



CENTRAL CAROLINA

Community Foundation

Guidelines for Donor-Advised Funds

Contributions to Your Fund

- You may contribute gifts of cash, publicly or privately held securities, real estate, mutual funds, personal property, interests in limited partnerships, and/or other tangible assets to your Donor-Advised fund in any amount.
- Please download the *Transfer of Securities* form on our website or call Kelly Rogers at 803.254.5601 x330 to obtain a pre-assigned clearing account number and to ensure the Community Foundation is aware that gifts of stock are being transferred.

Charitable Tax Deduction

- Gifts to the Community Foundation are eligible for a charitable tax deduction based on the date your gift is made.
- Generally, for gifts of securities, a deduction can be claimed for the average price of the securities on the transfer date. Average price is based on the high and low quote on the transfer date.
- Please see your tax advisor to determine the extent of deductibility.

Grant Restrictions and Prohibitions (IRS Regulations)

- Grants from a Donor-Advised fund cannot result in the donor, advisors or any related parties receiving an exchange of goods or services or any personal or material benefit that is not provided to the general public (for example newsletters). Prohibited benefits include tickets, memberships, meals, preferred parking, preferred seating, discounted merchandise or other preferential treatment from a donee organization.
- Donor-Advised fund grants also cannot be used to satisfy all or a portion of a pre-existing personal pledge or other financial obligation of the donor, advisors or any related parties. Advisors may, however, recommend that a grant be paid out over multiple years, subject to grant approval and annual due diligence.
- Provisions of the Pension Protection Act of 2006 prohibit Donor-Advised funds from making any grants to individuals such as scholarships, emergency hardship grants or disaster relief grants. This includes checks written directly to an individual or checks written to an entity for the benefit of a specified individual. For example a grant to a university for the benefit of a designated student is prohibited.
- Donors, advisors or any related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from Donor-Advised funds.

Minimum Distribution

- The Community Foundation requires that distributions made from your fund are a minimum of \$100 per distribution; grants of \$250 or more are preferred. Distributions smaller than this amount are more easily paid by the donor personally.

Distribution Process

- As advisor to your fund, you may recommend grants to any qualified public charity or operating foundation in the country.
- When you wish to make a distribution from your fund fill out a *Grant Recommendation* form. You can download it from our website or contact JoAnn Turnquist at 803.254.5601 x.323 or joann@yourfoundation.org. A written request with your signature is required, so please mail, fax, or scan and email the completed form to the Foundation office.
- In most cases, there is a maximum two-week turnaround period for check disbursements depending upon when a request for distribution is submitted to Foundation staff.
- The Foundation requires that gifts made to Donor-Advised Non-Endowed funds remain in an escrow account for a minimum of 60 days before distributions are made.
- Your distribution will be mailed to the charitable organization by Foundation staff with a letter that recognizes you as the donor. You will receive a copy of the letter that accompanies the check.

Anonymity

- If you wish to remain anonymous in any way for a specific gift (fund name, advisor name or both), please note your wishes on the *Grant Recommendation* form.

Foundation Due Diligence and Other Services

- If you would like to make a distribution to an organization that has not previously received a Community Foundation grant, that organization will be contacted to verify nonprofit status and ensure that it is serving a worthwhile purpose consistent with Community Foundation guidelines.
- Community Foundation staff are available to provide information and research on organizations that you would like to know more about before making a distribution. If you have expressed an interest, the Foundation will provide you with some suggestions that have been chosen to match the objectives you have established for your fund.

Fees

Endowed Funds

- The Community Foundation assesses an administration fee based on the balance of a donor-advised fund.
- Quarterly fund statements will reflect the fee, charged monthly against a 'rolling annual average' of the fund's balance.

Non-Endowed Funds

- The Community Foundation charges a fee equal to one percent of any gift to a donor-advised non-endowed fund.
- If you wish to make a distribution out of the fund before the 60-day waiting period, you will be charged an administrative fee of \$100.

Additional Information

If you need additional assistance, please contact our President & CEO, JoAnn Turnquist at 803.254.5601 x323 or joann@yourfoundation.org.