



DONOR ADVISED FUNDS

Donor Advised Funds—A Better Way to Give

Donor advised funds offer a flexible, convenient and cost-effective way for you to support a variety of charitable causes anytime you choose while taking advantage of maximum tax savings. These funds offer a simple, powerful and highly personal approach to giving. The Quad Cities Community Foundation holds and invests the gifts, providing responsible and professional philanthropic services, fund management and grantmaking support. And you recommend grants from your fund to be shared with your community and the causes you care about. Donor advised funds are:

- **Personal:** You recommend grants to your favorite charities.
- **Efficient:** You benefit from the most advantageous tax treatment for a charitable gift, and the Community Foundation handles the administrative details. You will receive quarterly statements that will show all activity of your fund. You can recommend grants online, by mail or email.
- **Smart:** Add to your fund at any time. The Community Foundation can accept donations of almost any asset including cash, stock and real estate. Many donors “bundle” their giving to maximize tax savings and then grant out from their fund over time.
- **Family friendly:** Your entire family can be involved with charitable giving, and you have the ability to designate a successor advisor generation to your fund.
- **Flexible:** Donor advised funds are ideal for people and organizations that desire simplicity, wish to support multiple charities, want to receive local information about charitable opportunities, and want to ensure your charitable wishes are followed after your lifetime.

Endowed and Non-Endowed Donor Advised Funds

When a donor advised fund is established, the founding donor(s) determine whether it is endowed or non-endowed. An **endowed** fund is a permanent fund that allows grants to be made each year that are limited to distribution of the fund’s assets, currently set at 4.5% of the trailing 20-quarter average. Endowed funds are designed to grow and maintain their value and create a permanent annual income stream for charitable giving during and after the donor’s lifetime at your direction. **Non-endowed** funds allow you to grant any amount up to the entire balance of the fund.

Investment and Administrative Support

Donor advised funds are assets of the Community Foundation and are subject to the terms and conditions of its governing instruments. The Community Foundation's Investment Committee oversees all aspects of asset management. The Committee is comprised of knowledgeable and experienced investment local volunteers dedicated to maximizing investment performance for the long term. All assets contributed to funds are managed in the Community Foundation's investment pools, based upon your pool selection. All income and capital gains or losses are allocated to the fund at least quarterly. Each fund pays an annual administration fee to provide for the gifting support, gift acceptance and acknowledgement, accounting, and grantmaking services for the fund. The current annual administrative fee is 1% of the fund balance annually.

Grant Recommendations

You are invited to submit recommendations for grants of \$250 and above to be made from your fund throughout the year. Grant checks will reflect the name of your fund and your contact information on the accompanying grant letter, unless you wish to remain anonymous. You may recommend grants online through our easy online MyFund portal, or you may use a paper grant recommendation form available from our office. If desired, our staff will share grant making ideas that reflect your individual areas of interests or projects supported by the Foundation's own grantmaking programs. The following requirements will be followed:

- All grants must be used for purely charitable purposes.
- In general grants are made to 501c3 nonprofit organizations. In certain circumstances grants to non-501c3 organizations may be made as long as the purpose is charitable and where expenditure responsibility is secured.
- Grants may not be made to individuals or to an agency directed to benefit a named individual.
- Donors may not receive tangible benefits from a grant; these include items such as meals, concert tickets, golf tournaments entries, museum membership benefits, etc.
- Legally binding pledges may not be fulfilled by grants from a donor advised fund.

Financials

- The minimum amount required to establish a donor advised fund is \$1,000.
- As the founding donor, you will receive quarterly financial statements reflecting contributions to your fund, grants made, income, appreciation/depreciation, and fees.
- Donors with Iowa tax liabilities can receive a 25% tax credit if the fund is endowed and available by the Endow Iowa Tax Credit Program in addition to the normal federal charitable income tax deduction.
- The IRS prohibits IRA Qualified Charitable Distributions (charitable rollovers) to donor advised funds.

For more information about establishing a donor advised fund, contact our Development staff at development@qccommunityfoundation.org or by calling 563-326-2840.