



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

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Hi <First & Last Name>, Welcome to the Community Foundation of Southern Indiana!



Thank you for establishing an advised fund with us here at 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 wonderful places 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

Your Fund at a Glance

Fund Name: _____

Fund ID: _____

Date Created: _____

Advisory Committee Chair: _____

Type of Advised Fund: _____



Introduction to CFSI

In 1991, the Community Foundation of Southern Indiana was formed to be a resource for individuals as they support causes they love. More than 35 years later, CFSI has grown into an organization with assets over \$161 million dollars.

Our 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.

Our 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 (principal is invested for permanent growth; a portion of the earnings are available to spend each year for grants) or pass through (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) 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. **Please note the minimum grant recommendation amount is \$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) can complete the "Recommend a Grant" form...

- On our online GOfund Donor Portal:
www.CFSouthernIndiana.com/gofund-donor-portal.
- By Email or Mail
- By Fax

There is a blank Grant Recommendation Form in the Appendix which you are welcome to reproduce as you need, if desired.

How to Submit Your Recommended Grant:

Through the GOfund Donor Portal:

Grant Recommendation Forms are available in your GOfund online Donor Portal. To access the Donor Portal, visit www.CFSouthernIndiana.com and from the Menu select "Donors" and then "Gofund Donor Portal." From here, you can click on the "Access GOfund Online Donor Portal" and sign in to your fund. Once within GOfund, select "Fund Summary" from the top Menu. Then select "Recommend a Grant" and choose a nonprofit organization or an established CFSI fund to donate to. From there, fill out and submit your form electronically directly through the Donor Portal. Once submitted, a copy will be sent to your email address.

Via Email, Mail, or Fax:

To submit your form by mail, email, or fax please send your completed form to:

Crystal Melcher, Vice President of Community Philanthropy
Community Foundation of Southern Indiana
[cmlcher@cfsouthernindiana.com](mailto:cmelcher@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 \$10,000 may be approved by staff with ultimate ratification by the Board. Grant recommendations for amounts over \$10,000 must be approved in advance by the Board. In general, the approval and distribution of grants of any amount takes may take up to 7–10 days from receipt of the grant recommendation form. If, for any reason, you require a rush on the processing of your grant, please let us know. We will make every effort to expedite your grant.

Due Diligence

When we receive your Grant Recommendation Form, we verify that each organization is a qualified 501(c)(3) nonprofit. 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 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 necessary due diligence procedures are complete, a check will be issued to the organization. The nonprofit will receive a letter with the check stating 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 inform us in advance. 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

Date: _____

Grant Amount: \$ _____

To: _____ Organization Name

Made Possible By: _____ Fund Name or Donor Name

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.cfsi.org

You can find Grant Notification Slips on Page A3 of this handbook.

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 supporter 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 donate 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 cannot use your fund to purchase tickets to an event, auction items, or raffle tickets.

The Do's (and Do Not's) of Grantmaking

- 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 to make a grant to an individual or an organization that is not a 501(c)3 public charity.

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 (see left) that you can use in lieu of the grant check. The slip notifies your charitable recipients that grant money will be on its way to their organization from your fund.



Quarterly Fund Statements

CFSI provides fund statements to fund representatives on a quarterly basis through AkoyaGO's Donor Portal. Its purpose is to keep you current on the balance, investment returns, fees, and the amount available to grant from your fund.

Along with fund information, you will gain access to special fundholder resources that highlight our involvement in the community, as well as articles to aid your grantmaking. Questions? Contact John Elliott, CFO, by calling:

(812) 948-4662 or email: jelliott@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 "Give Today" button in the top right corner to begin 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 secure donation will be processed and sent to our Finance team. A gift acknowledgement and tax receipt will be prepared by CFSI's staff and mailed to you within 3-to-5 business days.

By mail:

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

With Appreciated Securities:

You may consider using appreciated securities to make your gift. If you have owned the stock for more than one year and transfer it directly to the Foundation for your fund, you can avoid long-term capital gains tax on the transfer and receive an income tax charitable deduction for the full fair market value of the stock on the date of the gift. Appreciated stock is a highly effective way to support your charitable giving.



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.



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 1 – September 30)**
 - Statements available in late October.
- **Quarter 2 (October 1 – December 31)**
 - Statements available in late January.
- **Quarter 3 (January 1 – March 31)**
 - Statements available in late April.
- **Quarter 4 (April 1 – June 30)**
 - Statements available in late 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 these services, including the professional investment management of your fund balance, are covered by the Foundation's administrative fee and investment management fees.

Do grants from my fund have to be used in So. Indiana?

There is no geographic limitation on your grants. Although we find that many 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?

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.



What is Your Legacy?

As a **fundholder** at the Community Foundation of Southern Indiana, you're effecting change now. *But what about the future?* We all want to leave a lasting impact on our community, ensuring those nonprofits we support now will last for generations to come. CFSI is committed to helping you leave your legacy through our Legacy Society.

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



Board of Directors

(left to right)

Chair – Greg Nash

Vice Chair – Rich Boling

Secretary – Nicole Atkins

Treasurer – David Reinhardt

Immediate Past-Chair – Keith Pulliam

Regina Beckman

Andy Burdsall

Jessica Carroll

Jay Conner

Leah Driver

Jeremy Finn

Dr. Melissa Fry

Eric Howard

Sarah Hunter

Jim Plitz

Linda Speed, *President and CEO, ex-officio*

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

Linda Speed*President and CEO*lspeed@cfsouthernindiana.com**John Elliott***Chief Financial Officer*jelliott@cfsouthernindiana.com**Emily Byrd***Office Manager /**Administrative Assistant*emyrd@cfsouthernindiana.com**Kari Weilbaker***Finance Associate*kweilbaker@cfsouthernindiana.com

Appendix

- A1** - Grant Recommendation Form
- A2** - Donor Advised Fund Options Chart
- A3** - Grant Notification Slips



Grant Recommendation Form

Complete online: www.CFSouthernIndiana.com/gofund-donor-portal

OR

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

Fax to: 812-948-4678
Phone: 812-948-4662
Email: cmelcher@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:

1. Must receive approval by the CFSI Board of Directors.
2. Does not fulfill any legally enforceable financial obligations of me, advisors to the fund, or other parties related to me or to this fund.
3. 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.
4. Will not support political campaigns or lobbying activities.
5. Will not pay for dues, tangible membership benefits, goods from charitable auctions, or other goods or services.
6. Will not pay for attendance at galas, sporting events, or benefit events.
7. 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 or address.

Amount Recommended	Full Name & Address of Organization Contact Person	Purpose (if other than general support)

Donor Advised Fund Options

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)
Initial Gift Minimum	\$1,000 ¹	\$15,000
Additional Gifts Allowed	Yes	Yes
Fund Value Fluctuates with Changes in Stock Market	No	Yes
Administrative Fee	1% on contributions to the fund when made	Up to 2% (tiered fee structure)
Investment Decisions	N/A - not invested in stock market	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
DONOR INVOLVEMENT		
Donor can recommend grants from fund during lifetime	Yes	Yes
Fund continues after donor/spouse lifetime	No	Yes
Donor can name successor advisors (i.e., children) to recommend grants from fund after lifetime	No	Yes
Amount Available for Grant Distributions	100% of fund balance	Calculated Amount for Grants ³
Annual Grants Required	No	No
Minimum Grant Amount	\$250	\$250
Able to Make Anonymous Grants	Yes	Yes
Grant Recommendations Approved by CFSI Board	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%)

Grant Notification Slips

 <p>Community Foundation of Southern Indiana <i>Partner. Resource. Steward.</i></p>	<p>Date: _____</p> <p>To: _____ <small>Organization Name</small></p> <p>Made Possible By: _____ <small>Fund Name or Donor Name</small></p> <p><i>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.</i></p> <p>Community Foundation of Southern Indiana 4108 Charlestown Road, New Albany, IN 47150 (812) 948-4662 www.cfsouthernindiana.com</p>	<p>Grant Amount \$ <input type="text"/></p>
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Grant Notification Slips



Community Foundation
of Southern Indiana



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Please let us know if you need additional grant notification slips by calling
Crystal Melcher at (812) 948-4662 or emailing her at
cmelcher@cfsouthernindiana.com

You can also access your fund anytime at:
www.CFSouthernIndiana.com/gofund-donor-portal

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 F: (812) 948-4678
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CFNS
 ACCREDITED
 FOUNDATION



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