



Advised Fund Policies and Guidelines

The Community Foundation works and communicates openly and honestly with all constituents, including donors, grant recipients, and the public to ensure that grants are used for effective charitable purposes. By virtue of its mission, the Community Foundation is entrusted with contributions from donors and with the responsibility to distribute the donations according to donor intent and community need.

The following policies and guidelines are in compliance with the Internal Revenue Service regulations, and are the same regardless of where donors create advised funds.

Fund Minimum

A fund may be opened with a \$10,000¹ minimum with recommended annual additions to the fund. Please make initial contributions to your fund and additional contributions payable to the Community Foundation of Greater Fort Wayne Inc., referencing the fund name on the check memo line.

If you are using the American Funds option, the Community Foundation requires that a minimum balance of \$10,000¹ be maintained.

Fees

See attached fee schedule.

Role of Donors

The Community Foundation welcomes the involvement and recommendations of its donors with respect to distributions from advised funds, but such recommendations are advisory only and the final decision on all disbursements will be made by the Community Foundation. The Community Foundation honors the charitable intentions of its donors consistent with community needs and applicable laws and regulations.

Board Approval is Required on Distributions of more than \$20,000¹

Any single distribution that exceeds \$20,000¹ must be approved by the board of directors at its quarterly meetings before the funds can be distributed. The request form must be submitted on or before the 15th day of January, April, July, or October¹ prior to the board meetings.

Grant Recommendations

Distributions from the fund will be made in accordance with the Community Foundation's Spending Policy, which may be amended from time to time. Distributions may be requested with a minimum payout of \$100¹.

Distribution recommendations can be made at any time during the year, although advisors are encouraged to avoid the traditional year-end giving season. (Distributions from an advised fund

¹ Amounts may change from time to time.

² Dates are subject to change.

have no tax impact for the donor, as the tax deductible gift was made at the time of the donor's gift to the fund.) Recommendations can be submitted by mail, fax, or online.

Distribution Limitations

- **Charity Auctions**—A fund cannot be used to purchase an item at a charity auction regardless of whether the item is purchased at or below market value.
- **Charity Gaming**—Indiana law permits charitable organizations to sponsor charity gaming events. The Community Foundation of Greater Fort Wayne Inc. will not be the sponsor of a charity gaming event.
- **Gifts to Individuals**—A donor advised fund cannot be used to make a distribution to benefit a specific individual, whether the distribution is made directly to an individual or routed through another public charity. Distributions from advised funds may not be used to pay a specific, pre-determined individual for any purpose, including a scholarship or an expense reimbursement.
- **Personal Pledges**—A distribution from a fund cannot be used to satisfy a legally enforceable personal pledge. Fulfillment of non-enforceable pledges, such as an annual pledge to a church, is permitted.
- **Private Inurement**—The donor cannot receive personal benefit from a distribution. This includes a charity dinner, tickets to an entertainment event, memberships, raffle, or any other benefit above the de minimus value. Under IRS regulations, donors can receive items of value up to the de minimus amount (which is redefined annually). Because at least some portion of amounts paid for memberships or events provides a personal benefit, the IRS does not allow the Community Foundation to make grants from advised funds for such purposes.

Qualifying Grant Recipient

Generally, grants from an advised fund can only be made to nonprofit organizations that have federal tax-exempt status as a section 501(c)(3) public charity, a church, or to governmental agencies such as school districts and public libraries.

To qualify for a grant distribution, an organization must satisfy the Community Foundation's due diligence requirements. Due diligence means that, prior to making a grant distribution, foundation staff has conducted an independent investigation of the prospective grantee to establish that the organization qualifies to receive the distribution. Due to recent IRS legislation, the Community Foundation may require supporting organizations to provide documentation to verify their eligibility to receive grants.

Examples of organizations generally not eligible for contributions from an advised fund include foreign organizations, fraternal orders, organizations whose primary purpose is lobbying, cemetery associations, and funds set up to provide emergency relief to specific individuals or families.

Affirmation of Understanding

You will be asked to affirm your understanding and compliance with the above when you sign the advised fund application.

Note: These policies and guidelines are subject to change without notice.



Advised Fund Fee Schedule

Advised Endowment Fund

Administrative Fees

The Community Foundation Operating Fund will receive an annual fee based on:

- 0.4 percent¹ of asset market value on the first \$500,000²
- 0.2 percent¹ of asset market value on the next \$500,000²
- 0.1 percent¹ of asset market value on the excess value in the advised endowment fund

The minimum annual fee for an advised endowment fund is \$200².

Investment Management Fees

Funds are assessed an annual investment management fee of 0.75 percent¹.

Advised Nonpermanent Fund

Administrative Fees

The Community Foundation Operating Fund will receive a quarterly fee based upon 2.0 percent¹ of total grant payments made from the fund during the quarter.

The minimum annual fee for a nonpermanent fund is \$100².

Investment Management Fees

Funds are assessed an annual investment management fee of 0.2 percent¹.

If invested in the Endowment Pool, funds are assessed an annual investment management fee of 0.75 percent¹. If invested in American Funds, the investment management fees are taken at the fund level.

¹ Percents may change from time to time
² Amounts may change from time to time¹