



THE COMMUNITY FOUNDATION  
*of Shelby County*

*Build Today...Dream for Tomorrow*

## Gift Account Guidelines

A Gift Account at the Community Foundation of Shelby County is a short-term donor advised fund that is intended to disburse to qualifying charities the entire amount gifted to the account. These non-endowed funds make budgeting and tracking your charitable giving very easy.

Gifts to a Gift Account are irrevocable and, by law, the Fund must be under the authority of the Board of Trustees of the Community Foundation of Shelby County.

### **Establishing a Gift Account**

Two items are necessary to establish a Gift Account: a signed fund agreement and a gift. A basic agreement is available from the Community Foundation office which allows you to specify advisors (typically you and your spouse or other family members) and successor advisors who may provide grant recommendations. Gifts may be given in any amount and in the form of cash or publicly traded securities. Checks may be made payable to: **Community Foundation of Shelby County**...add to the memo line "Gift Account of (your name)." See details for stock gifts in the section below.

### **Adding New Gifts**

You may add to the Gift Account at any time and in any amount. If you are planning to transfer a gift of public securities to our account, please contact our office with the company name (or stock ticker) and number of stock. We want to correctly credit the sale proceeds to the proper account. Please call us if you need our account and DTC numbers.

### **Advisory Committee Involvement**

Donor advisors have the opportunity to stay involved with granting from the Gift Account. You will be offered the opportunity to receive fund statements by mail or through an online, password protected site.

Donor advisors should update contact information whenever necessary and should inform the Foundation of changes in the involvement of advisors or successors.

### **Granting**

Gift Account grants are written only for charitable purposes and typically to organizations that have a 501(c)(3) tax exemption and are described in Section 170(b)(1)(A). The Community Foundation's encourages advisors that grants are to be issued only to qualified 501(c)(3) charities. Our staff handles due diligence to uncover the tax status of a grantee and will contact you if there are any concerns or difficulties with a grant.

In accordance with the Pension Protection Act of 2006, donor advised fund grants may be issued to 501(c)(3) charities that have a 509(a)(1) or 509(a)(2) status and to 509(a)(3) Type I, II or III functionally integrated supporting organizations. Grants to not-for-profit organizations that do not have a 501(c)(3) status or are 509(a)(3) Type III non-functionally integrated supporting organizations (or other types of supporting organizations if the organization they are supporting is controlled directly or indirectly by either the donor, advisor or a related party) may be permitted if the organization satisfies expenditure responsibility requirements.

Fund advisors may recommend grants at any time and in any amount to other charitable funds within the Community Foundation and to qualified not-for-profit organizations. Distributions from a Gift Account have no tax impact for the donor, as a gift to the Community Foundation was the tax deductible event.

It is the Community Foundation's general practice to follow donor advisor recommendations; however, as a component fund of the Community Foundation, the final decision regarding all distributions from the Fund shall lie with the Board.

### **Making a Grant Recommendation:**

- ◆ Please mail or email the name of the charity, the amount and any special instructions to the Community Foundation office. Grant checks may be mailed to any qualifying local or national public charity's office or returned to you if you would like to personally deliver it.
- ◆ Please let us know if the grant is to go to a specific fund at the charity such as the 'Building Fund' or the 'Annual Giving Campaign.' We can include this information with the grant check.
- ◆ Grant Recommendation forms are available to make the process more convenient. Contact us if you need a supply of forms.
- ◆ Grant recommendations received by noon on Wednesday are typically disbursed by the end of the week. Grant checks may be issued in any amount, up to the entire balance of the account.
- ◆ We can issue grants on a monthly or quarterly schedule to your church or other favorite charity...just let us know if you would like to request a scheduled grant.
- ◆ Grant checks identify you as the donor, unless you request an anonymous grant.

### **Grant Restrictions**

Certain types of grants prohibited by the Pension Protection Act of 2006 will not be issued, including:

1. Grants to individuals or to organizations for the benefit of specific individuals.
2. Grants or other payments to donors, advisors or related parties
3. Grants for non-charitable purposes.

Grants will not be issued under certain circumstances. The following restrictions apply to fund donors, advisors and related parties, including family members and employees:

- ◆ To an individual;
- ◆ To satisfy pledges (e.g. a signed commitment to make future gifts);
- ◆ To provide a loan, compensation or similar payments or to reimburse individuals for expenses incurred because of the Gift Account;
- ◆ To pay for dinners, entertainment, golf tournaments, tickets to events and other benefits of more than an incidental value. Grants cannot be used to cover the cost of tickets for a charity dinner or entertainment, even if the donor advisor does not use the tickets;
- ◆ To pay a membership in an organization such as a fraternal or veterans organization or a nonprofit golf or fitness club. Donor Advised Funds may be able to support foundations associated with these organizations, so long as no membership benefit is given in return for the contribution;
- ◆ To purchase raffle tickets, games of chance, or charity auction items; or
- ◆ To private foundations, to political campaigns, or for lobbying purposes.

**Fund Statements**

Monthly reports for the charitable fund are provided for those who are authorized. An online portal is also available, which allows viewing of the fund's activity at any time.

**No Fees**

No fee is charged to the balance of the Gift Account. Instead, the Foundation retains any interest earned on the account.

If you have any questions about the Gift Account or the Community Foundation of Shelby County, please contact Marian Spicer, Executive Director ([mspicer@commfoun.com](mailto:mspicer@commfoun.com)) or Jessica Fortkamp, Donor Relations Director ([jfortkamp@commfoun.com](mailto:jfortkamp@commfoun.com)), at (937) 497-7800.