

Donor Advised Funds

**PROCEDURES
AND GUIDELINES**



THE COLUMBUS FOUNDATION



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DONOR ADVISED FUNDS

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The Columbus Foundation offers a hands-on approach for people who value flexibility and choice, want to give to one or multiple organizations throughout the year, and want to manage giving from one simple account.

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The Donor Advised Fund Procedures and Guidelines is a step-by-step resource to help you understand and manage your fund.

Your Donor Services advisor is here to help. Please contact them by their individual e-mail or the general e-mail dsd@columbusfoundation.org or call **614/251-4000**.

LET US HELP YOU

Guidelines to help you manage your fund

With over 75 years of experience, you can trust The Columbus Foundation to help you achieve your charitable goals.

As a donor advisor, you may recommend grants to support tax-exempt public charitable organizations in central Ohio and throughout the United States. You can also support public charities doing work internationally.

In accordance with the Internal Revenue Service, there are regulations that prohibit grants that render benefits. This can include payment for personal tickets to fundraisers and memberships where you may receive dinner, gifts, or other items of value. If you are not attending the event, let us know and we may be able to make the entire grant.

Grantmaking Process

- 1 You may request grants to qualified charities located anywhere in the United States.
- 2 We will process the grant request within 7–14 days of receipt of your grant suggestion, depending upon how long it may take to liquidate invested assets or to verify charitable status.
- 3 A grant check will be mailed directly to the grant recipient with a notification letter listing the fund name and advisor, unless you choose to be anonymous.
- 4 You will receive a notification letter of the date the grant is paid and to whom.
- 5 Your Quarterly Fund Journal and your Giving Store dashboard will list your grant history for the calendar year.

Investment Approach

The Columbus Foundation's Investment Committee, which is comprised of local business and investment professionals, provides independent expertise to assist Foundation staff and its Governing Committee in the prudent investment of the assets entrusted to them. Working with the Foundation's many investment advisors, the committee periodically reviews and modifies the Foundation's Investment Policy, as needed, to provide clear guidelines and goals for the long-term investment of the Foundation's permanent fund assets. We offer a variety of investment options to meet your goals, including banks, brokerage firms, and mutual funds. In addition, we allow our donors to suggest the asset allocation for their funds.

The Foundation's Governing Committee sets policies, oversees grantmaking activities, and sets guidelines for the investment agents to follow in their investment activities. A complete

list of investment agents is available on our website and is provided upon request.

Fees

Your Donor Advised Fund is charged an annual administrative fee that varies based on the asset value of the individual fund. The fee has a tiered structure based on a percentage of the fund's previous quarter-end market value. The administrative fees are reviewed regularly and our approach is to provide efficient, cost-effective, and competitive services. The fees are assessed directly to the fund and do not require additional payment. Our fees cover the Foundation's general administrative costs, including gift and estate planning assistance, investment and financial management, grantmaking and evaluation services, and gift notifications and acknowledgments. In addition to the administrative fee, there are investment fees charged by the investment agent. These fees range from 5–100 basis points (.05–1%) and are assessed directly to the fund.

[Our Administrative Fee Schedule is available on our website and is provided upon request.](#)

The Foundation does not charge a transaction fee for new contributions to your fund, for grants to charities, or for additional administrative support by our staff.

MAKING GRANTS

As soon as your fund is established, as a donor advisor, you may begin to suggest specific grants be made from your fund to support charities, initiatives, and causes of your choice.

Proposed grants must be equal to or less than the balance of your fund. Donor Advised Funds are component funds of The Columbus Foundation. Our Governing Committee retains final discretion over the grants made from each fund.

Grantmaking Tips

- 1 Make grant suggestions via The Giving Store, e-mail, phone, mail, or fax form. Please include name and address of the organization, especially if the charity is located outside of central Ohio.
- 2 Indicate if the grant is for a special or restricted purpose or if it is in memory or in honor of someone. We will inform the organization receiving the grant and the honoree or survivor.
- 3 Indicate if you wish for the grant to be anonymous as to fund name, advisor's name, or both.

Due to the administrative costs of processing each grant, a minimum grant amount of \$250 is preferred. For gifts less than \$250, we ask that you make these by personal check or online with a credit card.

Due Diligence Efforts

The Foundation reviews grant suggestions daily to ensure your charitable intentions are realized by:

- 1 Verifying status of the suggested grant recipient as a recognized nonprofit organization or public charity as defined in section 501(c)(3) of the Internal Revenue Code. This includes most places of worship, educational institutions, hospitals, libraries, and government entities, such as municipalities, provided the grant is for the general public. We will advise you if there is an eligibility issue.
- 2 Contacting the nonprofit if additional information is necessary.

- 3 Conducting additional financial, program, and governance review of the suggested recipient for grant suggestions of \$10,000 or more upon request.
- 4 Approving grants for charitable purposes only.
- 5 Adhering to IRS regulations precludes the use of charitable contributions to:
 - fulfill legally binding pledges (multi-year grant suggestions are acceptable).
 - pay for event tickets, memberships, dinners, or other activities that provide a benefit to you or others.
 - pay for personal expenses incurred by any specific individual.
 - support a political campaign or lobbying activities.

DAF Grant Due Diligence Policy

The Columbus Foundation promotes respect, opportunity, and freedom for all people. With regard to its Donor Advised Funds, The Columbus Foundation will not accept funds from donors or make contributions to grantees that The Columbus Foundation believes, in its sole discretion, support or engage in hateful activities, whether in language (online or in print), policy, or action.

SUGGEST A GRANT



The Giving Store

The Giving Store is your one-stop shop for easy and effective philanthropy. Search more than 1,200 area nonprofits, view your fund summary and giving portfolio, access personalized nonprofit recommendations based on your interests, and suggest a grant to the nonprofit of your choice.

Use it to make smart, informed choices when donating to the causes and initiatives you care about.



Grant Suggestion Form

Download forms from the Resources section on our website at columbusfoundation.org or request copies from your Donor Services advisor.

Completed forms may be mailed or faxed to:

The Columbus Foundation
Donor Services Department
1234 East Broad Street
Columbus, Ohio 43205

Fax: **614/251-4010**
Phone: **614/251-4000**

Or submitted by e-mail to your Donor Services advisor or dsd@columbusfoundation.org.

BUILDING YOUR FUND

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You may add any amount to your fund
at any time.

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Assets such as cash, securities, and mutual funds are easily transferred to the Foundation. Other assets, such as real estate and closely held securities are accepted upon review. Upon acceptance of an asset, the Foundation will provide you with a receipt to substantiate your charitable income tax deduction, in the year the gift is made, in accordance with IRS regulations. The Foundation can receive securities via wire transfer, mail, or by hand.

If you plan to make a securities gift via electronic transfer, please notify us prior to the transfer of the gift so that we allocate it accordingly. For assistance with gifts of other types of assets, please contact your Donor Services advisor.



THREE SIMPLE WAYS TO DONATE APPRECIATED SECURITIES

By Phone

- 1 If your broker or bank holds your securities, call your broker and tell him/her which securities you wish to donate to The Columbus Foundation. (Most firms require written instructions.) Have your broker contact:

JEFFREY S. CULLMAN

UBS Financial Services, Inc.
The Cullman/Holt Group

5007 Horizons Drive, Suite 200
Columbus, OH 43220

T 614/460-6541
F 855/423-3905

An arrangement can be made to have your broker transfer the securities by wire. Please use DTC number 0221 for the benefit of The Columbus Foundation, account #CM 82341 27.

- 2 If your broker prefers to transfer commonly traded securities, have him/her contact a Donor Services Officer at The Columbus Foundation at 614/251-4000. The broker can transfer the securities by wire to Charles Schwab. Please use DTC number 0164 for the benefit of The Columbus Foundation, account #2444-9948.
- 3 On the same day you call your broker, please confirm your instructions in writing to your broker and state your desire to make a gift to The Columbus Foundation. Please include the number of shares, the name(s) of the stock(s), and the purpose for which you are designating your gift (for example, an addition to the Upper Arlington Education Foundation Fund). In your letter, include your broker's phone number and *send a copy of your letter to The Columbus Foundation* (address at the end of this document).

By Mail

- 1 Send your *unendorsed* stock certificate(s) by registered mail to The Columbus Foundation.
- 2 In a separate envelope, by regular mail, send to the same address:
 - A. A signed stock power (one power for each certificate; complete the signature block only). Stock powers are available from your broker, your bank, or The Columbus Foundation.
 - B. A brief note identifying yourself (name, address, phone number) and the number of shares, the name(s) of the stock(s) and the purpose for which you are directing your gift.
- 3 Mail *both* envelopes on the same day. The "date of gift" is determined by the later postmark.

By Hand

- 1 Bring your unendorsed stock certificate(s) to The Columbus Foundation. Sign a stock power (one power for each certificate; complete the signature block only). You should receive a receipt acknowledging your gift and its purpose. The "date of gift" is the date you deliver the securities.

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PLEASE CALL OR WRITE

DONOR SERVICES DEPARTMENT | The Columbus Foundation
1234 East Broad Street, Columbus, OH 43205 | Phone 614/251-4000 | Fax 614/251-4010

FUND JOURNALS

As a donor advisor, you will receive quarterly summaries of your fund's activity.

These reports, called Fund Journals, contain a statement of activity for the quarter and for the year to date, including realized/unrealized gains and losses, investment income, fees, and contributions by you or other donors.

Your Fund Journal also reports on the organizations that are benefiting from your fund and lists grant payments for the reporting period.

In addition, you will find your investment information includes equity exposure and a brief summary describing investment results. Lastly, the report includes any miscellaneous expenses made during the quarter. A sample Fund Journal is located on the following page.

Your Fund Journals are available online via The Giving Store and by mail. You will receive a statement four times a year after each quarter-end results are finalized. Log in to The Giving Store to view all gifts to your fund, grants out of your fund, and any transactional activity at your convenience.

Prepared for: Mr. and Mrs. John Doe
1234 E. Broad Street
Columbus, OH 43205

FUND ACTIVITY	INCOME		PRINCIPAL	
	Q-T-D	Y-T-D	Q-T-D	Y-T-D
Beginning Balance	\$ 4,545.15	\$ 2,995.87	\$ 93,107.17	\$ 93,702.33
Contributions (See Schedule A)	0.00	0.00	10,000.00	10,000.00
Investment Income	645.09	2,194.37	0.00	0.00
Realized/Unrealized Gains/Losses			(859.77)	4,248.37
Capital Gains			432.94	432.94
Grants Paid (See Schedule B)	0.00	0.00	0.00	(5,000.00)
Transfers (See Schedule C)	(1,000.00)	(1,000.00)	0.00	0.00
Administration Fees	0.00	0.00	(232.77)	(936.07)
Misc Exp (See Schedule D)	0.00	0.00	0.00	0.00
Ending Balance	\$ 4,190.24	\$ 4,190.24	\$ 102,447.57	\$ 102,447.57
Grants Payable (See Schedule E)	\$ 0.00			
Total Principal and Income	\$106,637.81			

COMMENTS

The U.S. equity market continued its momentum in Q4 and as a result of the S&P 500, finished the year with a return of +11.96% (+1.38% in 2015). Offsetting the gains in U.S. equities in Q4 was a pull-back in broad fixed income and international asset classes. The Barclays Bond intermediate index finished the year with a return of +3.1%, a decline of over four percentage points from the end of Q3. In addition, the international index used by the Foundation declined approximately one percentage point from Q3 finishing the year with a return of +2.29% (-0.28% in 2015). If you would like to discuss your individual fund allocation and performance, let us know. As always, thank you for your continued support. Scott G. Heitkamp, VP and CFO

If we can assist you further with your fund, please contact Angela Parsons, J.D., CAP® or another member of the Foundation's staff at 614/251-4000. For instructions on how to read your Fund Journal, go to <http://bit.ly/fundguide>

INVESTMENTS

Asset Description: Funds are invested in: *Vanguard Prime M.M. (CF) 11519.262 Shares, Wellesley (CF) Adm. Shs. 1692.873 Shares*

SCHEDULE A—CONTRIBUTIONS

DATE	DONOR	DESCRIPTION	AMOUNT
10 / 11 / 2016	John Doe	Cash	5,000.00
12 / 12 / 2016	Jane Doe	Cash	5,000.00
			10,000.00

SCHEDULE B—GRANTS PAID

DATE	GRANTEE	INCOME	PRINCIPAL
07 / 08 / 2016	Art Museum	0.00	(250.00)
07 / 08 / 2016	Food Pantry	0.00	(1,000.00)
07 / 08 / 2016	Early Childhood Education	0.00	(2,000.00)
09 / 17 / 2016	Animal Shelter	0.00	(750.00)
09 / 17 / 2016	State Park	0.00	(1,000.00)
			(5,000.00)

SCHEDULE C—TRANSFERS

DATE	GRANTEE	INCOME	PRINCIPAL
11 / 30 / 2016	Gifts of Kindness Fund	(500.00)	0.00
11 / 30 / 2016	Columbus Scholarship Fund	(500.00)	0.00
		(1,000.00)	0.00

YEAR-END DONATIONS

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Many of our donors like to make contributions to their fund in December. We strongly encourage you to try to complete year-end gifts as early in the month as possible to avoid any unforeseen delays that may prevent you from taking a tax deduction for that year.

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The following table can help you plan your year-end giving schedule to ensure that your contributions and recommendations are processed for the tax year.

Types of Contribution

Check or stock certificate	Money wire transfer
Postmark on or before December 31 or hand deliver by December 31.	Instruct your financial institution to wire to The Columbus Foundation's account on or before December 31.
Stocks or mutual funds transferred by DTC	Mutual funds
Instruct your broker to transfer to The Columbus Foundation's brokerage account by December 15, if possible.	Submit a completed letter of instruction and your most recent mutual fund statement to the mutual fund by November 30. Feel free to contact your Donor Services advisor for assistance.
Real estate	Special securities including restricted stock
Real estate gifts require a Phase I Environmental Assessment, a visual inspection, and a qualified appraisal of the property. Please contact your Donor Services advisor by October 30.	Instruct your broker to work with our Donor Services team to initiate the process.

FREQUENTLY ASKED QUESTIONS

1 When can I begin to recommend grants?

Immediately following the establishment of your fund. We ask that you recommend grants of \$250 or more.

2 How do I recommend grants?

Refer to the “Making Grants” section.

3 Can I recommend grants outside of the greater Columbus region?

Yes. Donors can recommend grants to any 501(c)(3) public charity in the United States..

4 Can I recommend grants to my church, children’s school, library, university, and hospital?

Yes. The IRS recognizes most places of worship, educational institutions (primary or secondary school, college, or professional or trade school), and government-supported institutions as charitable organizations with some exceptions. Grants cannot be used to pay a child’s tuition.

5 Can I include my children or spouse in grantmaking?

Yes. We encourage family philanthropy amongst interested donors. However, only the donor and/or donor advisor associated with the fund can officially make grant recommendations.

6 How can the Foundation help identify nonprofits that I can support?

Your designated Donor Services advisor is here to answer any questions you may have

regarding your charitable intentions. We also have our Community Research and Grants Management team to assist donors in finding charitable opportunities. Finally, our Giving Store allows you to explore by category, making it easy to find local organizations that may fit your interests.

7 Are there limits to the grants that I can recommend?

There is no limit to the number of grants you can recommend in a year. The minimum grant amount of \$250 is suggested for all grants.

8 Can I make international grants?

Grants can only be made to United States-based tax-exempt organizations. Many international organizations have U.S. affiliates, to which you may be able to recommend a grant. For additional fees, we can use an international intermediary to assist in making a grant to an international non-governmental organization.

9 What are the tax implications of making a grant from a Donor Advised Fund?

Recommending a grant will have no impact on your personal tax situation because you received a tax deduction when a gift was made to the fund.

10 Can I change the name of my Donor Advised Fund?

Yes. The Foundation may change your fund name upon request.



THE COLUMBUS FOUNDATION

1234 East Broad Street, Columbus, Ohio 43205-1453

614/251-4000 | Toll-free 1-866/263-6001 | columbusfoundation.org



Mixed Sources
Product group from well-managed
forests, controlled sources and
recycled wood or fibre
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