

## Donor Advised Funds

give donors an unparalleled opportunity to:

- \* Play an active, personal role in their charitable giving;
- \* enhance their understanding of community agencies and needs;
- \* benefit from the Community Foundation's extensive experience in fund and grant management;
- \* obtain immediate tax benefits; and
- \* build an enduring, permanent resource that will assure perpetuation of their charitable presence in the community.

In creating a Donor Advised Fund in the Community Foundation of Southern Wisconsin, a donor retains the right during his or her lifetime, or during the lifetime(s) of other advisors(s) named by the donor, to recommend grants to specific agencies and institutions or to specific program fields. The donor may consult with the Foundation's experienced program staff about community needs, programs and agencies. Grant distributions and investment management are handled by the Foundation.

By establishing Donor Advised Funds, donors have the satisfaction of shaping well-considered philanthropic programs that reflect their special interests and concerns. Their giving patterns will guide the Community Foundation of Southern Wisconsin in managing their permanent endowment funds through the years. A fund may be modest at the beginning, expanded during the donor's lifetime and serve as a repository for the philanthropic portion of the donor's estate.

It is easy to create such a fund. The Foundation handles the paperwork. The donor's tax benefits are attained immediately while grant decisions may be made over time.

Donor Advised Funds may be anonymous if desired. They may serve as a charitable instrument for a family.

The following policies and guidelines have been established to govern the handling of Donor Advised Funds, in a manner consistent with the purposes of the Foundation and in keeping with applicable tax regulations.

1. Donor Advised Funds are components of the Community Foundation of Southern Wisconsin. As such they are property of the Foundation and are subject to the terms and conditions of its governing instruments.
2. The donor, or other advisors named by the donor when a fund is established, is invited to submit grant recommendations to be made from the fund. Such recommendations will be given careful attention. They must be advisory, however, and may not bind the Foundation Board that, by law, must have the final authority to determine use and distributions of all of the Foundation's funds.
3. Suggestions made by the donors will be evaluated by the Foundation's staff to determine that they are consistent with the broad purposes of the Foundation and that recommended agencies are eligible to receive charitable distributions.
4. Donor recommendations are then acted upon by the Community Foundation of Southern Wisconsin Board.

# Guidelines for Donor Advised Funds



*For good. For ever.*

*If you have  
questions regarding  
Donor Advised Funds,  
please call*

**COMMUNITY  
FOUNDATION**  
OF SOUTHERN WISCONSIN

26 South Jackson St  
Janesville, WI 53548

608-758-0883 or  
out of Rock Co., WI  
1-800-995-2379

5. Donor Advised Fund grants are made primarily to agencies and institutions located within the north Rock, Crawford, Grant, Green, Iowa, Lafayette, Sauk and Walworth county area, but can also be awarded to non-profit agencies in other communities.

6. From time to time the Foundation will call advisors' attention to special community needs and programs, and invite participation in special program initiatives. The Foundation's staff is always available to consult with fund advisors, and donor briefings are held regularly to highlight these opportunities.

7. In accordance with the Treasury Department's regulations, grants awarded from Donor Advised Funds may not be used to pay for a membership or dues or anything else that might be perceived as giving a material benefit to the donor or any relative of the donor. In addition, the donor may not use grants to satisfy a previously committed personal pledge made to a charity. However, the Foundation's board will consider recommendations for new multi-year grants of up to five years.

8. In most cases, grants from Donor Advised Funds are made only to nonprofit organizations exempt from Federal taxation under section 501(c)(3) of the Internal Revenue Code. Grants may be considered for community efforts on a case by case basis. Scholarships and grants to assist individuals have strict restrictions that must be identified when the fund is established.

9. Unless the donor wishes to remain anonymous, the Foundation identifies for grant recipients the named funds from which grants are paid, and the grant recipients are encouraged to acknowledge the donor who generosity made the grant possible.

10. Unless other arrangements have been made at the time the fund is established a Donor Advised Fund will be considered as a permanent endowment.

11. During a donor's lifetime, he or she may recommend other living persons, children, friends or business associates to act as advisors to suggest grants from the fund the donor established. Advisors selected by the donor may not name others to serve as their successors. Exceptions to this policy may be made when, for example, the special expertise or knowledge of advisors is felt to be critical in managing a fund such as a medical research or scholarship fund.

12. A minimum gift of \$25,000 is recommended to establish a Fund. Funds can be established with a lesser gift with the intent to reach the goal within a predetermined time period.

13. Advisors are encouraged to make recommendations of grants in the amount of \$500 or more.

14. While the Foundation encourages donors to leave funds as unrestricted as possible upon the termination of the role of the last advisor, the donor may suggest future areas of charitable interest for which the fund will be used.

15. All funds are subject to terms and conditions of the Foundation's governing instruments, as amended. Among other things, governing instruments provide that the Foundation has power to modify and vary any donor direction or restriction in the event it becomes unnecessary, incapable of fulfillment or inconsistent with charitable needs of the southern Wisconsin communities.



*Confirmed in compliance with  
National Standards for U.S. Community Foundations*