



Donor Advised Fund Handbook

Everything you need to know about your fund and how to get the most from it.



**Community Foundation
of Southern Indiana**
Partner. Resource. Steward.

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Thank you for establishing an advised fund with the Community Foundation of Southern Indiana (CFSI). With the creation of your fund, you have joined a community of donors committed to Southern Indiana and to the people and organizations who make Clark and Floyd counties a wonderful place to call home!

This handbook is designed to empower you to become an active fund holder. You will find information on how to submit a grant request, how to make additional contributions and how to get more involved with CFSI through educational and donor programs.

As your philanthropic partner, CFSI is here to assist you in every way. If you have any questions, please do not hesitate to contact us. We are happy to help.

Welcome to the Community Foundation family!

Sincerely,

Linda Speed
President and CEO

In 1991, the Community Foundation of Southern Indiana was formed to be a resource for individuals as they honor and support causes they love. Twenty-four years later, CFSI has grown into an organization with assets over \$116 million dollars. With Linda Speed, President and CEO, leading the organization into the future, CFSI continues a tradition of excellence as we make it easy for you to give, now and for generations.

VISION

To be the partner and trusted resource for philanthropy in our community, providing stewardship of charitable intent so the impact of generosity will last for generations.

MISSION

To build enduring charitable resources used to positively impact our community by:

- Serving as a partner and resource for donors, their advisors, and not-for-profit organizations
- Making it simple for donors to fulfill their individual goals in giving back
- Providing stewardship of donor gifts and charitable intent for generations to come
- Fulfilling a leadership role on important community issues

Endowed Funds and Pass Through Funds

Your advised fund may be endowed (invested for permanent growth, with a portion of the earnings available to spend each year for grants) or pass through (where the entire balance of your fund may be spent at any time) or a combination. We've noted your fund's type in Your Fund At A Glance (p. 2) . The main distinctions are detailed for you in a chart in the Appendix.

If your fund is pass through, you may wish at some point to create an endowment (minimum \$15,000 or \$25,000 if it is a scholarship fund) with a portion of your fund, so that your charitable legacy can live for generations—and so you can name children and grandchildren to the Advisory Committee if you wish. Give us a call at (812) 948-4662 if you would like to learn more.

It's our pleasure to serve as your partner in giving. Don't hesitate to contact us with any questions you may have about your fund or your grants.

With your Donor Advised Fund, you remain active in the grant making process. You recommend the nonprofit organizations and programs that you wish to support through your fund. The organizations you support can change from year to year. **Generally, grants must be a minimum of \$250.**

How to Recommend a Grant

Making a grant to fund a nonprofit organization(s) through your advised fund is a simple process. The Chair of your Advisory Committee or the fund advisor fills out the Grant Recommendation Form and submits it by mail, fax, or online. Please note the minimum grant recommendation amount is \$250. An example of the Grant Recommendation Form can be found in the Appendix.

To obtain/submit your Grant Recommendation Form Online

Visit www.cfsouthernindiana.com and from the Menu select “Resources” and then “Donor and Fund Holder Resources.” From here you’ll be able to download a PDF copy of the Grant Recommendation Form to fill out submit via email or fax. Or, you can choose to fill out and submit your form electronically directly through the website and once submitted, a copy will be sent to your email address. Lastly, you may contact us at (812) 948-4662 and request that we mail you a blank form which you can fill in and return. There is a blank Grant Recommendation Form in the Appendix which you are welcome to reproduce as you need it, if desired.

To submit your Grant Recommendation Form

By mail, email or fax, send your completed form to:

Crystal Gunther, Director of Community Philanthropy
Community Foundation of Southern Indiana
cgunther@cfsouthernindiana.com
4108 Charlestown Road
New Albany, IN 47150
Fax: (812) 948-4678



IRS Regulations

The Foundation must adhere to Internal Revenue Service (IRS) regulations regarding recommendations from advised fund donors. IRS rules stipulate a donor cannot make a tax deductible contribution and at the same time retain future control over the contribution. However, the law expressly recognizes the right of living donors to make grant recommendations from time to time.

The IRS further provides that grants from donor advised funds cannot be made to pay dues for membership of an individual in an organization, to discharge or satisfy legally enforceable financial obligations of the donor, advisors or related parties, or for any other purpose from which the donor, advisors, or any related parties will receive more than token benefit. Examples include: table sponsorship, ticket purchases to fund raising dinners, greens fees for a charity golf tournament, or contributions to an athletic fund which provides the ability to purchase tickets. In addition, grants from donor advised funds will not be made to support political campaigns or lobbying activities, or be used for any specific individual (including grants to an entity for the benefit of a specific individual) or for loans to donors, advisors, or related parties.

CFSI Board Responsibility

All grant recommendations must be approved by the CFSI Board of Directors. Grant recommendations for amounts up to \$5,000 may be approved by staff with ultimate ratification by the Board. Grant recommendations for amounts over \$5,000 must be approved in advance by the Board. In general, the approval and distribution of grants of any amount takes approximately 7–10 days from receipt of the grant recommendation form.

Due Diligence

When we receive your Grant Recommendation Form, we check each organization to make sure it is a qualified 501(c)(3) nonprofit organization. When necessary, we contact organizations and gather pertinent information such as program descriptions, a list of board members, budget information and documentation of tax-exempt status. You don't have to worry about performing the due diligence on your grants—we take care of that for you. Be assured we take the performance of our due diligence functions seriously and will alert you prior to issuing the grant if there are any issues.

Awarding Grants

Once grant recommendations have been approved and all of the necessary due diligence procedures are complete, a check will be issued to the organization requested. With the check, the organization will receive a letter stating that the grant they are receiving was made possible by your Fund at the Community Foundation. And if you so desire, we will also list your name and address so the organization can follow up personally with you. Any grant from your fund may be made anonymously, if you so inform us. These choices are available to you on a grant-by-grant basis as you complete the Grant Recommendation Form.

If you have restricted the grant for particular use (for example, a certain program of the organization) notification of that restriction will be included with the check and grant letter.

Grant Notification Slip

For occasions when you want to personally deliver the grant check, or during the time period while we are processing your grant request, we would be happy to provide you with grant notification slips that you can use in lieu of the grant check. The form (example below), notifies your charitable recipients that grant money will be on its way to their organization from your fund. You can find Grant Notification Slips on page a3 of this handbook.

Sample Grant Notification Slip

Community Foundation
of Southern Indiana
Partner. Resource. Steward.

Date: _____

To: _____
Organization Name

Made Possible By: _____
Fund Name or Donor Name

Grant Amount
\$

This non-negotiable certificate represents a grant being recommended to your organization from a fund of the Community Foundation of Southern Indiana. A check from the Community Foundation will arrive separately if approved.

Community Foundation of Southern Indiana
4108 Charlestown Road, New Albany, IN 47150 (812) 948-4662
www.cfsouthernindiana.com

Examples

Each week in church a collection plate goes around. You would like to give to this collection at your church through your fund. Simply add your Grant Notification Slip into the collection informing your church of the expected donation. Follow up by submitting your recommendation form to CFSI and we will distribute your grant.

You are an avid support of the arts and have been invited to the annual gala event. While at the event, the organization's passion for their cause has motivated you to make a donation on the spot. You can use a grant notification slip to inform the organization at the event that you will be making a request to your fund for a grant. Please do keep in mind that you can not use your fund to purchase tickets to an event, auction items, or raffle tickets.

The DO's and DONT'S of Grant Making

- Do submit your Grant Request Form for all recommendations from your fund.
- Do let us know if you wish to remain anonymous.
- Do use the Grant Notification Slip if you want to personally deliver the news about the grant.
- Do contact us if you have any questions.
- Don't ask us to make a grant to pay dues or fulfill any legally enforceable obligation.
- Don't ask us to make a grant to an organization for any type of membership, ticket to or table at a fundraiser, goods at a charitable auction, contributions to a college athletic fund, sponsorship, or other contribution that provides a personal benefit to you or another person.
- Don't ask that a grant be made to a private foundation, for lobbying purposes or to support a political campaign.
- Don't ask us to make a grant to an individual or an organization that is not a 501(c)(3) public charity.

Year End Giving

As each calendar year draws to a close, you may be wondering if there are ways to take advantage of a tax deduction now while deciding about your grants later. Consider making a year end gift to your fund. Additional gifts to your fund qualify for the maximum charitable income tax deduction. Then you can decide what organizations or programs you want to fund in the coming year—on your own schedule.

Quarterly Fund Statements

CFSI provides fund statements to fund holders and/or fund representatives on a quarterly basis. The purpose of the fund statement is to keep you up-to-date on the current balance of your fund, investment returns, fees, and the amount available to grant from your fund.

Along with your fund statement, you will receive a special fundholder newsletter highlighting CFSI's involvement in the community and informational articles that will help you in your grant making.

In addition to your quarterly fund statement, you may contact Melany Wessels, Senior Director of Finance and Operations, at any time to inquire about your fund balance by calling (812) 948-4662 or via email at mwessels@cfsouthernindiana.com.

Adding to Your Fund

Your fund at the Foundation already makes an impact, year after year, by the grants made from it to the charitable causes you support. Adding to your fund increases the good that you are already accomplishing. You can make additional contributions to your fund at any time in one of three ways:

Online via credit card:

Visit www.cfsouthernindiana.com.

Click on the "Give Today" button in the upper right corner

Begin filling in the online secure form

"Step 1: Select a fund type." - In the drop down menu, select "Personal Funds".

"Step 2: Select a fund." - Select your fund.

"Step 3: Enter Donation Amount" - Enter the additional amount you would like to contribute.

Complete the remainder of the form and select "Submit"

Your donation will process securely over our internet server. The information will be sent directly to our Finance Office and a gift acknowledgement and tax receipt will be prepared by the Foundation's staff and mailed to you with in 3 to 5 business days.

Please Note: A small assessment is taken by the credit card company for this service.

Feel free to contact our office if you have questions.

By Mail:

Mail a check for your additional contribution to the Foundation. Be sure to indicate the name of your fund in the memo line of your check.

With Appreciated Securities:

You might want to consider using appreciated securities to make your gift – if you have owned the stock for over one year, and you give the stock directly to the Foundation for your fund, you will avoid the payment of any long term capital gains tax that would otherwise be owed on the transfer. In addition, you are eligible for an income tax charitable deduction for the full fair market value of the stock on the day you make the gift. Appreciated stock is a terrific asset to use to make your charitable gifts. Please contact the Foundation at (812) 948-4662 for electronic transfer information.

Statement Schedule

The Foundation operates on a fiscal year (July 1—June 30). The following is a schedule of each quarter and each fund statement mailing:

Quarter 1 (July—September) Ending Sept. 30th: statement mailed in October.

Quarter 2 (October—December) Ending Dec. 31st: statement mailed in January.

Quarter 3 (January—March) Ending March 31st: statement mailed in April.

Quarter 4 (April—June) Ending June 30th: statement mailed in July.

Frequently Asked Questions

What services does the Foundation provide?

The Foundation staff provides all IRS reporting and fund accounting, as well as performing the required due diligence on your requested grants. If desired, we can also provide you with information on area nonprofits, causes, and issues that you want to learn more about. We can provide you with complete anonymity for all or certain grants from your fund, if you wish. All of these services, including the professional investment management of your fund balance, are covered by the Foundation's administrative fee and investment management fees.

Do all grants from my fund have to be used in Southern Indiana?

There is no geographic limitation on your grants. Although we find that the majority of grants made from individual funds do remain in this local area, grants from a Foundation fund may be made to any 501c3 public charity, church or school in the United States. Call us if you have interest in making an overseas grant from your fund—stringent IRS regulations may apply.

What if I would like information about causes I want to support through my fund?

The professional staff of the Foundation are experts in our local community. We are glad to help you develop a personal plan to impact causes you care about.

Can my family get involved in my charitable giving through the Foundation?

Absolutely! If you have an endowment, children, grandchildren, siblings or other trusted individuals may be named to the fund's advisory committee. When the advisory period ends, the fund will perpetually support the needs of the community or your specific charitable interests.

As a fund holder at the Community Foundation of Southern Indiana, you are effecting change now. But what about the future? We all want to leave a lasting impact on the community we call home, ensuring that those organizations we support now will last for generations to come. The Community Foundation of Southern Indiana is committed to helping you leave your legacy through our Legacy Society.

You can create your own personal legacy on behalf of the causes and not-for-profit organizations you care about by naming the Community Foundation as a beneficiary in your will or estate plan. By doing so, the causes you are passionate about will receive support, in your name, for generations. You can add your legacy gift to your existing endowed advised fund, or create a new fund to receive your future gift.

It is a simple matter to name the Foundation in your will or as a beneficiary on a life insurance policy or retirement account. Once you do, our professional staff will help you customize a personal plan to accomplish your charitable goals long into the future. And you can rest assured the Foundation will see to it that your charitable wishes are always carried out, even when you are no longer here to oversee them.

For more information on becoming a member of the Legacy Society, contact Linda Speed, President and CEO, at (812) 948-4662.

Board of Directors



Chair – David Hussung
Vice Chair – Lisa Brones Huber
Treasurer – Adam Naville
Secretary – Sharon Handy
Immediate Past-Chair - Bill White

J. Terrence Cody
Jay Conner
Melissa Fry
Barb Geltmaker
Sharon Handy
Mike Johnson
Amy Letke
Damon Massey
Laura Muncy
Larry Ricke
Sue Sanders
S. Butch Shaw
Catherine Sherrard
J. Scott Waters
Bob Woosley
Linda Speed, *President and CEO, ex-officio*

For information regarding creating a new fund or a legacy gift, contact:

Linda Speed
President and CEO
lspeed@cfsouthernindiana.com



For more information about your statement or investments, contact:

Melany Wessels
Senior Director of Operations and Finance
mwessels@cfsouthernindiana.com



For information on grant making or learn about area non-profits, contact:

Crystal Gunther
Director of Community Philanthropy
cgunther@cfsouthernindiana.com



For more information about your fund or creating a new fund, contact:

Kenton Wooden
Director of Community Outreach
kwooden@cfsouthernindiana.com



Margaret Brinkworth
Program Associate
mbrinkworth@cfsouthernindiana.com



Catherine Beechie
Administrative Assistant and
Office Manager
cbeechie@cfsouthernindiana.com



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New Albany, IN 47150
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F: (812) 948-4678
www.cfsouthernindiana.com



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- a3 Grant Notification Slips
- a5 Grant Notification Slips



You can also complete this form online, or download a new one at www.cfsouthernindiana.com/resources/donor-fund-holder-resources/grant-recommendation-form/



Mail to: Crystal Gunther, Director of Community Philanthropy
Community Foundation of Southern Indiana, Inc.
4108 Charlestown Road, New Albany, IN 47150

OR

Fax to: 812-948-4678

Phone: 812-948-4662

email: cgunther@cfsouthernindiana.com

Fund Name: _____

As the Advisor to the Community Foundation of Southern Indiana, Inc. for the above-listed Fund, I recommend making from the above-named fund the grant or grants listed below.

I certify that the donors, advisors, or other parties related to me or to this fund will not receive any substantial benefit in connection with this recommended grant. I understand and acknowledge that I cannot claim a charitable deduction for a grant made from this donor advised fund, even if the grantee sends me a tax receipt.

I understand and acknowledge that a grant must directly and fully support a charitable program, and therefore, I acknowledge that this grant:

- a. Must receive approval by the Community Foundation of Southern Indiana, Inc. Board of Directors.
- b. Does not fulfill any legally enforceable financial obligations of me, advisors to the fund, or other parties related to me or to this fund.
- c. Does not permit me, my family or any related parties to me or to this fund to acquire a benefit, receive any goods or services or non-tax deductible benefits for myself or any specific individual in exchange for this payment.
- d. Will not support political campaigns or lobbying activities.
- e. Will not pay for dues, tangible membership benefits, goods from charitable auctions, or other goods or services.
- f. Will not pay for attendance at galas, sporting events, or benefit events.
- g. Will not be used for any specific individual (including grants to an entity for the benefit of a specific individual) or for loans to donors, advisors or other parties related to me or to this fund.

**Minimum grant recommendation amount is \$250*

Printed Name: _____

Signature: _____ Date: _____ Phone: _____

The grantee organization may wish to communicate with you as the advisor to the Fund. Direction from you will help the Foundation respond to these requests. Please check all that apply.

- My name may be released – show name as follows: _____
- My fund name may be released.
- My address may be released.
- I prefer the grantee direct correspondence through the Community Foundation; do not release my mailing address to the grantee organization.
- I prefer my recommendation be anonymous with no mention of my name, fund name or address.

Amount Recommended	Full Name and Address of Grantee Organization/Contact Person	Purpose (if other than for general support)

Community Foundation of Southern Indiana, Inc. Use Only	
Program Officer's Signature: _____	Date: _____
Board Approval/Ratification on _____	(Date)

Each of these fund options gives you benefits from the Community Foundation, including: all of our charitable services, maximum income tax, charitable deduction, no fee for drafting or planning, easy and fast to set up your plan, and reporting and administration.

	Pass Through Donor Advised Fund (temporary)	Endowed Donor Advised Fund (permanent)	Partially Endowed Donor Advised Fund (temporary & permanent)
ADMINISTRATION			
Initial Gift Minimum	\$1,000 ¹	\$15,000	\$25,000
Additional Gifts Allowed	Yes	Yes	Yes
Fund Value Fluctuates with Changes in Stock Market	No	Yes	Yes
Administrative Fee	2% on contributions to the fund when made	Up to 2% (tiered fee structure)	Up to 2% (tiered fee structure)
Investment Decisions	N/A - not invested in stock market	CFSI Board makes decisions with investment manager ²	CFSI Board makes decisions with investment manager ²
After Advisory Period (period of time when the donor or a named advisory committee requests grants from the fund)	Fund balance becomes unrestricted fund to support CFSI grantmaking to community	Fund converts to another type of endowment if balance is sufficient	First \$25,000 becomes unrestricted fund; balance administered in accordance with fund agreement
Fund Listed in Annual Report	Yes	Yes	Yes
DONOR INVOLVEMENT			
Donor can recommend grants from fund during lifetime	Yes	Yes	Yes
Fund continues after donor/spouse lifetime	No	Yes	Yes
Donor can name successor advisors (i.e., children) to recommend grants from fund after lifetime	No	Yes	Yes
GRANTMAKING			
Amount Available for Grant Distributions	100% of fund balance	Calculated Amount for Grants ³	Any Amount Above \$25,000 & Calculated Amount ³
Annual Grants Required	No	No	No
Minimum Grant Amount	\$250	\$250	\$250
Able to Make Anonymous Grants	Yes	Yes	Yes
Grant Recommendations Approved by CFSI Board	Yes	Yes	Yes

¹ No minimum required to maintain a pass through fund

² Fundholder may recommend an investment manager with a minimum fund balance of \$100,000, requires Board approval

³ Standard Funds Available for Grantmaking is based on the Foundation's Spending Policy (currently 4%)


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Partner. Resource. Steward.

Date: _____

To: _____
Organization Name

Made Possible By: _____
Fund Name or Donor Name

Grant Amount
\$

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