



COMMUNITY FOUNDATION
of North Central Florida

GUIDE FOR DONOR ADVISED FUNDS

*Working Together to Promote and Sustain
Local Philanthropy*



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About the Community Foundation of North Central Florida

In 1996, members of the local Estate Planning Council began exploring the possibility of establishing a community foundation for the benefit of the Gainesville community. By 1998, the Community Foundation was incorporated, obtained 501(c)(3) status from the Internal Revenue Service and received its first gift. Today, the mission of the Community Foundation of North Central Florida is to promote and sustain philanthropy among the communities of North Central Florida.

The Foundation:

- Serves as a leader, catalyst, and center for education on philanthropy
- Strives to broaden the base of philanthropic giving in North Central Florida
- Provides flexible and cost-effective strategies for donors to benefit their community today and for generation to come
- Builds and preserves endowment to address changing community needs
- Promotes and facilitates partnerships among nonprofit organizations to help meet evolving needs
- Works toward measurable community improvement through strategic grantmaking to benefit the arts, the environment, community development, education, health, social services, and other areas of interest

Programs:

In addition to providing multiple giving options, the Community Foundation has several programs supporting local philanthropy and nonprofit organizations.

- The Women's Giving Circle
- The Center for Nonprofit Excellence
- The Amazing Give
- The Legacy Awards
- The Professional Advisors Council

Governance and Staff

The Foundation is overseen by a volunteer Board of Directors, selected to represent diverse interests within the community, and has dedicated staff members who work closely with donors and grantees.

For more information about the Community Foundation of North Central Florida, visit our website at www.cfncf.org.

Using Your Donor Advised Fund

How to Recommend a Grant

Grants from your Donor Advised Fund may be recommended in several ways:

Online

The easiest, most efficient way for advised fund holders to manage their funds is through **Community Suite**, our secure website portal that provides access to frequently used functions. You can make grant recommendations, check fund balances, see grant-making and gift history, access and print your fund statements, and more—all at your convenience.

For questions regarding online access to your Fund, call us at 352-367-0060.

E-mail

Send details of the grant you wish to recommend (name of organization, amount and purpose) to office@cfncf.org. If you are recommending multiple grants, please send them to us as a list in an Excel spreadsheet. We can provide you with a spreadsheet template for this purpose if requested.

Paper

An official **Grant Recommendation Form** may be downloaded from our website. You may fax it to 352-378-1718 or mail to the Community Foundation of North Central Florida, 3919 W. Newberry Rd., Suite 3, Gainesville, FL 32607.

A Few Things You Should Know *Before* Recommending a Grant

We have compiled the following guidelines to make the grant-making process easier for you. Please familiarize yourself with these guidelines before you make a grant recommendation. Your grant-making strategy may involve any number of worthy endeavors, but please note that advised funds have some important federally mandated limitations.

Eligible Grantees—You *can* recommend a grant to any of the following:

- 501(c)(3) public charities, schools, municipalities, government entities and religious organizations anywhere in the United States (this includes the U.S. arm of any international organization)
- Private operating foundations (if the private foundation was not established by the advised fund holder or his/her family)
- Any other fund of the Community Foundation of North Central Florida

Prohibited Grantees—You *cannot* recommend a grant to any of the following:

- Non-501(c)(3) organizations
- Individuals, or for the benefit of an individual
- Any entity if the purpose is not charitable
- Any entity to satisfy legally binding pledges of the donor, advisor, or related parties (see page 8)
- Any entity from which the donor, advisor or related parties will receive more than incidental benefits (see page 8)
- Any entity for the purpose of supporting a political campaign
- Private non-operating foundations
- The fund's donor, advisor or related parties in the form of a direct grant, loan, compensation, or similar payment

International Grants

Grants may be recommended to international organizations that use a Foundation-approved fiscal sponsor within the United States. For all other international organizations, the Community Foundation may be able to conduct an equivalency determination as a qualifying process (for an additional fee) to enable grants to be made from your Donor Advised Fund.

A Word About Pledges and Benefits

Pledges

Occasionally fund holders want to use their Donor Advised Funds to fulfill an enforceable pledge made to an organization. However, the IRS does not allow Donor Advised Funds to be used for this purpose. What constitutes an enforceable pledge? It occurs when a donor makes a financial commitment in writing to an organization they wish to support. The donor is then legally responsible for fulfilling that commitment. From the perspective of the IRS, however, using a Donor Advised Fund to satisfy that commitment results in an impermissible benefit—it's as if the donor were using the fund to satisfy a personal debt, such as paying a credit card bill or making a mortgage payment.

By ensuring that fund holders, family members of fund holders, and entities controlled by fund holders do not use Donor Advised Fund grants to satisfy their enforceable pledges, the Foundation protects you from paying IRS-imposed excise taxes equal to 125 percent of the benefit received (i.e., the pledged amount). For example, a fund holder makes a legally binding pledge of \$500 to XYZ College by signing a pledge card, and then requests that the Foundation satisfy that pledge by making a grant from his or her Donor Advised Fund. If the Foundation were to make that grant, the fund holder would be subject to a \$625 excise tax. The Community Foundation could also be subject to a variety of excise taxes related to the grant.

To avoid this issue, you may set up multiyear grants from your Donor Advised Fund payable to the organization of your choosing. Once you have arranged this with the Community Foundation, we will be happy to notify the organization of the Foundation's commitment on your behalf.

Material and Incidental Benefits

Because donors receive charitable tax deductions for all gifts to a Donor Advised Fund, the IRS does not allow additional material benefits, such as free admission to grantee events, a discount at its retail shops, or a table at a benefit or fundraiser for the organization. Allowable incidental benefits, however, can include coffee mugs, key chains, newsletters, snacks, etc. (if the value does not exceed the IRS regulations of \$72 per person*) or anything that would not reduce the charitable benefit received.

**Our staff is happy to answer your questions
about pledges or material benefits in connection with Donor Advised Funds.
Please feel free to contact us at 352-367-0060.**

Recommending a Grant

The minimum grant recommendation is \$250. CommunitySuite, our online donor tool (see page 6), is the easiest and most effective way to submit your grant recommendation.

Once we receive your recommendation, we will:

- Verify that the organization is an eligible grantee (see page 7);
- Contact the organization, if necessary, for documentation or additional information about its mission, operation and purpose;
- Review any matters of concern with you.

Anonymity

With each grant recommendation, you have a choice as to how you, as advisor, and your fund are identified in the communication that accompanies the grant payment sent to the grantee organization.

1. Fund and Advisor Named—will contain the name of your fund and your name
2. Fund and Advisor Anonymous—will not identify you or your fund
3. Fund Named, Advisor Anonymous—will name the fund, but will not name you as advisor
4. Fund Anonymous, Advisor Named—will not name the fund, but will identify you as advisor

These options are listed on the Grant Suggestion Form and online.

Multiyear Installment Grants

Due to IRS regulations, advisors may not recommend grants to fulfill pledge obligations (see page 8).

Please contact the Foundation in advance of signing any pledge agreement with a charity. We are happy to put your grant on a payment plan subject to the availability of funds. When the grant is initially approved by the Community Foundation, the entire grant amount will be applied against your fund balance.

Schedule

The Board of Directors has authorized grants to be approved on a weekly basis. In practice, this means that grant suggestions received by Friday of any given week are paid, pending authorization, on or before Friday of the following week. Grants are paid by check.

Acknowledgments

In the interest of our donors' privacy, the Community Foundation does not share your personal information with grantee organizations unless you give us explicit permission to do so.

Adding to Your Fund

You may add to your Donor Advised Fund at any time. There is no minimum requirement for additional contributions. We accept most types of gifts, including cash, publicly traded and restricted stock, IRAs, whole-life insurance policies, real-estate and other non-cash assets including limited partnerships, C-Corp and S-Corp stock and tangible personal property.

Making additional gifts to your Donor Advised Fund may provide income-tax benefits. The Community Foundation also offers a variety of planned-giving vehicles.

When non-cash assets are transferred to a Donor Advised Fund properly, they can be gifted without incurring capital gains taxes, allowing 100 percent of the proceeds to be given to charity. Please note that the timing of your gift can have a substantial impact on your personal tax situation, so it is important to contact us as early as possible in the process. If you are gifting appreciated assets, it is important that the gift be completed before entering into a binding sales agreement. We advise you to seek your own legal, tax and financial advice in connection with gift and planning matters. The Community Foundation and its staff do not provide legal, tax or financial advice.

To make an additional gift by check and for cash wire instructions, please contact us at 352-367-0060. Letting us know to expect your gift ensures that we credit your fund properly and helps you receive the maximum tax benefit.

Many advised fund holders want not only to give through their Donor Advised Fund during their lifetimes, but to direct some or all of their estate to their fund at the Foundation. To discuss a succession plan for your fund, please contact us.

Credit Card Donations

Please visit www.cfncf.org to make a donation with your credit card. Please note that credit card transaction fees will apply.

Fundraising by Donors and Fund Advisors

The Community Foundation of North Central Florida maintains rigorous donor fundraising policies in accordance with IRS guidelines. The Foundation must approve all fundraising efforts by donors or fund advisors prior to any third-party solicitations. Please contact us for a copy of the complete fundraising policy.

Year-end Alert: Many donors make gifts to their funds at calendar year-end. Gifts mailed to the Foundation need to be postmarked by December 31 in order to be recorded for that tax year. To ensure that stock gifts are received into the Foundation brokerage account before December 31, please allow up to three weeks to process stock gifts in December.

Fund Minimum

There is a \$10,000 minimum to maintain an active grant-making Donor Advised Fund at the Community Foundation. When the balance falls below this level, donors are required to replenish their fund prior to making additional grants.

Gift Acknowledgment

All gifts will be acknowledged in accordance with Internal Revenue Code requirements.

Generally, the IRS requires taxpayers to complete and file a Form 8283 with their federal income-tax return for gifts of property, except for cash and marketable securities valued at \$5,000 or more. It is the donor's responsibility to get an appraisal for all gifts other than cash and marketable securities for tax-deduction purposes. *Note: The Community Foundation of North Central Florida is not a licensed tax advisor. Donors should work with their financial, tax or legal professional to determine the best charitable giving strategy for their situation.*

Gift Acceptance Fees

Any costs incurred to evaluate, acquire, or sell a complex gift asset, such as real estate, partnership interest, or closely-held stock, will reduce the net proceeds credited to the beneficiary fund.

Private Foundations

It is easy and convenient to consolidate a private foundation into a Donor Advised Fund. Advantages include anonymity, unlimited generations of successor advisors, consolidation of administrative costs and preferred charitable deductibility of additional gifts. To discuss terminating or consolidating a private foundation, please contact our office at 352-367-0060.

Third-Party Contributions

Anyone may make contributions to any charitable fund at the Community Foundation. Checks should be made out to the Community Foundation of North Central Florida, Inc. with the specific fund name listed on the memo line. All contributors in excess of \$250 will receive a gift acknowledgement for confirmation of the tax deductibility of their gift.

In the case of Memorial Funds, the name of the donor and the amount of the gift will not be released together to the founding fund advisor.

The Community Foundation's Privacy Policy




The Community Foundation deeply values its relationship of trust with its donors and fund advisors. The Foundation's Confidentiality Policy governs the maintenance of personal data and provides that the Foundation will not sell, trade or exchange information about its donors or fund advisors, and will honor the wishes of those who prefer to remain anonymous in all communications materials.

How We Manage Your Fund

Investment Options

The Community Foundation of North Central Florida offers a range of investment options designed to satisfy a variety of philanthropic goals and time horizons. Each portfolio is broadly diversified in order to reduce risks that may negatively affect your returns.

The table below summarizes the asset allocation, suggested time horizon, and historical returns for each portfolio. We have provided average annualized returns over 1, 3, 5, and 10 year periods for each allocation. We have also included the best and worst annualized returns over the same periods from January 1988 to December 2017 (the longest time frame for which data exists).

<div>Long-Term Endowed</div> <div>7 years or more</div>		<div>80% equities / 20% fixed income</div> <div>Annualized Standard Deviation: 11.49%</div> <div>Weighted Average Expense Ratio: 0.30%</div> <table><tr><td>Annualized Returns</td><td>1 year</td><td>3 year</td><td>5 year</td><td>10 year</td></tr><tr><td>Best</td><td>47.94%</td><td>22.63%</td><td>17.91%</td><td>13.44%</td></tr><tr><td>Average</td><td>9.25%</td><td>8.41%</td><td>8.38%</td><td>7.80%</td></tr><tr><td>Worst</td><td>-38.71%</td><td>-11.44%</td><td>-2.47%</td><td>1.68%</td></tr></table>	Annualized Returns	1 year	3 year	5 year	10 year	Best	47.94%	22.63%	17.91%	13.44%	Average	9.25%	8.41%	8.38%	7.80%	Worst	-38.71%	-11.44%	-2.47%	1.68%
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<div>Endowed</div> <div>3 - 7 years</div>		<div>60% equities / 40% fixed income</div> <div>Annualized Standard Deviation: 8.58%</div> <div>Weighted Average Expense Ratio: 0.26%</div> <table><tr><td>Annualized Returns</td><td>1 year</td><td>3 year</td><td>5 year</td><td>10 year</td></tr><tr><td>Best</td><td>35.09%</td><td>17.16%</td><td>13.92%</td><td>11.72%</td></tr><tr><td>Average</td><td>8.03%</td><td>7.53%</td><td>7.53%</td><td>7.15%</td></tr><tr><td>Worst</td><td>-29.54%</td><td>-7.14%</td><td>-0.70%</td><td>2.64%</td></tr></table>	Annualized Returns	1 year	3 year	5 year	10 year	Best	35.09%	17.16%	13.92%	11.72%	Average	8.03%	7.53%	7.53%	7.15%	Worst	-29.54%	-7.14%	-0.70%	2.64%
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<div>Fixed Income</div> <div>3 years or less</div>		<div>100% fixed income</div> <div>Annualized Standard Deviation: 1.19%</div> <div>Weighted Average Expense Ratio: 0.18%</div> <table><tr><td>Annualized Returns</td><td>1 year</td><td>3 year</td><td>5 year</td><td>10 year</td></tr><tr><td>Best</td><td>10.28%</td><td>9.56%</td><td>8.10%</td><td>6.72%</td></tr><tr><td>Average</td><td>4.04%</td><td>4.00%</td><td>3.94%</td><td>4.05%</td></tr><tr><td>Worst</td><td>0.13%</td><td>0.29%</td><td>0.38%</td><td>1.00%</td></tr></table>	Annualized Returns	1 year	3 year	5 year	10 year	Best	10.28%	9.56%	8.10%	6.72%	Average	4.04%	4.00%	3.94%	4.05%	Worst	0.13%	0.29%	0.38%	1.00%
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Investment Committee

Our Investment Committee, made up of Community Foundation board members, is responsible for the overall management of invested funds held by the Foundation. Committee members meet at least four times a year, as well as in response to developments in the capital markets and other investment demands, such as portfolio rebalancing and manager-related decisions. They are also responsible for selecting, monitoring and terminating investment managers and consultants, and reviewing long-term performance relative to the Fund's investment objectives.

Reporting

A quarterly fund statement is available to you online through CommunitySuite, the Foundation's online portal. This statement will show the balance of your fund and will detail the previous quarter's activity including all contributions to and grants from your fund. If you prefer to receive your statement via mail, please notify us at office@cfncf.org or 352-367-0060.

How Your Fund Supports Our Work

The Community Foundation's annual operating budget is supported in large part by the fees we receive from managing the assets in Donor Advised Funds. The revenue generated from supporting fees covers the cost of the Foundation's core services, which include philanthropic advising, nonprofit capacity building, grant making, gift and grant processing, investment and charitable asset management, planned giving services, new fund development, civic leadership activities and communications.

The Community Foundation is a comprehensive resource for local philanthropists. We can help you understand the most pressing issues facing our community and let you know where your grants can make a difference. We can help you find organizations that are doing outstanding and innovative work. We spearhead statewide initiatives and keep you informed about important public-policy issues. We connect you with other like-minded philanthropists and help you encourage others to build the community's charitable capital.

In short, we go beyond transacting grants and managing your charitable investment wisely. Our "business" is helping philanthropists like you have lasting impact in North Central Florida.

Administrative Fees

Through careful management, CFNCF keeps its expenses low while providing high-quality service to donors and grantees. Each CFNCF fund pays a proportionate share of the Foundation's administrative costs, based on an annual fee structure:

Endowed Funds

Minimum	Maximum	Annual Fee
-	\$500,000	1.5%
Next \$500,001	\$4,000,000	1.0%
\$4,000,001	\$5,000,000	.85%
\$5,000,001	And above	.75%

Non-endowed Funds 2.0%

Nonprofit Funds

-	\$100,000	2.0%
\$100,001	\$500,000	1.5%
\$500,001	\$1,000,000	1.0%
\$1,000,001	And above	.75%

Scholarship Funds

-	\$500,000	3.0%
\$500,001	And above	2.0%

Minimum Annual Administrative Charge \$500

Investment Fee

Funds invested in our portfolio incur the costs related to third-party investment management and consulting and bank custodian services. The fee is a blended rate based on the asset values and the current fees charged by our underlying investment managers and custodians, and the returns are net of those fees.

Making the Most of Your Fund

In addition to managing the administrative details of your fund, the Foundation provides you with many opportunities to learn, lead and grow as a philanthropist.

Working with You

The Community Foundation works closely with donors to make their philanthropy as effective and fulfilling as possible. We can help you identify and evaluate nonprofit organizations and programs, connect you with other fund holders who share your philanthropic interests, create a plan that involves your family in your grant making, and consider the future of your Donor Advised Fund. We can also provide answers to technical questions about pledges, fiscal sponsors, challenge or matching grants, planned gifts and more.

Connecting with Others

When you choose to do your giving through the Community Foundation, you are joining a community of donors who are committed to making a real difference here and beyond. Here are some of the ways we help you stay engaged and be inspired.

Social and learning events: Philanthropy is serious work, but it is also about building new relationships, seeing new places and exploring new ideas. The Foundation hosts events that are designed to introduce donors to each other, encourage networking and information sharing and offer technical information to maximize grant making.

Site visits: Visiting a nonprofit organization you are or may consider funding, as well as the neighborhoods it serves, is an excellent way to gather data about the organization and see its work in action. It also enables you to evaluate a potential grantee more effectively, enhance your own understanding of the community and learn how you and the organizations you fund can best serve its needs. We can arrange site visits with potential grantees as well as advise you on questions to ask staff and board members and other issues to consider.

Making an Impact

Our staff can help you develop and articulate a philanthropic mission and giving goals, as well as prioritize those objectives to achieve maximum impact in the community.

Family Philanthropy: Involving your family offers you the opportunity to pass on your philanthropic values, come together for meaningful activities and discussions, learn more about each other as individuals, and develop a common vision. It also enables you to address social needs in a way that draws upon the strengths of all family members. We are here to help. We routinely work one-on-one with donors and their families to develop and implement philanthropic plans.

Local, National and International Reach: Through our extensive network of community foundations across the country, we can help identify the most effective organizations and nonprofits close to home and throughout the United States. We can also connect donors to a network of local philanthropists engaged in international giving.

Succession Planning: Effective philanthropy requires thoughtful planning, including decisions related to the future of your Donor Advised Fund. Our team can work with you to develop a customized plan to meet goals in the three intersecting areas of philanthropy, estate planning and family, and will help you consider creative ways of building your philanthropic legacy.

Impact Investing: Our staff is available to share their expertise and help you create innovative strategies such as Program Related Investments.

Supporting the Community Foundation

Strategic Initiatives: In addition to our competitive grant making, the Community Foundation also supports and raises resources for a series of ambitious special initiatives aimed at solving the region's most serious and demanding challenges. These initiatives are developed when the Foundation, (often in partnership with government, business and other funders) sets aside resources to address particular issues, frequently over a number of years.

Planning for the Future of Your Fund

Effective philanthropy requires thoughtful planning. Many of our Donor Advised Fund holders enjoy giving through the Foundation now and are also thinking about their philanthropic legacy. Planned gifts provide a wide variety of opportunities that can help further your philanthropic goals, enhance your retirement income and also provide substantial tax savings. The Community Foundation offers a full array of planned-giving options, helping individuals and families develop lasting legacies in support of the causes about which they care.

Such planning, of course, begins with an introspective look at your motivations and the development of some goals. Do you want to pass along a tradition of giving to your children or grandchildren? Do you know what specific institutions or causes you want to support? Have you thought about incorporating charitable giving into your overall estate plans?

Leaving a Lasting Legacy

Endow Your Donor Advised Fund. By endowing your Donor Advised Fund, you can ensure that successive generations of your family will stay involved as advisors to the fund, and that the principal of the fund will remain intact in perpetuity.

Create a named Field of Interest Fund. Passions are permanent but needs change. How might your legacy adapt to changing times? Field of Interest Funds support particular areas of community life, such as the arts or education, or specific populations such as children or the elderly. Grants will be made annually from the investment income of the fund in perpetuity.

Create a Designated Fund. Would you like to continue to support specific organizations indefinitely? A Designated Fund lets you earmark dollars for an annual contribution in perpetuity to the organizations you care about. Grants will be made annually from the investment income of the fund in perpetuity to your designated organizations.

Planned Giving. There are many ways to incorporate the Permanent Fund into your estate planning, including gifts by will or trust, gifts of retirement plan assets and life insurance, gifts that pay your income, and gifts that preserve assets for your heirs.

Name a Successor Advisor. Pass the fund on to another generation or split equally into separate funds for each of your successors. There is no limit on the number of successors or the number of generations.

Please note that all succession plans must be communicated to the Foundation in writing for approval. We are happy to work directly with you to develop customized plans to meet your goals. For more detailed information, please contact us at 352-367-0060.

Important Information About Your Fund

Tax Implications

Because the Community Foundation is a public charity under Sections 501(c)(3) and 170(b)(1)(a) of the Internal Revenue Code, initial and subsequent contributions made to its Donor Advised Funds currently receive the maximum charitable deduction permitted under state and federal law. Each gift to the Community Foundation is acknowledged with a receipt confirming the date and a description of the gift for the donor's tax records. *Note: The Community Foundation is not a licensed tax advisor. Donors should work with their financial, tax or legal professional to determine the best charitable giving strategy for their situation.*

Control of Assets / Material Restrictions

A fundamental characteristic of Donor Advised Funds is the transfer of donor control to a public charity. When you make a gift to establish a fund or to add to your fund, the gift becomes the property of the Community Foundation, which means that the Foundation has exclusive legal control over the contributed assets. Furthermore, U.S. Treasury regulations require that all component funds of community foundations be free from material restrictions (or "conditions") imposed by donors. This means that while you, as an advisor, may recommend grants, the Foundation is not legally bound by your advice. However, if a grant recommendation meets the requirements on page 7, we are most likely to approve your recommendation.

Variance Power

All contributions to the Foundation are subject to the Foundation's variance power, as stated in your fund agreement. Variance power, though rarely invoked, gives the Foundation the right to redirect the use of any fund if we determine that distributions from that fund have become unnecessary, cannot be fulfilled, or are inconsistent with the charitable needs of the community or area served by the Foundation. For example, a fund set up early in the 20th century for research and treatment of polio, no longer considered a threat to public health, might be redirected to a more pressing current medical need in the community. All funds accepted by the Foundation are subject to this variance power, and all community foundations have this policy, which allows them to remain flexible and relevant as grant-making organizations far into the future.

Transfers

No party to a fund may transfer or assign a fund or its obligations to a third party without the prior written consent of the other party. The advised function of any fund cannot be assigned without the written approval of the Community Foundation.

Frequently Asked Questions

Q: How many grants may I recommend in a year?

A: You may recommend as many grants as you wish, amounting to the total of your fund balance. The minimum grant size is \$250. It should be noted that there is a \$10,000 minimum to maintain an active grant-making Donor Advised Fund. When balance falls below this level, donors are required to replenish their fund prior to making additional grants. Funds that grant out their balance within a year may incur a fee.

Q: Who can recommend grants from the Donor Advised Fund I established?

A: Anyone listed as a fund advisor on your Fund Agreement can recommend grants from the fund. If you would like to add an advisor to the fund, please submit a written request to the Foundation. An advisor must be 18 years of age.

Q: Why don't I receive thank you letters from nonprofits I support through my Donor Advised Fund?

A: While the grant may carry with it the name of your fund, the Community Foundation does not disclose donor contact information in grant award letters unless you give us explicit permission to do so. In addition, we ask grantee organizations not to send any mail to fund advisors in care of the Community Foundation. Please contact organizations directly if you would like to be on their mailing list. You also are welcome to give us permission, on a grant-by-grant basis, to share your contact information with grantees.

Q. Can I ever change the name of the Donor Advised Fund I established?

A: Yes. The Foundation can change the name of a fund. Please submit your request in writing.

Q: I want to make grants to a childcare organization, but I am not familiar with any.

Can the Foundation help me identify some programs?

A: Yes. Our staff is able to provide information on a wide variety of programs in the area. We also are able to research areas of interest to you. Should your interests fall beyond North Central Florida, we are able to tap into our extensive network of community foundations throughout the country to find the information you need.

Q. My daughter plans to participate in a fundraising walk next month. May I sponsor her through my Donor Advised Fund?

A: Yes and no. If there is no fundraising requirement for the walk, then you may make a grant in honor of your daughter's participation. However, you may not make a grant from your Donor Advised Fund to participate in or to sponsor yourself or a family member on a charitable bike ride or similar activity when there is any quid pro quo under the gift substantiation rules. Examples of ineligible grants include when the event provides hotel accommodations, dinners, snacks, and the like. You may, however, "sponsor" people who are not related to you on walks, rides, etc.

Q: May I serve on the board of an organization and recommend a grant to it from my Donor Advised Fund?

A: Yes, you may make Donor Advised Fund grants to organizations in which you, your spouse or family

members participate in a volunteer or board capacity. We simply ask that you certify that you will receive no personal benefit from the grant by agreeing to the terms and conditions at the bottom of the grant request form.

Q: My spouse is being honored at a charity dinner and I would like to buy a table. May I do so from my Donor Advised Fund?

A: No, you may not. Under the Pension Protection Act of 2006, you may not support fundraising events for nonprofit organizations through your Donor Advised Fund if you are attending the event. Instead you will have to pay the ticket price directly from your own pocket and cannot recommend even a portion of the support for the event from your fund. Bifurcation of grants (splitting the “non-deductible” from the deductible portion of gifts) is no longer allowed per IRS regulations. If you are not attending the event, however, you may make a general operating support grant in honor of the program.

Q: I am a sustaining member of the Museum of Fine Arts. May I make my membership gift through my Donor Advised Fund?

A: No, you may not. Under the Pension Protection Act of 2006, memberships to museums, aquariums, zoos, etc. may not be paid through a grant from your Donor Advised Fund because these memberships carry with them more than an incidental benefit.

Q: Can I encourage others to give to the fund?

A: You can informally solicit family and friends; however, organized fundraising activities (e.g., events, raffles, walks, etc.) on behalf of the fund are not permitted. Please contact our office for a copy of our fundraising policy.

Q: What if I forget my CommunitySuite password?

A: Enter your user ID and click on the link that says “Forgot your password? Click here.” You will be prompted to enter in your e-mail address, which must match the address the Community Foundation has on file. Your password will then be e-mailed to you. You may also call our office at 352-367-0060.

Q. I recently moved and want to update my record at the Community Foundation. Is there a way to do this via CommunitySuite?

A: Yes! Log on to CommunitySuite and choose “My Profile Information.” Edit the information and click “Submit Changes.” You may also contact our office.

Glossary of Terms

501(c)(3): Section of the Internal Revenue Code that designates an organization as charitable, tax-exempt and nonprofit. Organizations qualifying under the code include religious, educational, charitable, amateur athletic, scientific, or literary groups; organizations testing for public safety; or organizations involved in prevention of cruelty to children or animals. Most organizations seeking foundation or corporate contributions have a 501(c)(3) status. The Community Foundation's due diligence on grants includes verifying 501(c)(3) status for all grantees.

Advised Fund: A fund through which the donor (or person or committee designated by the donor) can advise the community foundation on charitable distributions. The recommendations are only advisory; the governing body of the community foundation has legal control over all distributions.

Community Foundation: A community foundation is a tax-exempt, nonprofit, autonomous, publicly supported, philanthropic institution composed primarily of permanent funds established by many separate donors for the long-term diverse, charitable benefit of the residents of a defined geographic area. Typically, a community foundation serves an area no larger than a state. Community foundations provide an array of services to donors who wish to establish endowed funds without incurring the administrative and legal costs of starting independent foundations. There are 750 active community foundations in the United States today.

Component Funds: Multiple funds (such as Donor Advised Funds) which comprise a community foundation. A Donor Advised Fund is a component fund and asset of the Community Foundation, Inc. (a qualified public charity), and as such, any contribution to a component fund is automatically treated as a gift to a public charity.

Designated Fund: A fund from which distributions are restricted to one or more specific public charities that have been named by the donor. The Community Foundation oversees the annual grant process, ensuring that the organization has not changed its legal status and that its purpose remains charitable in nature. In the event the organization ceases to operate or changes its purpose, the Community Foundation will see that the fund is used to continue the donor's charitable objectives.

Endowed Fund: Also known as a permanent fund, an endowed fund is intended to be kept in perpetuity and invested to generate income for charitable grants. Endowed and permanent funds are restricted to the Foundation's spending rule, which is determined by the Board of Directors.

Field of Interest Fund: A fund from which distributions are restricted to a charitable purpose specified by the donor (for example, the arts, education, or summer activities for the youth of North Central Florida).

Private Foundation: A foundation that receives most of its income from, and is subject to the control of, an individual or other single or limited source. Also the technical IRS term for an organization which is tax-exempt under Section 501(c)(3) but does not have to meet a public support test, so therefore is classified as a private foundation under the Internal Revenue Code.

Private Operating Foundation: A private foundation (see above) that uses its income to operate a charitable activity, such as a school or camp, rather than to make grants. A private operating foundation has a different tax status from either a public charity or a private non-operating foundation.

Program-related Investments (PRIs): Sometimes referred to as impact investments, PRIs are investments made by foundations to support charitable activities that involve the potential return of capital within an established time frame. PRIs include financing methods commonly associated with banks of other private investors, such as loans and loan guarantees.

Spending Rule: Cash usage or “spending” determination made each year by the Board of Directors aimed at both the long-term growth of endowment fund principal and also a consistent level of annual grants to charity.

Unrestricted Fund: A fund that gives the Community Foundation complete discretion to make charitable grants.

Variance Power: The ability of a community foundation to modify any restriction or condition on the distribution of funds to any specified charitable purpose or to any specified organization if, in the sole judgment of the governing body, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served. All funds accepted by the Community Foundation are subject to this variance power.

**Do you have questions?
We are here to help.**

**Please visit www.cfncf.org or call our office
at 352.367.0060.**



COMMUNITY FOUNDATION
of North Central Florida