



DONOR ADVISED FUND FREQUENTLY ASKED QUESTIONS

Community Foundation Serving Western Virginia is committed to providing effective stewardship of our charitable funds. We want to make sure you have the resources and information you need as a donor-advisor. *Please note that the information below applies to the typical foundation donor-advised fund.*

How do I recommend a grant from a fund that I advise?

Simply fill out one of the grant recommendation forms provided by Community Foundation Serving Western Virginia. You will be asked to include the proper name of the organization, the amount of the grant, any special purposes of the grant, and the address for organizations out of the area. After signing the form, mail it to the Foundation office, as we need this on file for audit purposes.

How is the annual grants budget for the Fund determined?

The suggested grants budget is 4% of the Fund's average market value over a three-year rolling average *unless indicated differently in the Fund Agreement.*

If the investment markets decline in any given year, can I still make grant recommendations?

Yes. Because we use the rolling average value, grants can be made every year from a Fund.

When and how often may I submit grant recommendations?

Grant recommendations may be made anytime throughout the year and as often as you choose. The Foundation pays grants twice per month (**generally on the 15th and last day of each month**) with the exception of December. Due to the volume of grant recommendations received at that time, we request that fourth-quarter recommendations be forwarded to the Foundation by **December 1** so they may be processed by year-end.

Why do some grants take longer than others for the Foundation to pay?

Each recommended grantee must submit proper documentation to ensure its public charity status and must be researched and approved by the Foundation. Grant recommendations to local organizations that are frequent grantees will usually already have documentation on file, and generally their grants will be made in the next grant cycle. Organizations that are new to the Foundation require additional research and may take longer to process. We will notify you of any significant delay in processing your recommendation(s).

May I recommend a grant in honor or in memory of someone?

Yes. Please indicate that this is your intent on the grant recommendation form, and we will be happy to notify the organization of this special stipulation.

Can I make grant recommendations to satisfy personal pledges?

No. The IRS prohibits this type of activity. When you are approached by an organization to make a pledge or to fill out a pledge card, we suggest that you use the following language to inform them of your recommendation to the Foundation:

"THIS IS NOT A PLEDGE. I will, however, recommend that a grant of \$_____ be made to your organization from the _____(name of fund)_____of *Community Foundation Serving Western Virginia*."

Can the fund I advise make grants for which I receive benefits, such as event tickets, preferred parking and membership benefits?

No. Again, the IRS prohibits this type of activity. When you make a gift to Community Foundation Serving Western Virginia, we provide you with a letter that says "no goods or services were received for your gift." This statement confirms to your accountant and to the IRS that the full amount of your gift is tax-deductible. Financial penalties apply if you, or a related party, receive more than 'token benefits.' The law also bars grants, loans, compensation and similar payments from donor advised funds to donors, advisors and related parties.

Can the fund I advise make grants to non-profits outside of the Roanoke Valley?

Yes. Grantmaking through Community Foundation Serving Western Virginia's funds is not limited to the Roanoke Valley or even Virginia. The Foundation interprets its service to Roanoke Valley donors in a broad sense. We recognize that donors have interests that extend beyond our geographic boundary, and we will therefore accept recommendations to any qualified US 501(c)3 publicly supported organization.

Can the fund I advise make grants to organizations outside of the U.S.?

Yes, under limited circumstances and subject to IRS and Community Foundation Serving Western Virginia policy restrictions. Grantmaking to support recognized charitable purposes outside of the U.S. is permitted in accordance with IRS guidelines and in consideration of the Foundation's view that international organizations provide services that indirectly benefit people in our community (e.g., through alleviating poverty or disease, or generally contributing to education or world peace). However, the community foundation generally approves such grants to domestic charities undertaking international programs. If you are uncertain about the legal status of the charity, it is advisable to discuss the details of a potential international grant with the Foundation before making a recommendation.

Can I recommend grants to assist an individual in need?

No. The IRS prohibits donor advised funds from making grants to individuals.

Can I be recognized personally for recommending a grant?

The letter accompanying a grant check always informs the grantee organization that the grant is made possible through the XYZ Fund of the Foundation. While we hope that grantees will also recognize the donor advisors by name, we unfortunately cannot control the respective grantees' donor-recognition policies.

Can the fund I advise make anonymous grants?

Yes. Upon request, we will refrain from including your name and/or the name of the fund in the letter accompanying a grant check. Please let us know of this preference in advance of making your grant recommendation(s).

What if I want to do fundraising for my fund?

Anyone considering conducting a fundraising activity to benefit a fund of Community Foundation Serving Western Virginia must review our Fundraising Policy and submit a completed Fundraising Application for consideration well in advance of the activity. It is the responsibility of the donor or representative of the fund to understand and adhere to the Foundation's Fundraising Policy, which is intended to keep the Foundation in compliance with applicable laws and to protect the Foundation against undue liabilities.

Can I name family members as successor advisors?

Generally, the Foundation permits advisors to name (in writing) successor advisors one generation past the current advisors, and this issue is usually addressed in the respective fund agreement that established the fund.

Is there a minimum amount for a grant recommendation?

The Foundation prefers that grant recommendations be for at least \$100.

Can I recommend a grant to a religious organization?

Yes. The Foundation can make grants to religious organizations.