

# DONOR ADVISED FUND GUIDELINES



*We look forward to assisting you in fulfilling your charitable goals through a donor advised fund at the Community Foundation, while building an enduring, ongoing resource that will leave a legacy to your community. Below are guidelines and tips to remind you of the possibilities available with your fund.*

## Grant Recommendations

Distributions from the fund to charity are known as grant distributions. Grants should meet the minimum grant amount of \$100. Grant checks are issued within one week of the approved request and will reflect the name of the fund on the check unless anonymity is requested.

Donors can recommend a grant by using a grant recommendation form (available from the Community Foundation) or they can recommend a grant online using Manage My Fund. All grants must be used for purely charitable purposes. The following requirements must be followed:

- Pre-existing commitments (pledges) cannot be assumed by the Community Foundation. To support a nonprofit organization's fundraising campaign efforts, donors should not obligate their donor advised fund with a pledge, but rather, note, "It is my/our intent to recommend distributions in future years from my/our donor advised fund with the Community Foundation."
- Donors, advisors or related parties may not receive tangible benefits from a grant; these include items such as meals, concert tickets, golf tournament entries, museum membership benefits, etc.
- Donors, advisors or any related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from donor advised funds.
- 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.
- The Community Foundation strives to process your grant recommendations as quickly as possible. Most grant recommendations can be processed within 1-3 business days. However, if additional due diligence is required to verify an organization's charitable status, it may take up to 10 days to finalize your request.
- All grant recommendations are subject to the Community Foundation's due diligence procedures and ultimate approval by the board of directors.

- Grants made to agencies based outside of the U.S., private non-operating foundations and agencies not recognized as a 501(c)(3) by the IRS require additional due diligence to determine whether grants can be made from Community Foundation donor advised funds; in such a situation the Community Foundation requires a minimum grant request amount of \$5,000.

### **Advisors to the Fund**

The founding donor(s) has the option of naming both current and successor advisors to the fund. Donors may designate their spouse, children or others to serve as advisor(s) with the donor. When the Fund Advisors' and Successor Advisors' privilege to advise the fund terminates upon death, resignation or incapacity to serve, the Donor Advised Fund becomes a named endowment fund benefitting the grantmaking programs of the Community Foundation, unless the founding donor specifies a long-term plan for naming Successor Advisors.

If a Fund Advisor(s) or Successor Advisor(s) are not available to advise the fund for a period of three years, the Community Foundation may make an annual distribution in accordance with the Community Foundation's spending policy designated to Community Foundation grantmaking programs through the Better Together Fund.

### **Designation of Fund After Advisor's Lifetime:**

At the time the fund is created, the founding donor(s) can designate their intent for how the fund will be used after their privilege to advise the fund terminates upon death, resignation or incapacity to serve. The founding donor(s) may choose to designate that their fund:

1. Become a named Better Together Fund of the Community Foundation to invest in our community's most important issues, initiatives and needs for generations to come.
2. Become a named field of interest fund with distributions supporting an area of interest determined by the donor(s).
3. Remain an endowed donor advised fund with successor advisors recommending grant recipients.
4. Become a named designated fund with the distributable earnings designated to charities determined by the donor(s).

We thank you for utilizing the Community Foundation to assist in your charitable giving. We look forward to continuing our partnership to ensure the causes and communities you care about are better together.

**For more information contact us at 515.883.2626.**



1915 Grand Avenue  
Des Moines, IA 50309  
515.883.2626  
[www.desmoinesfoundation.org](http://www.desmoinesfoundation.org)