



# DONOR ADVISED FUND HANDBOOK



*Legal Disclaimer: Please note that the Community Foundation cannot give legal or tax advice but will work hand in hand with your advisor to achieve the results you intend.*

# Welcome to the Community Foundation Family!

To Our Donors,

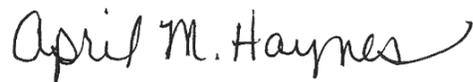
Welcome! On behalf of Community Foundation Serving Western Virginia, thank you so much for using us as your philanthropic partner. As a donor advisor, you play a very important role in making charitable investments in our community.

We have developed this guide to make your experience working with your Community Foundation easy and enjoyable. It contains information about making grant recommendations from and additional contributions to a Donor Advised Fund. It also contains information to help you interpret financial statements, fees and year-end giving deadlines. You can find additional information on our website at [cfwesternva.org](http://cfwesternva.org).

Please feel free to contact us at any time by phone or email, and of course you are always welcome to stop by our office, or we can come to you.

Again, thank you for partnering with us to ensure significant resources are available to maintain and improve the quality of life in our communities!

All the very best,



April M. Haynes  
Regional Vice President



Michelle M. Eberly  
Director, Grants & Donor Engagement



# About the Community Foundation

## Mission

Enabling people who love their community to easily give back.

## Vision

The Foundation will have significant financial resources to fund our communities' needs forever.

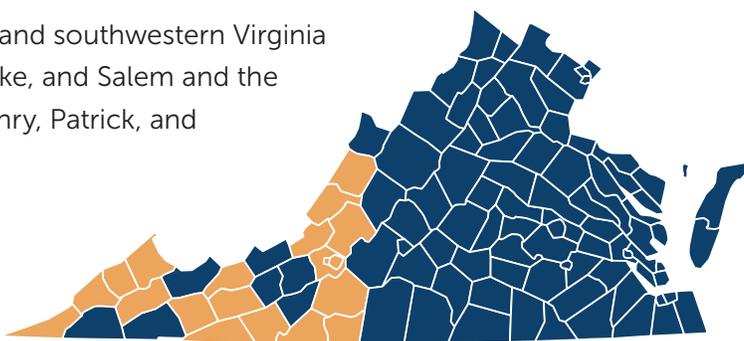
Community Foundation Serving Western Virginia has been providing customized services to donors for decades, connecting their generosity with a broad spectrum of important needs and opportunities within our communities. We exist to help people give in ways that have joy and meaning for them. When you come to the Community Foundation with a dream, we offer a variety of flexible charitable solutions to make it come to life and go on forever.

We administer hundreds of named endowment funds ranging in size from a minimum of \$10,000 to millions of dollars. To date, donors have also committed more than \$160 million to the Foundation in future estate gifts.

On your behalf, we work diligently to carry out your charitable intent through endowment funds; we provide long-term professional oversight for funds you entrust to us; we make creative grants for current and future community needs and opportunities; we offer comprehensive services to encourage and advance effective philanthropy; we provide opportunities to strengthen local non-profits; and we promote and participate in collaborative efforts to shape a healthy, caring community.

The Foundation serves much of western and southwestern Virginia including the cities of Martinsville, Roanoke, and Salem and the counties of Botetourt, Craig, Franklin, Henry, Patrick, and Roanoke, and points west.

 Service Area



# Give

You made your initial gift and established a Donor-Advised Fund, but did you know you can make additional gifts to the Fund at any time? Gifts may be added in several different ways, and your Community Foundation staff is available to assist you.

## Gifts Processing

Processing time varies for different types of gifts. During certain peak periods, such as the end of the calendar year, gift processing may take longer than normal to complete. In order to be tax-deductible, all gifts to the Foundation, including gifts to Donor-Advised Funds are irrevocable and nonrefundable once they are accepted. Gifts will be acknowledged as of the date the assets were received.

## Types of Gifts Accepted



### Gifts of Cash

- Checks may be made payable to Community Foundation Serving Western Virginia (CFSWVA) with {FUND NAME} in the memo line.
- Credit card gifts can be made by visiting the Foundation's homepage and clicking **DONATE** or the online Fund Advisor Portal. Please refer to the Fund Advisor Portal User Guide for instructions.
- Large cash gifts may be transferred by wire directly to the Foundation's bank account. Please contact us for wiring instructions.



### Gifts of Stock

Gifts of appreciated stock qualify for a tax deduction based on the fair market value of the asset on the date the gift is received by the Foundation. All stock gifts are liquidated as soon as possible upon receipt, and additions to the Fund are net of any transactional fees. If your broker does not have an account with the Foundation, your broker may need the following information. Please include the Donor's name/Fund name in the reference section of the transfer.

#### **Wells Fargo Advisors**

Account: 8280-3392

DTC#: 0141

Phone: 540.983.1398

#### **Davenport & Company**

Account: DA1248909

DTC#: 0443

Phone: 540.278,2516

Gifts of closely held stock may be donated to the Foundation. Please contact the Foundation to discuss this process.



## Gifts of Real Estate

The Foundation may accept gifts of real estate, including land, residences, and vacation homes. The acceptance of a gift of real estate is subject to review and may require a qualified appraisal. The Guidelines for Accepting Charitable Gifts of Real Estate is included under Additional Resources in this handbook.



## Gifts of Life Insurance

Donors can make a gift of life insurance to the Foundation when it is no longer needed for personal financial wealth replacement by either giving a paid-up policy or continuing to pay premiums. You may receive a number of tax benefits, including reduced estate or income taxes. If you choose to continue paying premiums through the foundation, you will be entitled to a charitable contribution deduction to the maximum extent provided by law.



## Gifts of Retirement Assets

Retirement plan assets such as 401Ks, IRAs, or pension plans can be gifted to the Foundation. Donors can designate the Foundation as the beneficiary of the plan for a distribution into their existing fund or to create a new fund at the Foundation.

**NOTE:** While the IRA Charitable Rollover allows taxpayers of a certain age to transfer up to \$100,000 annually from their IRA accounts directly to charity without first having to recognize the distribution as income, an exception is that donors are specifically not permitted by law to make charitable rollovers to donor-advised funds.



## Planned Gifts

Many individuals choose to create a charitable legacy through a planned or estate gift. When you make a commitment to strengthen your community, today or in the future, it can be one of the most meaningful and lasting decisions you can make. The Foundation has extensive experience in planned gifts of all types, and we work closely with you and your advisors as you consider your options. Information about our estate planning recognition program is under Additional Resources.

# Investment Policy

The Community Foundation's investment philosophy is intended to protect and grow the value of its charitable funds over time. The Foundation's Board of Directors provides oversight of the investments of all Funds through its Investment Committee and with the guidance of a professional, experienced outside investment/management firm. The Foundation's investment portfolio is well-diversified, is structured for long-term investment returns, and is regularly monitored to ensure competitive performance. Donors establishing a Fund with a minimum of \$1,000,000 have the option to designate an Investment Manager and name an individual personal investment advisor. Please see the Charitable Investment Relationship Policy in Additional Resources or call the Foundation for more information.

## Connect

With a Donor-Advised Fund, you remain active in the grantmaking process, and the Community Foundation is committed to making your philanthropic experience as effective and fulfilling as possible.

### Fund Advisors

The Donor(s) of a Donor-Advised Fund may appoint themselves or others to serve as initial advisors to the Fund in the original Fund Agreement. Founding Donor(s) are automatically advisor(s) to the Fund unless otherwise stated. Donor Advisors receive Fund information and can recommend charitable grants from the Fund.

When there are multiple advisors, we suggest that the Donor(s) appoints a single primary Advisor with signature privileges to recommend grants from the Fund on behalf of all advisors. If more than one advisor to the Fund is allowed signature privileges, the Foundation will assume that all advisors have consulted with one another and have reached unanimous consent regarding grant recommendations from the Fund.

### Successor Advisors

Appointment of Successor Advisor(s) can be made by the Donor(s) at the time a Donor-Advised Fund is created, or anytime thereafter in consultation with the Foundation and by providing written instructions. Successor Advisors will have the same access to Fund information and grant recommendation privileges when they become Advisors. Successor Advisors may not change or alter the original Fund Agreement or succession options implemented by the Donor(s) unless otherwise indicated in the Fund Agreement. Successor Advisors may not advise the Fund until the preceding advisor(s) are deceased, unwilling, or unable to act as an advisor(s) to the fund.

## Fund Correspondence

The Foundation assumes that the Donor(s) will be the primary contact to receive statements and other information about the Fund unless otherwise instructed. Donors should keep the Foundation informed of any address, phone number, email address, and relationship status changes.

## Administrative Support

We take care of the administrative back-office work so you can focus on what truly matters, supporting causes you care about. This includes:

- Acknowledgement of gifts according to our policies and IRS regulations.
- Due diligence for all grants to ensure fiscal responsibility.
- Management of grant processes from request to payment.
- Online tools to access Fund information and recommend grants to organizations.
- Annual statements providing a snapshot of all Fund activity and investment returns.

## Community Expertise

Our knowledge of local community needs can help you find nonprofits that meet your interests. We make this information available to you to support your philanthropy and to educate you about critical issues facing our community. Don't hesitate to contact us with any questions!



# Grant Recommendations

Donor-Advised Funds permit the Donor Advisor(s) to recommend grants to qualified charitable organizations. Donor Advisor(s) can submit grant recommendations via the Foundation's Fund Advisor Portal. This portal makes it easy to manage the Fund and is available 24/7 from anywhere, on any device. Please refer to the Fund Advisor Portal User Guide for further instructions.

## Grant Eligibility and Restrictions

While making grants through a Donor-Advised Fund is a flexible process, there are a few things an advised fund cannot support. In accordance with IRS regulations, grants may not be used for the following purposes:

- To satisfy an existing legally-enforceable written pledge
- Support a political campaign
- Obtain any direct tangible benefit including, but not limited to, memberships, dinners, gala, or event tickets.
- Pay for personal expenses incurred by a related party, including tuition
- Provide a grant to an individual

### Eligible grantees include:

- 501(c)(3) public charities.
- Most schools and governmental units.
- Qualified religious organizations.
- Any other fund at the Community Foundation.
- Grantees located in the continental United States and its territories.

## Grant Distributions

- **Annual Grants Budget** — Typically, the annual grants budget is 4% of the Fund's market value over a 12-quarter rolling average *unless indicated differently in the Fund Agreement*.
- **Minimum Grant Distribution Amount** — The Foundation's current minimum grant amount is \$100 per organization.
- **Number of Grant Distributions** — Within the context of the grants budget and minimum, the Foundation allows an unlimited number of grant distributions from each Donor-Advised Fund.

## Grant Process

Grants are typically processed and paid twice a month (15th and last day of the month). When the Foundation is in receipt of your grant recommendation(s) will determine when the grants are processed. Note: For the months of December and June, in order for grants to be paid by the last day of those months, we require that your grant recommendations are submitted by the 1st of those months.

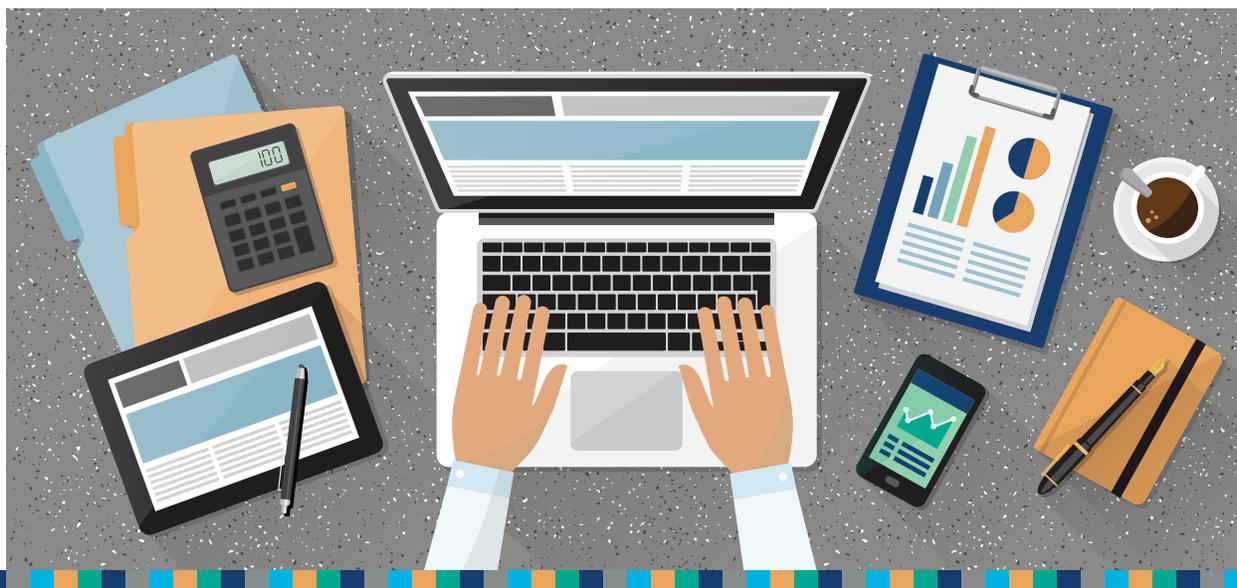
Upon receipt of your grant recommendation(s), staff will research the organizations to ensure public charity status and will perform additional due diligence as required by the law. All grant recommendations are reviewed and approved by either the President/CEO or Chief Operating Officer. After approval, the grant award notification is sent to the recipient organization. The award notification will include the Fund Name (unless you wish to remain anonymous).

## Inactive Funds

While funds held at the Community Foundation are currently not required to pay out grants annually, we strongly encourage Donors to maintain an active advisory relationship and to make grant recommendations at least annually.

Donor-Advised Funds may be deemed “inactive” by the Foundation’s President/CEO when no grant recommendations have been made from the Fund for a period of three years and the Foundation has made all reasonable efforts including, but not limited to, phone calls, emails or certified letters to the last address on record to contact the Donor(s) and/or Advisor(s) to the Fund.

If a Fund is deemed inactive, the Foundation may, in its sole discretion and in such manner as determined by the Foundation and Board of Governors, use the Fund’s available grant monies as part of its unrestricted grantmaking program unless there is a clear indication of Donor intent as to the use of funds.



# Administration

## Fund Statements

Fund Statements are provided annually, typically by mid-September. These statements provide an overview of the Fund's activity, including contributions, grants, investment earnings, and the Fund's beginning and ending balances.

## Annual Administrative Fee

The Foundation assesses a modest annual charge to administer a Fund. Administrative fees are reinvested in our community through foundation-directed initiatives and enable us to research community needs, educate Donors about important causes and provide financial oversight of charitable funds. The current annual administrative fee for a Donor-Advised Fund is 1% of the Fund's average market value over 12 rolling quarters.

## Control and Ownership of Assets

Assets given to the Foundation are irrevocable contributions that become assets of the Foundation. The Board of Governors has fiduciary responsibility and stewardship responsibility of those assets. While Donors or Successor Advisors have the privilege of recommending distributions from Donor-Advised Funds, those distributions must be consistent with the Foundation's tax status as a public charity.





# FREQUENTLY ASKED QUESTIONS

## **When and how often may I submit grant recommendations?**

Grants are typically processed and paid twice a month (15th and last day of the month). When the Foundation is in receipt of your grant recommendation(s) will determine when the grants are processed. **NOTE:** For the months of December and June, in order for grants to be paid by the last day of those months, we require that your grant recommendations are submitted by the 1st of those months.

## **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 these 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) or in the event an organization is ineligible to receive grants.

## **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 recommend a grant for which I may receive benefits, such as tickets, preferred parking and membership benefits?**

**No.** 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 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.'

### Can I recommend a grant to satisfy a pledge?

When are you 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 I recommend grants to non-profits outside the Foundation’s service area?

**Yes.** Grant-making through Community Foundation Serving Western Virginia’s funds is not limited to our service area or even Virginia. We recognize that donors have interests that extend beyond our geographic boundary, and we welcome recommendations to any qualified US 501(c)3 publicly supported organization.

### Can I recommend grants to organizations outside of the US?

**Yes,** under limited circumstances and subject to IRS and Community Foundation Serving Western Virginia policy restrictions. Grant making 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 only 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 support the Foundation with my grant making?

**Yes, absolutely!** When making your grant recommendations through the Foundation’s Fund Advisor Portal, you can select from the drop-down menu to support **OTHER FOUNDATION FUNDS**. Choosing the **COMMUNITY ENRICHMENT FUND** supports our unrestricted grantmaking program and the Operating Fund supports our Administrative efforts.

### Can I be recognized personally for recommending a grant?

The grant award notification always informs the grantee organization that the grant is made possible through the XYZ Fund of the Foundation. Please note that while we hope that grantees will also recognize the Donor Advisors by name, we, unfortunately, cannot control the respective grantees’ donor-recognition policies in their publications.

### **Can the fund I advise make anonymous grants?**

Let us know your desire to remain anonymous, and we will refrain from including your name and/or the name of the Fund in the grant award notification.

### **What if I want to do fundraising for my fund?**

Anyone considering conducting a fundraising activity to benefit a Fund of the Foundation should talk with staff and review our Fundraising Policy. 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 recommend a grant to a religious organization?**

**Yes.** The Foundation can make grants to qualified religious organizations.

### **If the investment markets increase or decrease in any given year, can I still make grant recommendations?**

**Yes.** Because we calculate spending budgets using the three-year average values, grants can be made every year from a Fund.



**Thank you for choosing Community Foundation Serving  
Western Virginia as your philanthropic partner.**

# YOUR COMMUNITY FOUNDATION TEAM

**ROANOKE REGIONAL OFFICE | 540.985.0204**

**Mailing Address:** P.O. Box 1159 | Roanoke, VA 24006

**Location:** 611 S. Jefferson Street | Suite 8 | Roanoke, VA 24011



**Alan E. Ronk**  
President/CEO



**Carly C. Oliver**  
Chief Operating Officer



**Beth Kelley**  
Director, Finance & Investments



**Michelle M. Eberly**  
Director, Grants &  
Donor Engagement

**MARTINSVILLE REGIONAL OFFICE | 276.656.6223**

**Mailing Address:** P.O. Box 1124 | Martinsville, VA 24114

**Location:** The Clocktower Building | 300 Franklin Street | Suite 230 | Martinsville, VA 24112



**April M. Haynes**  
Regional Vice President



**Alyssa B. Rorrer**  
Program Associate

[cfwesternva.org](http://cfwesternva.org)



[cfwesternva.org](http://cfwesternva.org)

