

DONOR-ADVISED FUNDS FREQUENTLY ASKED QUESTIONS



Gifts to Your DONOR-ADVISED FUND

What Types of Assets Can I Contribute to My Donor-Advised Fund?

The Chillicothe-Ross Community Foundation can accept a wide range of gifts, including cash, stock, retirement assets and life insurance. We also accept more complex gifts, such as S-corp stock and real estate, that many organizations cannot. To learn more, visit www.crcf.net/ways-to-give or reach out to the Chillicothe-Ross Community Foundation office.

How Do I Contribute to My Donor-Advised Fund?

Adding to your fund is simple and can be completed at any time. If you are giving cash assets, you can mail us a check made payable to the Chillicothe-Ross Community Foundation with the name of your fund in the memo line. You can also give to your fund online with Visa or MasterCard by using your fund's custom giving URL or by visiting www.crcf.net and clicking the donate button. If you are considering a gift of stock, please call the Community Foundation office at 740-774-GIFT(4438).

Can I Make a Qualified Charitable Distribution From My IRA Into My Donor-Advised Fund?

Under current IRS regulations, donor-advised funds are not eligible to receive qualified charitable distributions (QCDs). However, QCDs are a great choice for making tax-free gifts to designated or scholarship funds at the Community Foundation.

Can I Name My Donor-Advised Fund As a Charitable Beneficiary in My Will?

Yes. Including your donor-advised fund in your estate plan is a simple yet powerful way to carry on your charitable legacy after you are gone. You can choose to leave a specific dollar amount or a percentage of your estate to your donor-advised fund. You can also make a residual bequest, meaning a percentage of the residue of your estate will go to your fund. For more information and suggested language for your will, please see our Bequests & Memorial Giving insert.

Are My Charitable Gifts Irrevocable?

Yes, gifts to your fund at the Chillicothe-Ross Community Foundation are irrevocable. This means you have transferred the total asset to the Chillicothe-Ross Community Foundation, and you no longer own it.

Will I Get a Receipt for My Contributions?

Yes. The Chillicothe-Ross Community Foundation will mail your tax acknowledgment after receipt of your gift.

Are Additional Contributions to My Donor-Advised Fund Tax Deductible?

Yes, gifts to the Chillicothe-Ross Community Foundation and your donor-advised fund are deductible to the fullest extent of the law. For taxpayers who itemize deductions, donations to donor-advised funds are deductible up to 60% of adjusted gross income on gifts of cash, and 30% on gifts of appreciated assets like stock, mutual funds and real estate. Donating long-term appreciated assets to a donor-advised fund may even eliminate capital gains taxes. We recommend consulting with a tax advisor to determine the most tax-advantageous assets for your situation.

Can Other People Contribute to My Donor-Advised Fund?

Absolutely. Many of our donor-advised fundholders encourage their friends and family to donate to their fund in lieu of gifts for special occasions. Your fund's custom giving URL will take people directly to a donation page for your fund, giving people a quick and simple way to donate to your fund on their computer, tablet or mobile device. Please see our Public Relations & Marketing Tools insert for more information about promoting your fund.

Gifts to Your DONOR-ADVISED FUND

How Are the Assets in My Donor-Advised Fund Invested?

The Chillicothe-Ross Community Foundation pools the assets of all of our funds and invests them according to our strategic, long-term investment policy. Charitable assets in a donor-advised fund grow tax-free.

Can Investment Income Accrued in My Fund Be Deducted on My Taxes?

The income that accrues in your donor-advised fund is not deductible by the donor. However, all new contributions are fully tax deductible and the assets in your fund will grow tax-free.

Do I Need to Maintain a Minimum Fund Balance?

Donor-advised funds at the Chillicothe-Ross Community Foundation should maintain a minimum balance of \$5,000.

Grants from Your DONOR-ADVISED FUND

How Do I Decide Which Charities to Support?

At the Chillicothe-Ross Community Foundation, we welcome a conversation about your charitable interests. We're also happy to introduce you to nonprofits in your areas of interest that you may not be aware of. As a fundholder, you have the opportunity to participate in the Chillicothe-Ross Community Foundation's grant cycles and become a co-provider. Donor-advised fundholders are given the opportunity to review the Foundation's competitive grant applications and support initiatives that align with their charitable interests. For more information, please reach out to the Foundation office at 740-774-GIFT (4438).

How Do I Recommend a Grant From My Donor-Advised Fund?

Grant recommendations can be made at any time using our online portal at crcf.net and selecting Fund Manager Login. You may also submit your recommendations by emailing a grant recommendation to Scott Graham at scott@crcf.net. Please note that the information submitted from your recommendation form may be adjusted to ensure your grant is awarded to the appropriate organization, address, and contact person.

How Long Does It Take to Process My Grant Recommendations?

Once the foundation receives a grant recommendation, we review it to ensure the organization is a qualified charity under IRS regulations and that the purpose of the grant is charitable in nature. The Chillicothe-Ross Community Foundation processes grant recommendations each month – typically the 1st and 15th (or the following business day). Please allow up to two weeks for your grant recommendations to process. While every effort is made to process grants in a timely manner, grants to new nonprofits may take longer as we complete the due diligence process. If additional information is required, Foundation staff will contact you to finalize your recommendation.

How Will My Grant Recipients Be Notified?

Each of your grant checks will be disbursed by the Chillicothe-Ross Community Foundation and accompanied by a letter that indicates the grant has come from your fund, allowing the grantee to send thank you correspondence to your address. Or, your fund name can remain anonymous and the grantee will only be made aware that a grant was made from a donor-advised fund at the Chillicothe-Ross Community Foundation. It's up to you! Grant award letters and checks are generally mailed three to five business days following the 1st or 15th of the month, as applicable.

Do I Have to Make Grants in Ross County Exclusively?

No! Grants from your donor-advised fund can support any qualified 501(c)(3) nonprofit organization – right here in Chillicothe and Ross County Ohio or across the nation.

How Many Grants Can I Recommend in a Year?

You can recommend as few or as many grants as you would like each year. The Chillicothe-Ross Community Foundation processes grants twice a month, on the 1st and the 15th (or the following business day).

What is the Minimum Amount I Can Grant From My Fund?

There is not a minimum amount however, we recommend that your grants be at least \$250.

Grants From Your DONOR-ADVISED FUND

Is There a Minimum Amount I Have to Grant in a Year?

Unlike a private foundation, donor-advised funds at the Chillicothe-Ross Community Foundation do not have an annual payout requirement. You are welcome to make as many or as few grants as you would like each year. Many of our fundholders choose to build their fund balance during their working years so they can continue to support their favorite charities during retirement.

Is a Fee Charged for Each Grant I Recommend?

There are no fees for grant recommendations. This cost is covered by the administrative fee we charge to all of our funds.

Can I Make an Anonymous Grant?

Yes, the Chillicothe-Ross Community Foundation is happy to accommodate requests for anonymous grants. Please indicate with your grant recommendation that you would like to keep your fund name, advisor name, or both private.

Can I Make a Grant for a Specific Purpose?

Generally, a grant to an IRS-qualified nonprofit organization can be made for any charitable purpose. You may specify an express charitable purpose when recommending a grant, and every effort will be made to fulfill your intent. If no purpose is specified, the grant will be made for general program support. You may also make a grant in honor or in memory of someone if this is specifically indicated on your recommendation.

Can I Recommend a Grant to Cover an Event Ticket or Sponsorship? Or Membership Dues?

No. Federal law prohibits grants from your fund that provide anything more than an incidental benefit to the donor or related parties. Common examples of grants that provide a donor with personal benefits include gifts composed of charitable and non-charitable portions, such as payment for membership to a museum or other organization; donations that include purchasing rights to athletic events; purchases of tickets or tables for charitable events; or sponsorship of a charitable event where you receive something of value, such as tickets, table seats or the right to have a foursome entered in a golf outing. Should you request a grant to sponsor a nonprofit fundraising event but do not wish to attend or accept any tickets, we can make a grant to the organization from your fund, as there will be no "benefit" to you in this instance.

Can My Grant Recommendation Be Declined?

The Chillicothe-Ross Community Foundation makes every effort to fulfill the charitable intentions of our donor-advised fundholders. Rarely, a grant recommendation will be declined if it does not comply with IRS guidelines. The IRS prohibits donor-advised funds from making grants to private non-operating foundations, international organizations or individuals. All donor-advised fund grants must be made to a charitable organization within the United States that meets the requirements of a public charity under IRS Publication 78. All grantees must have a valid EIN/Tax ID. Grants cannot be made from donor-advised funds for memberships or for tickets to events. Grants also cannot be made to a nonprofit to satisfy or reduce a pledge previously made by the donor. Federal law prohibits grants from your fund that provide anything more than an incidental benefit to the donor or related parties. Examples of permissible incidental or token benefits are items such as calendars, mugs, posters or key chains. Donors, their advisors and related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from their donor-advised fund.

Additional Information About Your DONOR-ADVISED FUND

Can My Children Be Involved With My Donor-Advised Fund?

Involvement in your philanthropy is one of the greatest gifts you can give your children. We welcome the opportunity to engage your children and grandchildren in your fund. Our staff can help your family create and implement a shared charitable vision that can be passed from generation to generation.

Can My Donor-Advised Fund Have Multiple Successors?

Yes, the Chillicothe-Ross Community Foundation allows fundholders to name successor advisors to their fund. This is an excellent way to pass your philanthropic legacy to your children and grandchildren.

Additional Information About Your DONOR-ADVISED FUND

Can My Financial Advisor Be Involved?

We understand how important your relationships are with your legal and financial advisors. We welcome your advisors at the table when discussing your charitable goals. Under certain guidelines, we'll even let your advisor continue to manage your charitable fund's assets. We also have relationships with nearly all of the region's banks.

What Fees Are Charged to My Donor-Advised Fund?

There is no fee to establish a donor-advised fund. Once your fund is established, the Chillicothe-Ross Community Foundation charges a combined administrative and investment fee of approximately 2%, but only after you have received your full tax deduction for gifts to the fund. Our administrative fee is one of the lowest in the industry and stays right here in Ross County to benefit your community. We keep local philanthropy local. Please see our Fees insert for more details.

When Will I Receive Financial Statements for My Donor-Advised Fund?

You will receive fund statements four times a year for the quarters ending March 31, June 30, Sept. 30 and Dec. 31 (our fiscal year is the calendar year, January 1 through December 31). The statements are usually available on your online portal within four weeks after the end of the quarter and show activity for the most recent quarter, including total contributions, investment activity, distributions for grants, administrative fees and other activity. You can also access your fund statements at any time through your online account.

What Records Should I Reference When Filing My Taxes?

You will receive a tax acknowledgment letter from the Chillicothe-Ross Community Foundation for all gifts you make to your donor-advised fund. These letters are the official records you should save and reference when filing your taxes. If you misplace an acknowledgment, please call our office at 740-774-GIFT to request a new copy. Please do not rely on the data in the online portal for tax purposes. We recommend consulting with a tax advisor to determine whether gifts to your donor-advised fund may be deductible on your taxes.

OTHER QUESTIONS?

Contact Scott Graham, Executive Director
at 740-774-GIFT (4438) or scott@crf.net