

# YOUR GUIDE: DONOR ADVISED FUNDS

## Helping Passionate Donors Leave Permanent Legacies

### Welcome!

Welcome to the Athens Area Community Foundation. Together, we **create a lasting legacy** - unleashing generosity through your grantmaking today, while growing community assets for tomorrow.

The purpose of the Donor Advised Fund program is to create an opportunity for people like you to give back to their communities in an **informed and active way**. This guide is designed to explain the Community Foundation's procedures as well as answer some of the basic questions you may have about your Donor Advised Fund. It is a useful orientation for new donors and a handy refresher for those with established funds! We want to make participation in the work of the Community Foundation as rewarding as possible.

The staff at the Athens Area Community Foundation is dedicated to meeting the diverse needs and interests of our donors. We attempt to personalize our donor services in a variety of ways. But most of all, we want to get to know your charitable interests so that we are better able to assist you in meeting your **charitable giving goals**.

A community foundation is a publicly supported organization created by and for local citizens to benefit their community. Community foundations build philanthropy and support philanthropic efforts to **meet local needs and improve the quality of life for all**.

**Fun Fact!** There are 1800+ community foundations throughout the world, more than 1,000 of which are in the United States.\*

*\*communityfoundationatlas.org*

### History & Mission

With the creation of the Athens Area Community Foundation in 2008, the Athens area now has a public philanthropic organization dedicated to **supporting our thriving, just, and caring community**. As the local center for philanthropy, the Athens Area Community Foundation connects individuals, families, corporations, and private foundations in the Athens area to the critical issues facing our community. We advance sustainable solutions through collaboration with civic and charitable organizations.

The Athens Area Community Foundation, Inc. is a public charity that **helps donors leave permanent legacies, serves as a well-informed grantmaker, and shapes effective responses to community needs through collaboration**. As a public grantmaking foundation, we partner with donors, nonprofits, and community institutions to build, distribute, and preserve philanthropic assets that will enhance quality of life in the Athens area for generations to come.



## Characteristics of a Donor Advised Fund

A Donor Advised Fund is a charitable fund established by a donor who contributes cash or assets, receives an immediate tax deduction, and distributes money to their chosen charities for years to come. A Donor Advised Fund offers active participation in the grant making process by allowing you to recommend the grant recipients. It affords many of the advantages of a private foundation with greater tax benefits and none of the administrative tasks.

### Donor-advised funds are ideal for families and individuals who:

- Want simplicity
- Support multiple charities
- Seek help occasionally with decisions about their grant recommendations
- Are interested in learning more about their community
- Want to make charitable contributions at financially advantageous times from a tax standpoint
- Want to give anonymously

This type of fund is a perfect vehicle for those who wish to **participate actively in grantmaking and retain philanthropic flexibility.**

### Benefits Include:

**Simplicity:** You can centralize and streamline your philanthropy. One fund at the Community Foundation allows you to recommend grants to many different nonprofit organizations without making separate contributions to each.

**Flexibility:** You can add donations whenever you want. The Community Foundation can accept donations of almost any asset, including stock and real estate. Your fund continues to be invested and grows tax-free in a well-diversified, professionally managed portfolio.

**Expertise:** Your partnership with the Community Foundation is an opportunity to learn about philanthropy from experienced, professional grantmakers. Program staff- a ready reserve of information and expertise about our community- are your guide for local philanthropy.

### **Attractive Alternative To A Private Foundation:**

A private foundation can be an appropriate vehicle in the right circumstances. However, the disadvantages of private foundations, including costs, administration, annual tax filings to the IRS, and lesser tax benefits, cause many people to seek a better alternative. A Donor Advised Fund may be that better alternative.

## Minimum Value

The Community Foundation recommends a minimum of \$10,000 to open a Donor Advised Fund but we are eager to work with you to accomplish your charitable goals and discuss your individual circumstances.



## Additional Contributions

Gifts to a public charity, unlike contributions to a private foundation, have the benefit of the maximum charitable deduction permitted under current laws. The charitable gift you make to establish a Donor Advised Fund, and any subsequent contributions to the fund, are fully deductible as gifts to a public charity. All gifts to the fund are acknowledged by a sanctioned IRS letter that may be used as evidence of the charitable contributions for tax purposes.

Some Donor Advised Funds conduct fundraising events or solicitations to grow their fund. All solicitations on behalf of a fund at the Community Foundation must meet our Fund Activity Guidelines in advance of fundraising or solicitation. Staff will provide these guidelines upon request.

## Common Grants

Here is a list of the most common types of grants made to nonprofit organizations and what they typically mean to those organizations:

- **Unrestricted:** An unrestricted grant allows the nonprofit to use the dollars where most needed
- **Operating/General Support:** An operating grant provides for the day-to-day costs of running the organization
- **Project/Program:** A project or program grant supports a specific activity
- **Capital/Capital Campaign:** A capital grant provides support for the purchase of property, the construction of a facility, remodeling/expansion of facility, or purchase of equipment
- **Endowment:** An endowment is a permanent source of income for organizational operating or program expenses
- **Challenge or matching grant:** A challenge or matching grant helps a nonprofit leverage additional dollars through a fundraising campaign

“What’s nice about the Athens Area Community Foundation is that you can have everything in one place, and you can put your money in at any time. Before, we were always trying to play catch up by the end of the calendar year. This takes the pressure off of year-end giving. Now, it rolls over until you know what you want to do with it.”

*John and Teresa McLean,  
The McLean Family Foundation Fund*

## Maintaining Contact with Grant Recipients

When the Community Foundation makes a grant from a Donor Advised Fund, the charitable organization receiving the grant is informed by letter. A copy of the grant distribution letter is sent to you as confirmation. Grants are made in the name of your donor advised fund or, if you choose, anonymously.

We make an effort to **respond promptly to your grant recommendations**. Checks to organizations previously known to the Community Foundation will be issued in a timely manner – usually within five business days of receipt of the grant recommendation. Community Foundation staff will gather basic data and follow through with appropriate actions as quickly as possible.



## Additional Ways to Support the Athens Area Community Foundation

When you give through the Athens Area Community Foundation, not only are you supporting issues you care deeply about, but you're also **making a collective impact on the entire community** - impact that is bigger, more responsive, and longer-lasting than can be accomplished alone. As we like to say, we help you create a lasting legacy.

As we continue to grow as a local community foundation, we are focused on the word **trust**. We want to be your trusted guide for local philanthropy, a trusted partner for local organizations, and a trusted leader in our community. **Investing in our work of community leadership allows us to continue to address ever-changing community needs, identify opportunities, and target your dollars where they will be most effective.** By making anchoring your philanthropy with the Athens Area Community Foundation and by making gifts to the funds below, you demonstrate a desire to support the Foundation's work of community leadership.

- **The Community Foundation's Operating Endowment**
- **The Steve Jones and Lillian Kinsey Community Impact Fund (Discretionary Grantmaking Fund)**
- **A fund for unrestricted or field of interest grantmaking**

**"...the Athens Area Community Foundation really helps and advises people who may not know where to give or where the needs are. They're really attuned to the Athens community and that helps greatly."**

*Pam Shropshire,  
Shropshire Family Fund*

### Online Donor Portal

You will gain access to our **secure, password protected, online portal** to view your fund activity at any time. You will be able to check your balance, make grant requests, and view quarterly fund statements, available to you via our online donor portal on approximately the 20th of the month following the close of the quarter. These reports contain information on interest and dividends earned, realized/unrealized gains and losses, contributions, fees, and grants made during the quarter. Historical data of all your gift and grant-making as well as all contributions made to the fund via the online portal will also be available.

### Creating a Lasting Legacy

By creating a fund with us during your lifetime, you have already made it possible to leave a **permanent, charitable legacy**. Upon death of the last surviving advisor, the fund will continue as a permanent, named endowment meeting your charitable purposes for generations to come. This allows you to build a permanent legacy and to perpetuate the name you select for the fund. You may want to add to the fund by making a charitable provision in your will. Or you may also create additional funds named for your family or in honor of a relative or friend to serve as memorials to them. Gifts will be made in the name of your fund in perpetuity.

### Family Involvement

You may wish to encourage your children to carry on this **tradition of philanthropy**. The Community Foundation invites you to appoint your children as successor advisors. Experience indicates that educating children through example and shared activities instills this legacy of commitment. We would be glad to assist you in determining an appropriate way to involve others in your family philanthropy.



## Donor Engagement

The Community Foundation is a vehicle for donors to act as **strong, strategic philanthropists**. The Foundation encourages you to play an active role as an advisor to the Donor Advised Fund you establish. To prevent your fund from becoming inactive, Community Foundation staff is always available and will be in touch with you periodically to see if you would like assistance in identifying charitable organizations to support or would like to engage in funding a larger initiative. Communication fosters understanding and helps us to efficiently administer your contributions and more effectively respond to your distribution suggestions. You may contact us in person, by telephone, mail, or email, whichever is most convenient for you. Our online donor portal allows you to interact with your fund at any time, and Community Foundation staff will immediately receive notice of any contributions made to your fund(s) and grant requests by donor advisor(s) of the fund.

Unless a waiting period is specified in the Fund Agreement, for any fund that has not made distributions commensurate in size with the Foundation's spending policy over a two-year period, the Foundation will contact the founding donor advisor(s), successor advisor(s) or beneficiary agency to discuss the fund activity. In the event that the beneficiary agency has ceased operating or founding donor advisor(s) or successor advisor(s) cannot be located or are unresponsive within 90 days of initial outreach, or after three attempts to contact the individual, the remaining balance in the fund shall be transferred to the Foundation's Community Grantmaking Fund.

## Frequently Asked Questions

*When may I make recommendations for distributions from the Fund?*

You may make grants from your fund whenever you wish throughout the year.

*How often should I recommend grants from the Fund?*

We encourage you to recommend grants from your fund on a regular basis. Some advisors choose to do this annually, while others offer their recommendations semi-annually or quarterly.

*How will I know how much I have available in the fund to make recommendations for grants?*

You can access your online donor portal at any time to see your current fund balance. Visit our website at [athensareacf.org](https://athensareacf.org) and click "Login" in the green stripe at the top of the page. Additionally, fund statements are prepared quarterly and posted to the online portal. You may contact Community Foundation staff at any time to discuss the details of your fund.

*What kind of organizations may I recommend for grants?*

You may recommend publicly supported 501(c)(3) charitable organizations, schools, or government entities.

*May I recommend a multi-year grant from my Fund?*

Yes. At the time of your recommendation please indicate that the distribution is to be made in increments. We will administer the distribution and payment schedule automatically.

*May I serve on the board of an organization and recommend a grant to it from my Donor Advised Fund?*

Yes, as long as you receive no personal benefit from the grant.



## General Policies of the Athens Area Community Foundation

These guidelines provide you, the donor advisor(s) and prospective donor advisors of the Athens Area Community Foundation, with information on what you may expect in working with the Community Foundation. We look forward to helping you reach your charitable goals and always welcome your input and suggestions. The information contained in this handbook is intended to inform donors and professional advisors about Donor Advised Funds. We will make our best effort to communicate any changes about Donor Advised Funds in a timely manner.

## Confidentiality of Donor Information

Information about the Community Foundation donors is confidential. We do not disclose names, financial information, individuals' ages, or other personal information without the donor's consent.

We use your mailing information only to grantee organizations so that they may appropriately acknowledge the grant to you (unless you request anonymity) and only as a means for us to stay in touch - to keep you informed of your fund activity and Community Foundation activities and opportunities.

## Information on Charitable Giving and Organizations

To assist you in meeting your charitable goals, we are pleased to provide you with information on charitable giving techniques, such as planned giving, as well as information about charitable organizations you may wish to support through the Community Foundation.

In our relationship with you and with other donors, we also encourage the involvement of your professional advisors. We do suggest you solicit legal and other professional advice, as needed, to optimize the benefits of your relationship with us.

## Staff Contact

The Athens Area Community Foundation's staff is an excellent resource for donor advisors and is always available to assist you in accomplishing your philanthropic goals. Please contact us.

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