

Love your community. DONOR ADVISED FUND GUIDELINES



community foundation™

Mason County

GIVE.

It's easy to start a Donor Advised Fund. You, your family, and/or your business will have a flexible vehicle to support your giving while creating a permanent resource that supports your community.

- We draft a simple fund agreement. You choose the name of the fund and who will be the “Advisors” who are able to recommend grants from it. These guidelines apply unless the fund agreement states otherwise.
- You give \$10,000 or more via check, credit card, stock, real estate, or other assets (please talk with us if you're considering a non-cash gift). If a gift of \$10,000 isn't immediately possible, our Build a Fund option allows you to start with an opening gift of \$2,000 and add to it to reach the funding minimum within five years. Gifts to a fund are irrevocable. If you are planning to raise money for the fund in any way, please adhere to our Donor Initiated Fundraising Policy. Please note that the law does not allow IRA Qualified Charitable Distributions to go into DAFs.

GROW.

Your fund is pooled with the other funds we hold for Muskegon and Mason counties. Under the watchful eye of our investment committee and advisors, we invest for growth – and protection in downturns – so that grantmaking can steadily increase. With over \$200 million in assets, we enjoy good attention from our advisors and a low fee structure, with these fees being netted against the investment returns. Our support fee is assessed to the fund separately to cover the cost of administering the DAF and to support our research, grantmaking, civic engagement, and other efforts to create long-lasting positive change in our community. You can find more at www.mason-foundation.org/resources.

GRANT.

When you have a project or organization you want to support, it's easy to recommend a grant:

- Email grants@muskegonfoundation.org or call us with the name of the organization, the amount, and the purpose of the grant, or
- Log in to the Fundholder Portal and go to the Recommend a Grant tab at the top of the page. The portal is a secure portion of our website where you can view your fund activity and send us grant recommendations quickly and easily.

In order to safeguard the deductibility of your gift to the Community Foundation – and our charitable status – there are a few things we need to tell you below about grantmaking. If you have questions about specific nonprofits, community needs, etc., we invite you to contact us and tap into our knowledge base.

Grantees

Since we serve Mason County, the majority (over 50%) of your grants need to support local organizations or activities. That said, we are happy to process grant recommendations from your fund to qualified nonprofit organizations in the United States. “Qualified nonprofits” are those described as 501(c)(3) by the IRS (not including private foundations) as well as most units of government, schools, and religious institutions. If you're interested in supporting international efforts, we can work together to see if there is a qualified agency to whom we can make a grant. Because your fund is designed to be a permanent resource to support our community, we will not approve grants that transfer amounts to Donor Advised Funds held by other institutions.

Grant Size & Frequency

In light of the staff time and processing costs associated with each grant – for both us and the grantee – we ask that your grants be for \$250 or more. There is no limit to the number of grants you can make; we love donors who grant often! Grants are usually processed weekly, so with just a little notice we can take care of your recommendations.

Impact Mason County. For good. For ever.

Fund Activity

We love to see funds at work in the community! We consider your fund to be “active” when there is at least one grant made from the fund each year. Absent annual grantmaking, your fund can still be considered active if we’re in communication about your long-term plans for it (e.g., if you’re building it to support your giving in retirement, to fund a large future project, etc.). We will communicate with you periodically throughout the year to inform you of gift and grant opportunities, and we annually review the grantmaking activity of all Donor Advised Funds. In the event that your fund has been inactive for a period of three years, we will send you written communication stating that, in three months, we will activate the fund per the direction in the fund agreement if we don’t hear from you. After three months, we will send a second written communication to let you know that the fund has been activated as described in the fund agreement. You can feel good knowing that your fund will help meet the changing opportunities and challenges our community faces. For good. Forever.

Pledges

The IRS allows grants from a fund to fulfill legally binding pledges that you have made personally or through a business. If you want to support an organization’s project for multiple years, you can recommend that your fund make a multiyear commitment. Contact us and we’ll work together to make it happen.

Grants to Individuals

The IRS doesn’t allow us to make grants to individuals, nor can we approve grants to an organization that will benefit an individual you have identified. For instance, we can’t make a grant to a school when it is designated for tuition support for someone you know.

Grants to Noncharitable Organizations

We cannot make grants from your fund, even for charitable purposes, to businesses or nonprofits classified as 501(c)(4) social welfare organizations or civic organizations: service clubs, chambers of commerce, fraternities and sororities, social clubs, and fraternal organizations. However, sometimes there are separate charitable foundations that work hand-in-hand with these groups, so please ask us.

Tickets & Memberships

Your fund can’t make a grant that provides you with benefits such as events, dinners, or memberships with substantial benefits or services. We can, however, support the deductible portion of an event or membership contribution (which the organization will state on the invitation). You can personally pay the nondeductible portion and suggest a grant from your DAF for the balance.

Personal Benefit, Expenses, or Reimbursement

Your fund can’t be used to make grants, loans, or similar payments (including expense reimbursements) to yourself or your family. Grants from your fund have no tax impact, but gifts to it are tax deductible.

Grant Acknowledgment

Unless you make other arrangements or request anonymity relating to a grant, the letter we write to the organization will state that it is from the “XYZ Fund of the Community Foundation for Mason County.” We typically share your mailing address, as the recipient is encouraged to thank you and use the fund name in any of its publicity.

Research on Recipients

We perform due diligence on every organization recommended to receive a grant. In addition to verifying nonprofit status with the IRS, we also collect information about programs, finances, governance, etc. for many organizations. If you have questions, please contact us.

Variance Power

Some donors choose to include a specific purpose for their fund, narrowing or restricting distributions from it during their advisory period and/or beyond. According to IRS rules governing all Donor Advised Funds, any such restrictions are subject to modification by the Community Foundation if we determine, in our sole discretion, that the restriction or condition is unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.