

## **Donor Advised Fund Guidelines and Policies**

### **I. General Policy**

The Greater Green Bay Community Foundation (the "Foundation") welcomes the opportunity to partner with people who wish to be actively involved in charitable giving (i.e., grantmaking). The IRS allows community foundations to offer donors the opportunity to make tax-deductible gifts at the most advantageous time for them and then to recommend grants over a prolonged period of time through an advised fund. The IRS expects that the Foundation will administer its advised funds in a manner that will maximize the benefits to the community and ensure effective charitable giving.

### **II. What is a Donor Advised Fund?**

A donor advised fund defined by federal legislation possesses three characteristics:

- The fund is separately identified with reference to the contributions of a donor or donors. For example, the Smith Family Fund established by the Smith family children.
- The fund is owned and controlled by a sponsoring organization, for example the Foundation.
- The donor or persons appointed by the donor expect to have the privilege of providing advice with respect to the fund's distributions.

### **III. Minimum Fund Size**

Fund balances must be established and maintained at \$10,000 for donor advised endowed funds.

### **IV. Gifts into a Fund**

Gifts to the donor advised fund are irrevocable. The assets of donor advised endowed funds are owned and controlled by the Greater Green Bay Community Foundation. Contributions to a fund are tax-deductible to the furthest extent of the law, and may be made in any amount, although a fund must maintain a balance of \$10,000 to be activated and remain active. See the gift acceptance policy for additional details.

### **V. Definition of an Active Fund**

Donor advised funds are considered active when there is regular communication between a donor (or named successors) and the Greater Green Bay Community Foundation regarding the existence and purpose of the fund. Examples of fund activity include:

- Regular grant recommendations
- Development of a long-term giving plan where a donor deliberately reduces grantmaking from fund. Examples include,
  - An intention of increasing the donor advised fund balance to support grantmaking during a specific time period, such as retirement.
  - Building a fund over time so the donor's children can make grants at a later date.
- Starter Fund: Donors may need time to build their fund to the \$10,000 minimum balance before making grants to the community.
- Special Circumstances: Grant recommendations are not made for a number of years due to a special circumstance. Examples of these circumstances include:
  - Incapacitation of donor
  - Death of donor with minor successor advisors
  - Divorce
  - Estate proceedings

### **VI. Grants from the Donor Advised Fund**

***Guidelines and procedures for making grants from the fund include:***

- Grants can be requested via email, written mail correspondence or through the Donor Dashboard via the Foundation website
- Minimum grant recommendation size is \$100.
- Grants may be recommended to qualified charitable organizations. Qualified charities generally include 1) those organizations described in Section 501(c)(3) of the Internal Revenue Code that are not also private foundations, or certain types of supporting organizations and 2) certain governmental organizations, such as school districts, public libraries, and other units of government. Due diligence is performed by the Foundation's staff following the Foundation's Due Diligence policy to verify that the organization is a qualified charity and that its status is current.
- Each grant recommended is approved by the Board of Directors of the Foundation.
- Grants may not be used to pay membership dues, personal pledges or other financial obligation of the donor, advisors or any related party. However, an advisor may indicate to a charitable institution that he or she will recommend a grant from the fund. Advisors may recommend that a grant be paid out over multiple years, subject to grant approval and annual due diligence.
- Grants from the fund may not be made to a specific individual or designated for a specific individual, such as for scholarships, emergency hardship grants, or disaster relief grants.
- Grants may be made beyond the service area of the Foundation.
- Donors, advisors or any related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from donor advised funds.
- No goods or services (i.e., tables, tickets to events, meals, preferred parking or seating, discounted merchandise or other preferential treatment) or other personal or material benefit that is not provided to the general public (i.e., newsletters) may be received by the donor, advisors or any related party.

**VII. Fund Recognition**

All grants are made in the name of the fund, unless the donor requests to remain anonymous. It is also the practice of the Foundation to list all funds in its annual report, unless the donor requests otherwise.

**VIII. Fund Successor Advisors**

The original donor can designate multiple living generation(s) of advisors beyond the original donor. A successor advisor can designate their own successor advisor(s) in the event the original donor has not already provided for a subsequent successor advisor to the then-current successor advisor. At such time as advisors from a successor generation become active advisors or in the event of a donor advised fund established upon the death of the original donor, the fund, if not already endowed, will become an endowed fund and the Foundation's spending policy will determine the amount available for distribution annually.

**IX. Fund Management**

It is important to both donors and the Foundation that advised funds not be considered private foundations; therefore, donors may not retain control of investments, including the retention or sale of any assets contributed.

**X. Annual Payout Requirement**

No specific annual grant payout is required.

## **XI. Activating Grantmaking**

Absent of a communicated giving plan, should grant activity stop for more than a one (1) year period, steps will be taken by the staff or the board to activate dormant funds. These steps may include:

- Notifying the fund advisor regularly and periodically, every 6 months over a two-year period, to encourage the fund advisor to activate the fund.
- If at the end of that two-year period no activity has occurred, grants from the fund may be distributed to qualified grant recipients that align with donor intent. However, if the Community Foundation determines such intent is obsolete, incapable of being fulfilled, impractical, or inconsistent with the community's charitable needs, then the Greater Green Bay Community Foundation can exercise its overriding variance power to meet the needs of the community and to address the charitable purpose for which the funds were committed.
- Closing a fund which does not meet the Foundation's required minimum amount within a stated period of time, and re-allocating of the fund proceeds to the Greater Green Bay Community Foundations unrestricted fund within the Funds for Greater Green Bay.

## **XI. Governance; Variance**

The Fund shall be a component part of the Foundation and all assets of the fund shall be the property of the Foundation and not a separate trust or entity. Control over the investment and management of the assets of the fund shall be exercised exclusively by the Foundation and the assets of the fund may be commingled with other assets of the Foundation for investment or other purposes. The fund shall be held and administered subject to the provisions of the Foundation's Articles of Incorporation, Bylaws and other governing instruments as presently in effect or as each may be amended from time to time, including those provisions which may permit the Board to amend, modify or vary any of the purposes, directions, restrictions or conditions set forth herein and notwithstanding any provisions of the Wisconsin Uniform Prudent Management of Institutional Funds Act, Section 112.11 Wis. Stats., or any successor thereto to the contrary. Without limitation, the undersigned acknowledges that under the Bylaws of the Foundation, the Board has the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations or any direction as to the timing, manner or character of distributions from any component fund, if, in the sole judgment of the Board (without the approval of any participating trustee, custodian or agent) such restriction, condition or direction (a) becomes, in effect, unnecessary, impractical, incapable of fulfillment or inconsistent with the charitable needs of the Greater Green Bay Area; (b) is inconsistent with any distribution policy adopted by the Board; or (c) would result in the imposition of any tax or penalty on, or the loss of any tax benefit by, the Foundation, any donor to the Foundation, or any other person.

Approved by GGBCF Executive Team February 28, 2011  
Approved by GGBCF Board of Directors March 8, 2011  
Approved by GGBCF Executive Team November 28, 2016  
Approved by GGBCF Board of Directors September 10, 2019