

## NON-ADVISED FUND POLICIES & GUIDELINES ABOUT YOUR CHARITABLE FUND

Serving donors is central to our mission at InFaith Community Foundation, and we're committed to providing you with the flexibility, stewardship and service you need to make the most of your giving plans. We look forward to serving you and your charitable giving goals. Whenever you have questions regarding your non-advised charitable fund or any of the policies and guidelines described in this booklet, please call us at 800-365-4172 or contact us via email at [contact@inFaithFound.org](mailto:contact@inFaithFound.org).

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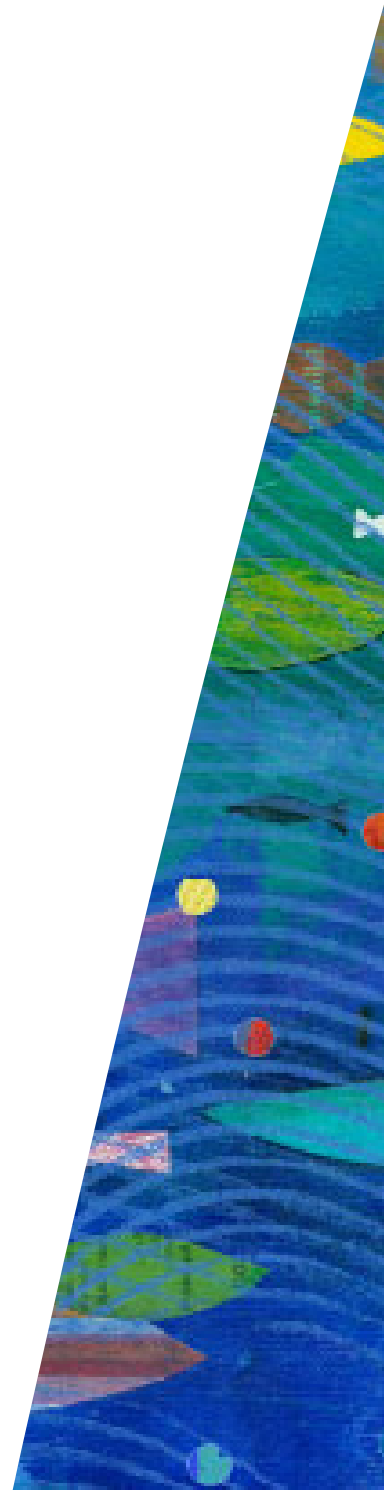
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## ESTABLISHING YOUR NON-ADVISED CHARITABLE FUND

### What is a Non-Advised Charitable Fund?

Qualified Charitable Distributions (QCDs) from Individual Retirement Accounts (IRAs) are growing in popularity among eligible donors aged 70 ½ or older. Many donors combine this giving strategy with an InFaith Community Foundation non-advised charitable fund to provide ongoing support to one or more charities over time.

Donors select charities to receive ongoing annual grant distributions from their non-advised charitable fund, either in perpetuity or for a term a years. Once the fund is established, the donor does not maintain any advisory capacity, and may not add or remove charities or change any other parameters of the fund. In this way, non-advised charitable funds differ from donor advised funds.

### Fund Agreement

Your InFaith Community Foundation Fund Agreement describes your giving intentions and recommendations based on the information provided in the Fund Workbook and through discussion with InFaith Community Foundation staff. Please review and sign your Fund Agreement before transferring QCD assets to your non-advised charitable fund.

### Authorizing Access

You may authorize interested parties, such as family members, friends or professional advisors (e.g., financial advisor, CPA, attorney), with access to information about your non-advised charitable fund. This authorization can be made as you complete the Fund Workbook or after your fund is established. As donor, you may change authorized individuals at any time. Contact InFaith Community Foundation for instructions. Financial advisor(s) identified in the Fund Workbook are provided with read-only online access to your non-advised charitable fund activity (i.e., contact information, gifts and grants). If you wish to restrict online access for your financial advisor, please contact InFaith Community Foundation.

### Fund & Grant Disclosure Options

You may provide InFaith Community Foundation with permission to publish your non-advised charitable fund's name in InFaith Community Foundation publications (e.g., annual report, newsletters, social media, website) by checking the designated box under Additional Instructions in the Fund Workbook. If no box is checked, InFaith Community Foundation assumes you wish to remain anonymous to the public at all times.

You also have the option to have your non-advised charitable fund's name shared with charities when grant distributions are sent. If no box is checked in this section of the Fund Workbook, your non-advised charitable fund's name will not be shared with benefiting charities. If you wish to have InFaith Community Foundation inform recommended charities of your intended support at the time your non-advised charitable fund is created, please contact InFaith Community Foundation. You may change your disclosure preferences at any time.

### Tax, Legal & Financial Advice

Charitable giving can result in significant tax, legal and financial benefits and consequences. Because InFaith Community Foundation cannot provide legal or tax advice, you are strongly encouraged to consult your personal attorney and tax advisor before making any gifts.

## GIFTS TO YOUR FUND

### Assets to Establish Your Non-Advised Charitable Fund

You may establish your non-advised charitable fund with the direct transfer of qualified charitable distributions from your IRA. Contact InFaith Community Foundation for more information about other giving options available for donor advised funds.

### Additional Gifts

You're welcome to make additional QCD gifts to your non-advised charitable fund at any time. If you have questions on how to make additional QCD gifts, please contact InFaith Community Foundation.

### Irrevocability

Charitable gifts to InFaith Community Foundation cannot be revoked once the transfer of gift assets is complete. With gifts made upon death, such as bequests and and beneficiary proceeds, you retain control of these future gifts while living.

## GIFTS OF QUALIFIED IRA DISTRIBUTIONS

If you are 70½ or older, you can create a non-advised charitable fund with gifts of QCDs from your IRA.

### What is a Qualified Charitable Distribution (QCD)?

- Donors age 70½ and older can transfer up to \$100,000 from their IRAs directly to qualifying charities, such as InFaith Community Foundation, each year.
- The amount transferred can be used to meet your required minimum distributions.

## Tax Advantages of Giving QCDs

- The amount directed to InFaith Community Foundation is not included in your adjusted gross income (AGI).
- Giving these assets to InFaith Community Foundation, versus taking required minimum distributions (RMDs) as income, may enable you to avoid certain disadvantages associated with a higher adjusted gross income (AGI), (e.g., higher Medicare premiums, self-employment or Social Security taxes).
- You do not pay income tax on QCD distributions to InFaith Community Foundation.
- As QCDs are not subject to percentage limitations on charitable deductions, they offer an ideal strategy to those who have either exceeded maximum charitable deductions or do not itemize deductions in annual tax filings.

## Gift Acceptance & Tax Receipts

In accordance with procedures adopted by the InFaith Community Foundation Board of Directors, a duly-authorized InFaith Community Foundation officer or other designated staff person accepts your gift on behalf of InFaith Community Foundation. Once your gift is accepted, a tax receipt is sent to you. In cases where multiple gifts are made in one year, a final comprehensive tax receipt is sent following year end.

## Policy for Selling Capital Assets

Gifts of capital assets are sold by InFaith Community Foundation as soon as possible. Proceeds from the sale of these assets are directed to your non-advised charitable fund and invested according to InFaith Community Foundation's investment policy.

## Fundraising Policy

InFaith Community Foundation cannot accept checks from individual supporters in response to fundraising events promoting non-advised charitable funds at InFaith Community Foundation (e.g., golf tournaments, banquets, silent auctions). The exception is when InFaith Community Foundation has agreed to sponsor and run an event, and all conditions outlined by InFaith Community Foundation have been met. Gifts received at a fundraising event for a specific non-advised charitable fund should be made payable to the individual organizing the event, and are not eligible for a charitable tax deduction from InFaith Community Foundation.

## GRANT DISTRIBUTIONS

### Distributions of Grant Support

Grant distributions from your non-advised charitable fund are sent directly to benefiting charities. InFaith Community Foundation cannot provide grant distribution checks to the donor for personal delivery. You may designate grants for general operating support or specific projects upon establishing your non-advised charitable fund. Grants provide general operating support unless otherwise noted by the donor.

### Grant Distribution Policies

A non-advised charitable fund at InFaith Community Foundation enables you to support charities in the following ways:

**Automatic Annual Grant Support.** (Options B, C and D in the Fund Workbook). Designate IRS-qualified charities, a scholarship or a field of interest fund to receive automatic annual grants in the following ways:

**Perpetual Grant Support.** Through the perpetual grants option, 5% of your non-advised charitable fund's value is distributed proportionately among recommended charities on an annual basis. This distribution rate is subject to change.

**Term of Years Grant Support.** Through the term of years grant option, 10% of the non-advised charitable fund's value is distributed annually among recommended charities for 10, 15 or 20 years based on your request. Following the term of years, any remaining assets in your non-advised charitable fund are distributed to the charities, and your fund is closed.

**Optional. One-Time Grant to Specific Charities.** A portion of your initial gift may be granted to one or more recommended charities as a lump-sum. This option is available whether your initial gift is made upon death or while living. A minimum of \$50,000 or 20% of the gift, whichever is greater, must remain in the on-going portion of your fund.

**When a Charity No Longer Exists.** If a recommended charity no longer exists, annual distributions will be made proportionately among remaining charities. If all charities cease to exist and no other charitable recommendations are in place, remaining non-advised charitable fund assets will be directed to the InFaith Community Foundation Community Fund.

In the case of non-advised charitable funds with term-of-years grant distributions, remaining non-advised charitable fund assets are distributed among named charities at the end of the term. If all charities cease to exist, remaining assets are distributed to the InFaith Community Foundation Community Fund.

### Qualifying Charities & Grantmaking Due Diligence

InFaith Community Foundation strives to ensure that grants from your non-advised charitable fund achieve your giving intentions, and verifies the charitable status of all nonprofits receiving grants. Each grantee's financial and program information is reviewed. While the vast majority of grants recommended by donors are honored by InFaith Community Foundation, the following types of grant requests are not permissible:

- Grants that provide a more than incidental benefit to the donor or other third party. This includes: all or a portion of the cost to attend a charitable event, goods bought at charitable auctions, raffle tickets, grants to satisfy a financial obligation to any individual or entity, grants that fulfill fundraising pledges or other commitments, or that are directed to or for the benefit of specific individuals (e.g., school tuition, scholarships earmarked for individuals);
- Grants to organizations whose purpose or work is not solely charitable or when the grant will be used for a non-charitable purpose (e.g., cemeteries, VFW, fraternal societies);
- Grants to private non-operating foundations; and
- Grants to supporting organizations (501(c)(3)s identified in 509(a)(3)) that do not have an IRS determination letter stating they are "Type I" or "Type II".

For more information about permissible grants from your charitable fund, please contact InFaith Community Foundation. Visit [inFaithFound.org/charity\\_research](http://inFaithFound.org/charity_research) for information on specific charities and resources for evaluating them. More information is also included in your Fund Handbook.

Organizations receiving grants from your non-advised charitable fund are requested to reference the name of your non-advised charitable fund (example: The (insert fund name) of InFaith Community Foundation) in press releases, publications and/or other related communications (unless you requested anonymity).

### Variance Power

As a community foundation, InFaith Community Foundation is governed by federal laws and regulations that require it retain "variance power." This means that in accepting donor gifts, InFaith Community Foundation

must have the ability to redirect charitable support under certain circumstances, including if a charity loses its nonprofit status, support to a charity becomes unnecessary, the charity becomes incapable of fulfilling its mission, or is otherwise inconsistent with the charitable purposes of InFaith Community Foundation.

## FEES & EXPENSES

### Administrative Fees

Once gift assets are received to your non-advised charitable fund, an annual fee equal to 1% is assessed to assets on a quarterly basis to cover program and administrative expenses. This fee is based on the fund's average daily balance for the quarter. Fund assets in excess of \$1,000,000 are assessed a reduced fee of .5%, and additional reductions occur with assets exceeding \$5,000,000. Fees are assessed on a per fund basis and are subject to change. Contact InFaith Community Foundation for additional information.

### Investment Expenses

InFaith Community Foundation invests gift assets in a diversified portfolio of no-load, institutional class investments. Investment advisory fees are netted out of overall investment returns.

## INVESTMENT OF FUND ASSETS

All investments of InFaith Community Foundation are reviewed for approval by the InFaith Community Foundation Board of Directors. Investment assets of your non-advised charitable fund may be commingled with the assets of other charitable funds that InFaith Community Foundation holds and administers.

### Investing Your Fund's Assets

For non-advised charitable funds, you may choose to invest gift assets in any growth-oriented investment portfolio at the time you establish your fund. Once gift assets are invested, changes in market value may cause the value of the underlying investments of your non-advised charitable fund to be worth more or less than the value of the original gift. All dividends and capital gains are reinvested. If no investment allocation is selected in the Fund Workbook, assets will be invested in the Mission Growth Portfolio.

### Investment Recommendations

Whenever possible, InFaith Community Foundation follows donors' investment preferences. As per IRS regulations, investment recommendations are advisory

and InFaith Community Foundation may follow or decline donors' recommendations. Investments are administered in accordance with the financial policies of InFaith Community Foundation and are subject to normal market and interest rate fluctuation risks. Any gain or loss generated by the above investments will be reflected accordingly in the fund's value. InFaith Community Foundation's Board of Directors reserves the right to change the investment of your non-advised charitable fund's assets. Contact InFaith Community Foundation for additional information.

## DONOR COMMUNICATIONS

### Fund Reports & Online Access

At least annually, InFaith Community Foundation provides updated statements to donors with non-advised charitable funds that are actively making grants. These reports detail grants to charities, administrative fees, and investment gains or losses. Statements for non-advised charitable funds are also available online at [inFaithFound.org/fundlogin](http://inFaithFound.org/fundlogin). Please contact InFaith Community Foundation whenever you have questions regarding your non-advised charitable fund.

*Donors are subject to the policies and guidelines outlined in this booklet. InFaith Community Foundation reserves the right to modify these policies and guidelines at any time.*

## RESOURCES TO SUPPORT YOUR CHARITABLE GOALS

InFaith Community Foundation is here to help you make informed and thoughtful giving decisions. Please contact us if we can serve you in any of the following ways:

- Identify charities/nonprofit organizations that match your interests and values.
- Link your giving with InFaith Community Foundation-led initiatives, joining other donors to provide support to specific charitable concerns.
- Assist you in making additional QCD gifts to your non-advised charitable fund.

Following are additional resources to help you evaluate charities and learn more about giving:

**Your Plan for Giving**—This questionnaire is designed to help you define your charitable interests. We encourage donors to share completed questionnaires with InFaith Community Foundation. Your responses can help guide InFaith Community Foundation should a recommended charity cease to exist or change its mission.

**Charity Navigator: Your Guide to Intelligent Giving** ([CharityNavigator.org](http://CharityNavigator.org))—Charity Navigator is America's most prominent evaluator of charities. Their rating system examines two broad areas of a charity's financial health—how responsibly it functions day to day as well as how well positioned it is to sustain its programs over time. Each charity is then awarded an overall rating, ranging from zero to four stars.

**GuideStar** ([GuideStar.org](http://GuideStar.org))—with free registration you can view information on all 1.8 million nonprofits listed with GuideStar, and all are formally registered with the IRS or have proven they meet all IRS criteria for exempt organizations.



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