

## DONOR-ADVISED FUND

# Want a flexible, meaningful way to give to your favorite causes?

Create your own fund within the community foundation



Over the past two decades, Donor Advised Funds have gained tremendous popularity, becoming the fastest-growing vehicle for family philanthropy, outnumbering private foundations two to one, according to Fidelity Charitable®.

A Donor Advised Fund makes it easy to be more strategic about your charitable giving. In creating a Donor Advised Fund in the Community Foundation of Southern Wisconsin, you retain the right during your lifetime or the lifetime of another advisor you name to recommend grants to specific non-profit agencies and institutions or areas of interest.

### HOW DOES A DONOR ADVISED FUND WORK?

By establishing a Donor Advised Fund, you have the satisfaction of shaping well-considered philanthropic programs that reflect your special interests and heart-felt causes. The Community Foundation of Southern Wisconsin manages grant distributions and investments.

It's very easy to start a fund: donors make irrevocable, tax-deductible contributions of a minimum of \$25,000 cash, or equally valued securities or other approved assets to the Community Foundation of Southern Wisconsin, which then establishes a fund in name of the donor's choosing or anonymously if desired. Funds can be established with a lesser gift with the intent to reach the minimum typically within three years. Put simply, we want to work with you the best we can within policies and procedures to help you make the most of your charitable goals.

### KEY CHARACTERISTICS OF A DONOR ADVISED FUND

- You receive an immediate tax deduction
- You can offer the gift of other types of assets
- You can name successors to continue family involvement
- You benefit from the Community Foundation's extensive professional experience in fund, investment, and grant management
- You build an enduring, permanent resource that will assure your long-lasting charitable presence in the community or selected cause

## A flexible fund just for you.

A Donor Advised Fund allows you to create a charitable legacy – a beautiful example to your family of the joys of paying it forward.

Its flexibility offers you a way to manage your charitable giving and create a multi-generational family legacy with meaningful and personal social impact.

## DONOR ADVISED FUND

### OUR GUIDELINES FOR ESTABLISHING A DONOR ADVISED FUND

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. 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.

Grant recommendations will be evaluated by the Foundation's staff to determine they are consistent with the broad purposes of the Foundation and recommended agencies are eligible to receive charitable distributions. Donor recommendations are then acted upon by the Community Foundation of Southern Wisconsin Board.

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

Occasionally the Foundation will share special community needs and programs, and invite participation in special initiatives.

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, tickets, memberships, meals, preferred parking or seating, discounted merchandise or other preferential treatment from an 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 a person or checks written to an entity for the benefit of a specified individual.

Donors, advisors or any related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from donor advised funds.

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.

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 whose generosity made the grant possible.

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

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.

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

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.

Per governance, 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.

*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.*



In Janesville (608)758-0883 | (800) 995-2379  
In Monroe (608) 328-4060 In Platteville (608) 778-3344

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