**Q: What is the minimum amount to establish a fund, and is there a minimum balance to keep the fund active?**

A: The minimum amount needed to open a Donor Advised Fund at the Foundation is \$5,000. This is also the minimum balance needed to keep the fund active.

*continued on next page*



THANK YOU FOR YOUR GENEROSITY!

**Q: What is the Donor Advised Fund Activity Policy?**

A: We want to encourage our donors to actively recommend grants to charitable causes that they care about. To ensure that we do not have Donor Advised Funds that are inactive, and thus not making a charitable impact on our region, we ask that our Donor Advised Funds engage in one of the following:

- Make regular grant recommendations
- Develop a philanthropic program

**Q: At what time is a fund deemed inactive?**

A: Funds are deemed inactive based on:

- The fund advisor dies or resigns or evidence of his or her incapacity is provided to the Foundation, and if no successor advisor has been named.
- All named successor advisors are unable or unwilling to serve as such.
- No recommendations are made with respect to grants from the fund for a period of three years and, during such time, the advisor or successor advisor does not reply to the Foundation's repeated attempts to contact them.

If the fund becomes inactive, the Foundation will deem the advisory period to have ended and will initiate distributions from the fund in accordance with the provisions of the fund agreement.

**Q: Do I get a tax deduction when I recommend a grant?**

A: No. Grants from a Donor Advised Fund do not have any tax impact for the donor, as the tax deduction was given when the gift was first made to that fund.

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

A: Yes, you will receive a quarterly Fund Statement. You are also able to view your fund's activity online—see separate instruction sheet. You also may call our office anytime and we can provide you with this information.

**Q: May I recommend a grant to an individual?**

A: No. The Pension Protection Act of 2006 prohibits Donor Advised Funds from making any grants to individuals such as scholarships, missionary accounts, or emergency hardship grants for families. This includes grants directly to an individual or grants to an entity for the benefit of a specified individual.

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

A: 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 recurring grants. We do ask that you resubmit these types of ongoing recommendations each year in January.

*continued on next page*



## Donor Advised Funds at the Allendale Community Foundation (ACF)

*The purpose of the Donor Advised Fund program is to create an opportunity for people like you to connect and give back to their communities in an in-formed, active way. It is our goal to make your partnership with the Foundation as rewarding as possible.*

Q: May I recommend grants to organizations outside of Grand Haven and Michigan?

A: Yes. Before making the grant, we will need to ensure that the selected organization has IRS 501(c)3 status, or is an organization capable of receiving Foundation support. The Foundation can make limited international grants if the nonprofit organization operates under the umbrella of a recognized U.S. charitable organization.

However, please note that the Foundation does not make grants from donor advised funds to non-U.S. organizations or international governmental entities. We do request that at least 50% of your recommended grants go to West Michigan nonprofits. Occasionally, the Foundation may bring to the advisor's attention grant making opportunities in which the advisor may have an interest. Advisors will be furnished with lists of the unmet charitable needs of the community, however, the advisor is not obligated to recommend a grant for the identified program.

Q: 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.

Q: 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 they may send you a note of thanks.

Also, you will receive a copy of the grant letter sent to the grantee. We send checks directly to the grantee organization. Unfortunately, donors cannot present the check to the organization in person.

Q: 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.

Q: Who may sign and submit a recommendation for your fund?

The person(s) who are named in your Fund agreement may submit grant recommendations. Donors may also name successors who may act as future advisors once the original representatives are no longer legally capable of recommending grants.



P.O. Box 365 | Allendale, MI 49401 | [allendale-cf.org](http://allendale-cf.org) | (616) 842-6378

Inspiring Philanthropy.