



CENTRAL NEW YORK
COMMUNITY FOUNDATION

HANDBOOK: DONOR-ADVISED FUNDS



How to Use Your Donor-Advised Fund

Thank you for choosing the Community Foundation as your partner in philanthropy. We hope you will find that your donor-advised fund offers you a simple, flexible way to accomplish your giving goals. This handbook is designed to answer some questions you may have about the administration and use of your fund.

Fund Administration

Statements

Fund statements are provided to fundholders twice a year or upon your request. Statements include all increases and decreases to the fund since the last fund statement, such as: contributions, investment income, grant expenses and administrative fees where applicable. Contributions and grant expenses are also shown in detail on the statement. See a sample participating fund statement in Appendix A on page 5.

Online Account Access

MyGiving is a web-based portal that gives our donor-advised fundholders secure online access to their personal fund account day or night. Donors can request grant distributions to their favorite charities, check a fund's balance, and see if a recent gift has been received. If you do not have information for logging in to MyGiving and would like to receive a username and password, please contact us at 315.422.9538. See Appendix B, page 6, for MyGiving access instructions.

Contributions

You can make additional contributions to your donor-advised fund whenever it makes sense for you with almost any type of marketable asset. The most common way to make a gift is by check or the transfer of appreciated securities. Gifts of real estate, stock in a closely held business, and certain other tangible assets can only be accepted with prior approval of the Community Foundation. You will receive an acknowledgement letter for your contribution which you should retain for IRS gift substantiation.

Your fund is a nonparticipating fund and does not receive any gains or losses from exposure to the markets. Nonparticipating funds are not charged an administrative fee.

Your fund is a participating fund and receives its pro rata share of the investment returns of the Community Foundation's investment pool. Participating funds are charged a fee of 1% or \$500 annually, whichever is greater.

Grantmaking

Recommending a Grant

The donor advisor(s) identified in the fund agreement may submit written grant suggestions by using a Grant Recommendation Form and returning that form by mail or e-mail, or by using our online portal. Our staff will research and document the nonprofit status of the proposed recipient organizations and the charitable nature of their activities.

When the Community Foundation makes a grant from a donor-advised fund, the recipient organization receives a grant letter that includes the name of the fund, the contact information for the donor, and the purpose of the grant if it is designated for something other than general support. The letter invites the recipient organization to acknowledge the donor for their generosity.

Anonymous Grants

The letter that accompanies each grant from your donor-advised fund will identify the name of the fund and provide your name and address so the charity can thank you directly. This is the only information we provide to a nonprofit receiving a grant from your fund. You have the option to request complete or partial anonymity in this correspondence on a case-by-case basis. The grant suggestion form provides these options under each grant suggestion space:

- 1.) Complete anonymity:** The name of the fund is not noted in the grant letter, and the donor's name and address are not included. In this case, the recipient organization will only know that someone affiliated with the Community Foundation has provided them with support.
- 2.) Partial anonymity:** The name of the fund is noted on the grant letter, but the Community Foundation does not provide the donor's name or address to the organization.

Appendix C is a sample grant letter that a charity would receive. The practical implications of each level of anonymity are highlighted in this sample.

Timing

We encourage you to recommend grants from your fund whenever you wish. Some advisors choose to do this annually, while others offer their suggestions semi-annually or quarterly. With the convenience of online access, you can use the fund to fulfill your charitable gifts with a quick turnaround time. Also, should your fund become inactive unexpectedly, we will reach out to understand how we can assist you in making your charitable distributions.

We make every effort to respond promptly to your suggestions. As a general rule, grant suggestions received by noon on Tuesday are processed that same week. Checks are mailed out every Friday. Grant requests must be received by noon on Tuesday in order to be processed and mailed that same week.

Grantmaking, cont'd.

Fund Availability

You have 24/7 access to fund summary information online through MyGiving. You can also contact our philanthropic services staff to discuss the details of your fund, including the amount that is available for grantmaking at any time.

Eligible Recipients

You can recommend grants to publicly supported 501(c)(3) charities, schools, religious organizations or government entities. Grants can support organizations in Central New York and beyond.

Grants cannot be made to individuals. The Community Foundation makes distributions only to qualifying public charities verified by our staff.

Minimum Grant Amount

We ask that all grant recommendations are at least \$100.

Multi-Year Grants

If you would like to make a multi-year grant, please indicate at the time of your recommendation that the distribution is to be made in increments. We will administer the distribution and payment schedule automatically.

Serving on a Board

You may recommend a grant from your donor-advised fund to an organization for which you volunteer, including as a board member, as long as you or others receive no personal benefit from the grant.

Restrictions

In accordance with federal law, grants awarded from your Community Foundation donor-advised fund may not be used to fulfill pledges you have already made to a charity. You are welcome to ask the charity to release you from your pledge and to make that commitment through your donor-advised fund instead.

Your fund cannot be used to pay for anything that provides a direct benefit to a donor advisor or others. This includes golf tournaments in which you or others will participate and benefit dinners which you or others will be attending. As an alternative in such cases, you can request grants from your fund to sponsor an event or publish an ad page in the event brochure and purchase tickets separately to attend. Also, if a grant from your fund supports your membership at an organization, you will be waiving any rights to incidental benefits associated with that membership.

Donor Services & Legacy Planning

Engaging Your Family

Many donors encourage their children to carry on their own tradition of philanthropy. An advised fund is a great resource to introduce family members to giving. We have expertise in facilitating family meetings, crafting mission and vision statements for families, and helping to bring your children into the culture of giving in an age-appropriate way.

Connecting with Community Needs

As the largest endowed philanthropic foundation in this region, the Community Foundation is knowledgeable about needs and organizations in the area. Our staff is available to identify nonprofits that fit your charitable interests. We can even send you grant ideas that we receive from nonprofits for programs that match your charitable goals.

Other Ways to Support the Community Foundation

The Community Foundation's Community Fund supports a portion of our operations and allows us to make grants to address the greatest needs in our community. Gifts to the Community Fund demonstrate a desire to support the Community Foundation's mission. You can make a transfer from your donor-advised fund to the Community Fund at any time.

Create a Charitable Legacy

Creating a fund with us during your lifetime is the first step to leaving a lasting legacy to charity. Upon the death of the last surviving advisor, the fund may continue as a permanent named endowment meeting the needs of Central New York for generations to come, allowing the name you select for the fund to endure.

You might also consider adding to your donor-advised fund through a charitable provision in your will or by designating the Community Foundation as a beneficiary of your retirement plan. You can create additional funds named for your family or in honor of a relative or friend to serve as memorials to them. Grants will be made in the name of your fund in perpetuity. In this way, you can help build a thriving base of philanthropic capital in support of our region's changing needs. Contact us at (315) 422-9538 if you'd like to learn more about legacy planning.

Appendix A
Sample Fund Statement



**CENTRAL NEW YORK
COMMUNITY FOUNDATION**

STATEMENT OF ACTIVITY

OUR FAMILY FUND
Mr. John Fundholder and Mrs. Jean Fundholder

Statement of Activity as of June 30, 2019

| | Periods | |
|--------------------------|-------------------------|-------------------------|
| | 01/01/2019 - 06/30/2019 | 01/01/2018 - 12/31/2018 |
| BEGINNING BALANCE | \$258,100.00 | - |
| Contributions | 726,000.00 | 330,000.00 |
| Interest & Dividends | 2,600.00 | 1,100.00 |
| Realized Gains/Losses | 6,300.00 | 1,500.00 |
| Unrealized Gains/Losses | 37,200.00 | 3,500.00 |
| Other Income | - | - |
| TOTAL REVENUES | 772,100.00 | 336,100.00 |
| Grants Paid | (5,000.00) | (75,000.00) |
| Administration Fees | (2,900.00) | (3,000.00) |
| Other Expenses | - | - |
| TOTAL EXPENSES | (7,900.00) | (78,000.00) |
| ENDING BALANCE | \$1,022,300.00 | \$258,100.00 |

Contributions For Statement Period

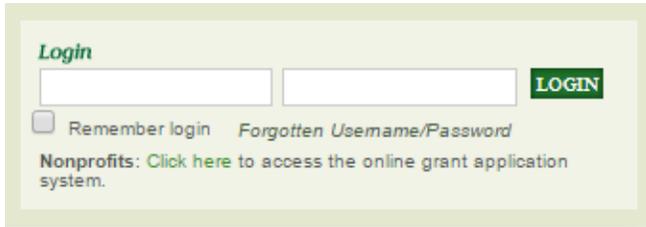
| Date | Description | Amount |
|----------------------------|-----------------|---------------------|
| 03/08/2019 | Jean Fundholder | 726,000.00 |
| Total Contributions | | \$726,000.00 |

Grants For Statement Period

| Date | Organization | Amount |
|---------------------|---------------------------|-------------------|
| 05/12/2019 | Deserving Nonprofit, Inc. | 5,000.00 |
| Total Grants | | \$5,000.00 |

Appendix B

Accessing MyGiving



Step 1: Visit <http://www.cnycf.org>

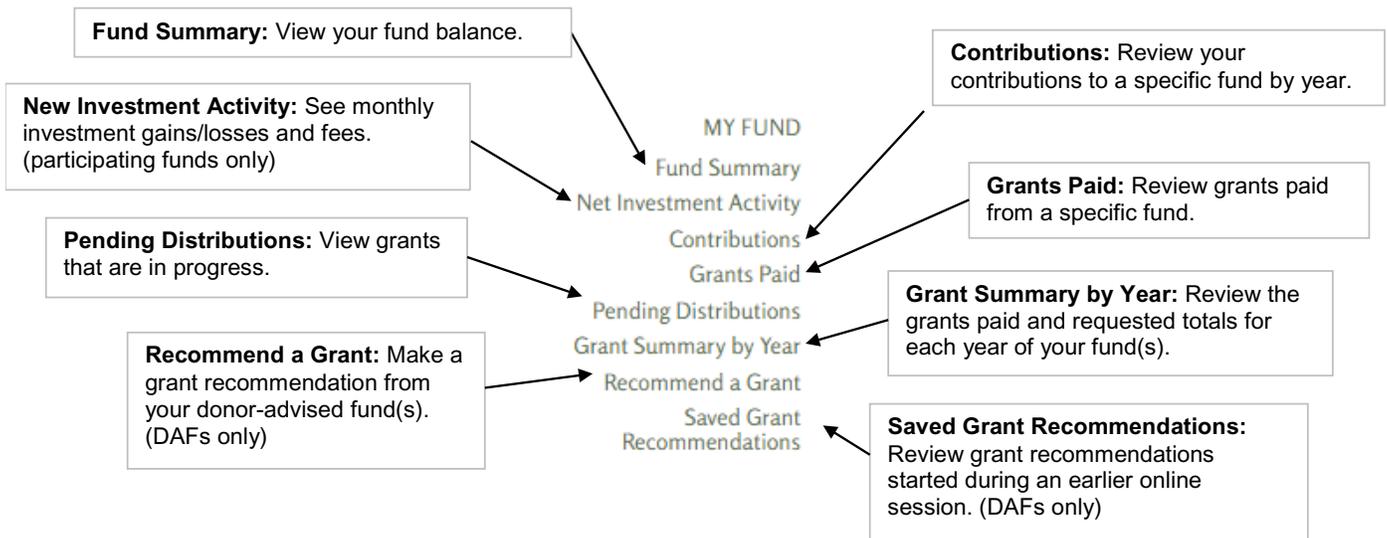
Click on the Login box at the top.

Step 2: Enter the username and password given to you for your first sign-on.

Step 3: You will see a screen with the following options on the left sidebar menu:



Other options to help manage your fund online through *MyGiving*:



Appendix C

Sample Grant Letter

This is the standard letter a charity receives with a grant from your fund. It includes your fund name and your contact information so that the grantee organization can thank you personally. The Community Foundation also offers two levels of anonymity for donor advisors:

- I wish the above grant to be ANONYMOUS, and the fund NOT acknowledged in the payment letter.
- I wish my name to be ANONYMOUS as the fund advisor.

May 12, 2019

Deserving Nonprofit, Inc.
123 Here for Good Way
Anytown, NY 11111

Dear Friends:

The Central New York Community Foundation is pleased to make a grant of \$5,000.00 to your organization from the **Our Family Fund** which we administer.

Removed only if you select "I wish the above grant to be anonymous and not acknowledged in the payment letter."

This grant is restricted to support of the Better Life Program at Deserving Nonprofit, Inc.

This is an unrestricted gift, unless otherwise noted above. However, this grant should not be accepted if it will not fully be used for the charitable purposes specified. Please notify us immediately if that is the case. In accordance with IRS regulations, we are required to inform you that no goods or services may be provided to any individual in consideration for this grant. In order to comply with federal regulations governing donor-advised funds, the donor waives any non-incident benefits associated with this contribution to your organization. If you have any questions, please contact the Community Foundation.

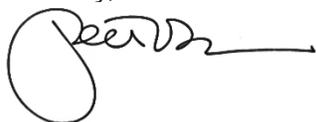
The Foundation does not require that an official receipt be issued to us by your organization. However, we suggest you send an acknowledgement to the person(s) suggesting this gift:

Removed if you choose "I wish my name to be anonymous as the fund advisor."

Mr. John Fundholder & Mrs. Jean Fundholder
PO Box 1234
Anytown, NY 11111

People of heart and vision founded the Central New York Community Foundation to connect the generosity of donors with community needs. We are proud to be a facilitator in supporting the ongoing efforts of your organization.

Sincerely,



Peter A. Dunn
President and CEO

CONTACT US

Tom Griffith

Vice President, Development

TGriffith@cnycf.org

315.883.5544

Monica Merante

Senior Director, Philanthropic Services

MMerante@cnycf.org

315.883.5541



**CENTRAL NEW YORK
COMMUNITY FOUNDATION**

315.422.9538

INFO@CNYCF.ORG

CNYCF.ORG

