

DONOR ADVISED FUNDS

One of the Foundation's most flexible products is the donor advised fund. The fund is established by a simple governing document which specifies whether the fund is to be: a) a permanent endowment (called a **Donor Advised Endowed Fund**) in which only a certain percentage of the value of the fund can be distributed annually; or b) a non-endowed fund (called a **Donor Advised Growth Fund**) in which some of the principal amount of the fund can be given out over time. The Foundation requires **\$10,000 to establish a Donor Advised Endowed Fund and \$25,000 to establish a Donor Advised Growth Fund. A Donor Advised Growth Fund must maintain at least a \$10,000 balance at all times.**

A fund can be given any name you wish. Once your fund is established, the advisors to the fund (named by the entity that establishes the fund) can recommend distributions (or grants) from the fund at any time, so long as the recommended recipient is a charitable entity. In addition, the Foundation's staff can help sort through charitable organizations and identify the most promising programs in your area of interest. The Foundation ensures that grant recipients meet accepted criteria for being fiscally responsible and are able to fulfill your expectations for the use of the grants.

Distributions from a Donor Advised Fund can be made to any qualified nonprofit organization, without geographic restriction, but the IRS places certain requirements on charitable distributions from a Donor Advised Fund:

1. *Grants from a Donor Advised Fund can only be disbursed to publicly supported charities designated as 501(c)(3) organizations by the IRS.*
2. *Grants from a Donor Advised Fund may not be used to fulfill a donor's personal pledge or dues to a charity.*
3. *Grants from a Donor Advised Fund may not be disbursed "quid pro quo" with the recipient organization. That is, grants cannot be disbursed to a charitable organization that then provides one with merchandise, tickets to an event, a trip, or any goods or services in exchange for the contribution.*

Regardless of the type, once your donor advised fund is established at the Foundation, gifts (donations) to the fund can be made by you or others with cash, credit card, publicly-traded securities (with significant capital gains tax advantages over private foundations), bequests (through your will), life insurance, retirement funds¹, real estate, tangible personal property, charitable remainder trusts, charitable lead trusts, or transfer of a private foundation. All gifts to funds are acknowledged in a timely manner with an IRS required tax acknowledgement letter.

At the death of the last fund advisor, or if there are no willing successor fund advisors, a Donor Advised Fund becomes an unrestricted fund at Greater Toledo Community Foundation, unless prior arrangements as to otherwise have been made.

¹At the current time, Donor Advised Funds cannot accept IRA charitable rollover dollars.

FOR FURTHER INFORMATION, CONTACT:

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