Welcome and thank you for establishing a donor advised fund at The Community Foundation of Western North Carolina. We look forward to working with you.

Please contact us when you have questions about the enclosed materials or about your giving and grantmaking needs.

Sheryl Aikman, VP Development – 828-367-9900
Spencer Butler, Donor Relations Officer – 828-367-9903
Becky Davis, Senior Development Officer – 828-367-9905
Angela Farnquist, Donor Relations Associate – 828-367-9912

More information and downloadable forms are also available online at www.cfwnc.org.

Cover photo courtesy of Travis Bordley.
Table of Contents

About Us ................................................................. 3
What We Do ............................................................. 4
DonorCentral .............................................................. 5
Donor Relations ........................................................... 6
Making Grants from Your Fund ................................. 7
Making Contributions to Your Fund .......................... 10
Your Fund Statements ............................................... 12
Legal Matters ............................................................ 13
Future Planning .......................................................... 15
Other Charitable Vehicles .......................................... 16
Donor Initiated Fundraising Policy ......................... 17
Donor Advised Grant Recommendation Form ... 20
About Us

The Community Foundation of Western North Carolina inspires philanthropy and mobilizes resources to enrich lives and communities in Western North Carolina. CFWNC is a nonprofit organization established in 1978 to create a permanent pool of charitable capital for the 18 counties of Western North Carolina. The Foundation is a collection of over 1,100 individual funds, or component funds, each with a specific charitable purpose determined by the donor who created it. Below is a map of the counties we proudly serve.

To learn more, visit the About Us page on our website.
What We Do

Build awareness of the importance of philanthropy

Encourage and participate in community initiatives and partnerships

Work with donors to create charitable funds according to their specific interests

Inform donors about critical needs and match them with giving opportunities

Make grants and provide support to nonprofits to improve life in our region

Responsibly manage charitable assets

Photos, from top left, clockwise:

CFWNC 40th anniversary celebration, photo courtesy of Michael Oppenheim; Forest Planning Partnership, photo courtesy of The Wilderness Society; Children First/Communities in Schools Working Warriors Group, photo courtesy of CF/CIS; 2018 CFWNC staff photo, photo courtesy of Michael Oppenheim; Folkmoot Middle Eastern dinner, photo courtesy of Folkmoot; Fundholders John Moody and Hardy Holland, photo courtesy of Michael Oppenheim.
DonorCentral

DonorCentral is CFWNC’s online donor portal.
It allows you to access your fund at any time, from anywhere.
Registering is free and secure.
Visit the DonorCentral page on our website to register today.

With DonorCentral you can:

- Recommend and track your fund’s grants online
- Create recurring grants for ease of giving
- View your fund’s summary, including:
  - Gift history (contributions to your fund)
  - Grant history (grants you’ve made and your pending grants)
  - Spendable balance (amount you have available for grantmaking)
  - Market value (your total fund balance)
- Have instant access to fund information:
  - Updated daily
  - Investment earnings and fees are posted monthly
  - Quarterly statements available for reference
- Export fund statements, grant and gift history

Photo courtesy of KidSenses.
Donor Relations

Our donors are our partners.

Donors who give through CFWNC have access to our grantmaking services.

Our goal is to help our donors align their giving with their passions.

Grantmaking Services

Our services include:

- Helping you create your giving plan
- Grantmaking strategies
- Researching local nonprofits at your request
- Advising on types of support
- Connecting you to other donors with similar interests
- Introducing you to industry experts

Co-investment

When an organization submits a grant request, we think of you and of your giving priorities. Collaborative grantmaking is one way we support our donors in achieving their philanthropic goals.

Our team researches and establishes relationships with the charitable organizations in our region. If we see a grant request for a project we think matches your interests, we want you to know about it. When a donor partners with us, or “co-invests” in a grant, we are working together to make a difference.

If you are interested in learning more, contact Spencer or Angela in our Donor Relations department.
Making Grants from Your Fund

You can quickly and easily recommend a grant online through DonorCentral or you can complete the Donor Advised Grant Recommendation Form (in the Forms & Information section of this handbook).

Because we must have written record of your grant recommendations, we cannot take recommendations by phone. When we receive your grant recommendation, our staff will verify that the organization is a qualified public charity and eligible for a grant from your fund. Qualified organizations may include:

- Charitable organizations classified by the IRS as a 501(c)(3)
- Religious organizations
- Schools
- Municipalities
- Government programs

Grants may be for operating support, a specific project or program or a capital campaign. Recommendations received by 5 p.m. on Friday will be processed by the following Friday. For organizations which have not previously received a grant, it may take longer to verify charitable status. Grant payments indicate the name of your fund as well as your name and address. If you prefer to remain anonymous, please indicate this in DonorCentral or in the Grant Recommendation Form. Once the grant is approved, funds are disbursed to the organization. All
grant checks must be mailed directly to the grantee from CFWNC. The minimum grant recommendation amount is $250.

**Funds Available for Grants**

You may check your fund balance at any time through DonorCentral. Your quarterly statements will also provide this information. The amount available to spend is dependent on the type of fund you have established:

- **Flexible endowment funds:** your balance, less $10,000 (or the amount you have chosen to permanently endow), is available for distribution at any time.
- **Traditional endowment funds:** spendable income letters are sent in May of each year and provide the amount available for distribution for the next fiscal year (July 1\(^{st}\) – June 30\(^{th}\)). This amount is calculated according to the spendable income policy of the Foundation.

**Memorial/Honorary Grants**

If you wish to recommend a grant to memorialize or honor someone, please complete this section in the DonorCentral grant recommendation form, or in the written grant recommendation form.

**Recommending Grants to Other CFWNC Funds**

CFWNC holds over 1,100 funds, including the Fund for Western North Carolina, geographic affiliate funds, field of interest funds, more than 190 organizational funds, and various scholarship funds. You can recommend a grant to any one of these funds through DonorCentral or by filling out a grant recommendation form.
**Recommending Grants to Organizations Outside of WNC**

Although CFWNC’s focus is Western North Carolina, grants can be made to organizations throughout the United States. If you wish to support an organization outside of the U.S., please contact us.

**Grant Limitations**

Due to IRS restrictions, you may not receive anything of value (goods or services) in exchange for a grant recommended from your fund. Any quid pro quo benefit is strictly prohibited, including tickets to fundraisers or benefit dinners, memberships (when membership conveys a tangible benefit to the member), or other gifts. Penalties can be imposed by the IRS on both the donor and CFWNC if a donor, advisor or related party receives a benefit as a result of a gift from a donor advised fund.

Memberships or events where the cost represents both a charitable and non-charitable portion cannot be paid by your fund. If you will receive a tangible benefit from your contribution – such as tickets for a special event – you should make your gift directly to the organization.

Grants from donor advised funds cannot be used to pay for school tuition.
Making Contributions to Your Fund

You can make a gift to your fund at any time, in any amount. CFWNC accepts most assets as gifts, including:

- Cash
- Securities
- Real estate

Gifts by cash or check

Gifts of cash should be delivered in person to CFWNC’s offices.

Checks should be made payable to “CFWNC” or “The Community Foundation of Western North Carolina” with the name of your fund noted on the memo line, or in accompanying correspondence.
**Gifts of stock, mutual fund shares or bonds**

When making a gift of appreciated securities you must transfer the stock, mutual fund share or bond to CFWNC in order to receive the maximum tax advantage.

CFWNC will sell the shares as soon as possible and will add the net proceeds to your fund.

We will provide a gift acknowledgement for tax purposes, and additions are reflected on your quarterly statement.

Contact Naomi Davis to contribute stock or make a wire transfer.

**Gifts of other assets**

CFWNC accepts other types of assets as charitable contributions, including real estate, closely-held securities and personal property. These gifts are subject to prior review for gift acceptance.

For more information, visit the Western North Carolina Real Estate Foundation webpage.

**Fundraising**

If you wish to raise money for your fund, please refer to CFWNC’s Donor Initiated Fundraising Policy found on page 17.
You will receive a statement detailing the activity of your fund approximately five weeks after the end of each calendar quarter. For example, the fund statement for the first calendar quarter (January – March) will be available between the last week of April and first week of May.

Statements include details on investment performance for the portfolio in which your fund is invested, the relevant market benchmark as well as the funds available for grantmaking.

DonorCentral users can view and download their last four fund statements at any time.
Legal Matters

The charitable gift made to establish your fund and subsequent contributions are deductible as gifts to a public charity, subject to the general limitations described in this section.

Your deduction depends, in part, on the type of asset you contribute. For advice about your personal situation, please consult your legal or tax advisor.

Itemized Deductions

- Cash: Your deduction is the amount of your cash contribution.
- Publicly traded securities: For publicly traded securities held for more than one year, your deduction is the mean of the high and low prices on the date the contribution is made. For mutual fund shares held for more than one year, your deduction is the closing price on the date the contribution is made. For securities or mutual fund shares held for less than one year, your deduction is limited to your cost basis or the fair market value, whichever is lower.
- Other assets: For securities that are not publicly traded, real-estate or personal property, additional gift acceptance and reporting requirements may apply.
Deduction Limitations

Generally, you are eligible for an itemized deduction for cash contributions of up to 60% of your adjusted gross income (AGI) in the tax year in which your contribution is made. Contributions of long-term capital gain property are deductible at full fair market value up to 30% of AGI. Any excess amount may be carried forward and deducted in the five-year period after the year of the contribution. Your deductions may be subject to other limitations. Please consult with your tax advisor to determine what deductions you may claim.

Gift Acknowledgement

Each time a contribution is made to your fund, CFWNC will provide an acknowledgement as a receipt for tax purposes. Grants from your fund to individual charities are not deductible.

Control

Your fund is a component fund of CFWNC and must be free from material restrictions imposed by donors*. To comply with IRS regulations:

- CFWNC staff must conduct independent investigations to determine if grant recommendations from donors are consistent with the Foundation’s charitable purposes.
- CFWNC must show that it makes grants from other funds to similar organizations as those recommended by donors.
- CFWNC is not bound by the recommendations or advice of donors.
- The donor, his or her family or other agents may not retain control of investments, including control of the retention or sale of any asset contributed.

Successor Advisors

There may come a time when you wish to have someone else advise your fund. You can name a successor advisor or advisors to succeed you.

Please note that granting someone power of attorney over your affairs does not make that person a successor advisor. A successor advisor must be named in your fund agreement or in an addendum. If more than one successor advisor is named, CFWNC will ask one person to serve as the primary contact for the fund. One successive generation may be named as a successor advisor.
Other Charitable Vehicles

We offer a variety of ways to add to your fund or to create a new fund through planned gifts.

CFWNC will gladly work in partnership with your professional advisors as you make financial and estate plans.

We can assist you in establishing a:

- Bequest by will
- Charitable gift annuity
- Charitable remainder trust
- Charitable lead trust

The Community Foundation of Western North Carolina is happy to help you integrate your charitable giving with your financial and estate planning through consultation with your legal, tax and financial advisors.

For more information about making a gift with life insurance, retirement plan assets, closely-held stock, or real estate, visit the donor page on our website.

To discuss in more detail, contact Sheryl or Becky on our Development team.
Donor Initiated Fundraising Policy

THE COMMUNITY FOUNDATION OF WESTERN NORTH CAROLINA
DONOR INITIATED FUNDRAISING POLICY

Donors may solicit gifts for specific funds established at The Community Foundation of Western North Carolina (“CFWNC”) so long as any activities comply with this policy.

CFWNC’s policy ensures that your fundraising efforts:
- comply with IRS and other governmental regulations
- provide appropriate acknowledgement to donors for their gifts and
- use CFWNC’s brand identity, including its logo, appropriately.

If you have any questions regarding this policy please contact CFWNC prior to action. We reserve the right to refuse any assets raised in violation of this policy. Thank you for your cooperation and for your fundraising efforts.

As used here, “solicitation(s)” refers to any time people are asked verbally, in writing, or by electronic means to contribute to your fund. The term “fundraising events” includes, but is not limited to, receptions, dinners, parties, sports or entertainment events, auctions and/or other similar activities.

NOTIFICATION AND APPROVAL REQUIRED

If you are considering a fundraising event, solicitation or project for a fund held at The Community Foundation of Western North Carolina, the following two steps are required prior to CFWNC’s receipt of contributions to your fund.

1) Discuss your plans in advance with CFWNC. You can call, send a letter or email, or arrange a meeting at your convenience. We recommend you contact CFWNC at least 60 days in advance of your event or solicitation.

2) Receive approval for any materials that mention CFWNC. The Foundation must approve, in advance of printing or production, all communication materials (printed materials such as invitations, letterhead or brochures; website or social media content; and/or broadcast media) related to solicitations for funds held at CFWNC. All materials must clearly state the fund’s name as “Name of Fund of The Community Foundation of Western North Carolina.”
GUIDELINES

These guidelines cover the following fundraising scenarios:

1) Direct, tax-deductible gifts to a fund held at CFWNC
2) Event/solicitation sponsored by a 501(c)(3) organization
3) Proceeds from an event/solicitation for which donors were not offered a tax deduction

Event organizers are responsible for obtaining and paying for any necessary insurance, permits, licenses, approvals, etc.

Alcohol may only be served by a licensed caterer or bartender or in a venue with appropriate licensing and insurance; this includes events held in private homes. If alcohol will be served, CFWNC requires documentation from the venue or caterer regarding their licensing and liability coverage at least 10 business days prior to the event.

Events or activities that include raffles or other games of chance are regulated by state and local governments and must be specifically reviewed and authorized by the appropriate authority.

Fundraising events often require certificates of insurance or signed contracts. When events are sponsored independently, neither the name of the Foundation nor the name of the fund may appear on any contract or agreement.

1) **Direct, tax-deductible gifts to a fund held at CFWNC**

   You may promote contributions to a fund to prospective contributors. **Donors may not receive any goods or services in exchange or return for their contribution.**

   In response to these efforts, donors may make gifts directly to the fund. Gifts should be made online or mailed directly to CFWNC. Checks should be made payable to CFWNC with the fund name noted in the memo line or a transmittal letter. Gifts of appreciated assets made directly to CFWNC are also acceptable. The donor will receive a gift acknowledgement letter from CFWNC. All contributions are listed, with the donor’s name, on your fund statement.

2) **Event or solicitation sponsored by a 501(c)(3) organization with proceeds to benefit the organization’s fund at CFWNC**

   Your organization may transfer the proceeds from a solicitation or event or sponsored by the organization to the organization’s fund at CFWNC.

   Organizations with 501(c)(3) status may sponsor a fundraising event or solicitation and deposit net proceeds into the organization’s fund at CFWNC. The organization issues acknowledgment letters to donors. Promotional materials should clearly state: “The net proceeds of this event will be contributed to the Name of Fund of The Community Foundation of Western North Carolina.”
The organization is solely responsible for ensuring compliance with all applicable IRS and State of North Carolina laws (including Charitable Solicitations Act, N.C. Gen. Stat. Art. 131F, if applicable) and tax regulations regarding the solicitation, acknowledgment and tax deductibility of gifts.

3) **Proceeds from an event or solicitation for which donors are not offered a tax deduction**

You may make a gift to a fund from the proceeds of an event or solicitation for which donors were not offered a charitable tax deduction.

Fundraising may be conducted by an individual, a group of people, or an organization. Generally, the person or group that plans and executes the event or solicitation (for example: dinners; golf tournaments; walk-a-thons; auctions; sales of products or services; requests for money from individuals or organizations through mailings, advertisements, or oral solicitations) makes one lump sum donation (net of expenses) to the fund.

**Guidelines applicable to non-tax-deductible fundraising**

1. An individual or group that plans and executes a fundraising event or solicitation may state that the net proceeds will benefit the general purpose of the fund. If publicly stating that proceeds will be deposited into a fund at the Foundation, all communications must clearly state the fund’s name as “Name of Fund of The Community Foundation of Western North Carolina.”

2. CFWNC will acknowledge the organizing group for the net amount received. Promotional materials related to the fundraising event should clearly state: “Net proceeds of this event will be contributed to the Name of Fund of The Community Foundation of Western North Carolina.”

3. Individual participants in the event (ticket purchasers, sponsors, golf players, etc.) make their payments to the organizing individual or group, not to CFWNC or the fund which will benefit. The organizers may record contributors’ names and addresses and provide a courtesy acknowledgement. The acknowledgement letter may not include any language stating that the letter serves as an official receipt for IRS purposes or include any reference to tax deductibility. Letters may state “The net proceeds of this event will benefit the Name of Fund of The Community Foundation of Western North Carolina.”

4. The planning individual or group may not use CFWNC’s tax exempt number in connection with the event or solicitation.

5. Individual contributions made as a result of an event or solicitation will not qualify as a tax deductible gift to CFWNC and CFWNC will not acknowledge individual contributions.

6. The planning group pays all expenses and remits net proceeds to CFWNC for addition to the fund. CFWNC records the gift as coming from unnamed third-party donors. CFWNC is prohibited by law from reimbursing the planning group for expenses; the group must deduct expenses before sending net proceeds to CFWNC.

Thank you for your interest in supporting a fund at CFWNC. If you have questions about this policy, please contact us at (828) 254-4960.
Donor Advised Grant Recommendation Form

I (we) recommend the following grants to the Board of Directors. I (we) understand that the final judgement rests with the Board, whose charge it is to see that all grants are within the charitable purposes of The Community Foundation of Western North Carolina. I (we) attest that this recommendation does not represent payment of a personal financial obligation on behalf of the fund representative(s), family members or businesses they control and that no tangible benefit, goods or services, such as dinners, tickets, etc. were or will be received by any individual or entities connected with the Fund (as described above).

Signature of Advisor(s)
_____________________________________________________________________ (REQUIRED)

PLEASE PRINT LEGIBLY. Return form to: 4 Vanderbilt Park Dr., Ste. 300, Asheville, NC 28803; fax to (828) 251-2258 or email to crisp@cfwnc.org. For assistance, please call (828) 254-4960.

Date: __________ Name of Donor Advised Fund: ________________________________________________________________

Address:____________________________________________________________________________________________

Phone: ____________________________ E-mail: ________________________________________________________________

Name and Address of Recommended Organizations Grant Amount Purpose/Special Instructions

<table>
<thead>
<tr>
<th>Name and Address of Recommended Organizations</th>
<th>Grant Amount</th>
<th>Purpose/Special Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ____________________________________________</td>
<td>$250 minimum</td>
<td>No tangible benefit to donor, advisors or related parties, please.</td>
</tr>
<tr>
<td>2. ____________________________________________</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. ____________________________________________</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In Memory of (Grant #_______________) In Honor of (Grant #_______________)

Name of Deceased __________________________ Honored Person _________________________

Survivor to be Notified ______________________ Occasion _____________________________

Relationship to Deceased ____________________ Address ______________________________

Address __________________________________