

# Creating and Funding a Donor Advised Fund

## What is a Donor Advised Fund

Donor Advised Funds enable you, the donor to have ongoing involvement in the use of your gift to the Community Foundation. Once you have established and funded a donor advised fund, you can use it to make recommendations for gifts to the charities of your choice. Your recommendations must be approved by the Foundation Board. The Foundation takes care of processing your gift and mailing it to the recipient organization. The Foundation also works to make you aware of additional giving opportunities that may interest you.

## Creating a Donor Advised Fund

You set up a donor advised fund by signing a fund agreement with the Foundation and making a contribution to the fund. You, the fund holder(s), or those designated by you can make recommendations for gifts to charitable organizations.

When you establish a donor advised fund, you will also make plans for how you want the assets in the fund to be handled when all donors are no longer living. You can name successor donor advisors or you can designate the foundation to manage the assets in the fund, giving specific instructions concerning what charities or causes you wish the fund to continue to support.

The Community Foundation will provide you regular reports on the status of your fund. The Foundation invests the funds given to the foundation, so you need to be aware that funds may gain or lose due to investment returns.

By having a donor advised fund at the Community Foundation, your charitable gifts give twice: you can make gifts to the charities that are important to you and you are helping the Community Foundation grow philanthropy in Central Illinois now and far into the future.

## Funding a Donor Advised Fund

Most donors make gifts to their DA funds by check or by transferring gifts of appreciated stocks or mutual fund shares. The donor can use the gift as a charitable

deduction at tax time. For appreciated shares given, the donor does not have to pay capital gains taxes on the appreciated value if the shares are transferred directly to the Foundation. The process is easy:

1. Discuss your gift with us at IPCF to make sure we have an account with your brokerage house. If we do not have an account, we will need to set one up.
2. Instruct your broker to transfer shares or stocks that you wish to contribute to the Illinois Prairie Community Foundation.
3. The Foundation will send you a thank you letter noting the value of the gift.
4. The foundation will credit the gift to your fund.

A couple of notes...all gifts to the Illinois Prairie Community Foundation are by law irrevocable and become the property of the Foundation. Donor-advised fund gifts cannot be used to satisfy legally-binding pledges.

## Using Your Donor Advised Fund

Using your Donor Advised Fund is easy. Each time you wish to make a gift to a charity, please fill out a Donor Advised Fund Distribution Recommendation form and send it to the Illinois Prairie Community Foundation, 2401 E. Washington, Suite 300B, Bloomington, IL 61704.

Forms are available on the Illinois Prairie website, [www.ilprairiecf.org](http://www.ilprairiecf.org), or from the foundation office and can be photocopied.

If you wish to make multiple contributions at the same time, you can complete ONE form and attach the list of organizations, their addresses, and the amount you wish to go to each. On the form, fill in the total amount of all distributions and on the line for the organization, note "see attached list."

Allow 2-4 weeks for organizations to receive their checks. If you need a more immediate response, please fax us your requests, and alert us to the need to speed up the process. We will do our best to honor your request.

Remember that all contribution recommenda-

tions from Donor Advised Funds need to be for an amount of \$100 or more. We also ask that you make 25 or fewer donations from your fund per year.

The Foundation is responsible for making sure that all gifts meet current IRS regulations. Additional time may be needed if the Foundation needs to confirm the 501(C)3 status of a charity before a donation can be sent.

Any time you have questions about a particular donation, please call our office. We can tell you when and where the check was sent and if it has been cashed. Please allow several weeks for checks to be received and processed by the charities receiving them.

Your quarterly statement will note the gifts that have been processed from your fund in that quarter. Please review your statement and contact us if you have any questions.

You can make additional gifts to your donor advised fund at any time. Gifts can be by made by check or by transferring shares of stock or mutual funds.

Call the Foundation at 309-662-4477 if you need further information. We're also happy to discuss and help facilitate your charitable giving ideas.

Creating a Donor Advised Fun at the Illinois Prairie Community Foundation is an important philanthropic step. We make it easy to support the causes that are meaningful to you while at the same time you are helping us build our Community Foundation and grow philanthropy in the Central Illinois area.

## Good Ideas for Donor Advised Fund Holders

One fund holder set up her fund so that her adult children can make gifts up to a certain amount each year to encourage their philanthropic awareness and involvement.

Siblings who each have DA funds sometimes get together on a joint giving effort. For example, 3 siblings who each have their own Donor Advised Funds recently made a joint gift to plant trees at Illinois College in honor of a family member.

You can name a donor advised fund using your own name or to honor someone or memorialize a loved one. You can have your fund remain anonymous or designate that you want some or all gifts from your fund to be anonymous.

Make gifts to help your small town or a particular field of interest. For example, Susan Hoblit has given many gifts for her hometown of Atlanta. Jerry and Carole Ringer often support local arts and cultural events from their fund.

Going out of town for the winter? Before you go, leave us a schedule of when you would like gifts made and to whom. We'll take care of it.

Have a unique gift you want to make? Discuss your charitable giving ideas with us. We'll be happy to help.

## Connecting People who Care with Causes that Matter

