

Donor Advised Fund Handbook

Your Guide to Giving



Welcome

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.

[Spencer Butler](#), Senior Donor Relations Officer – 828-367-9903

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



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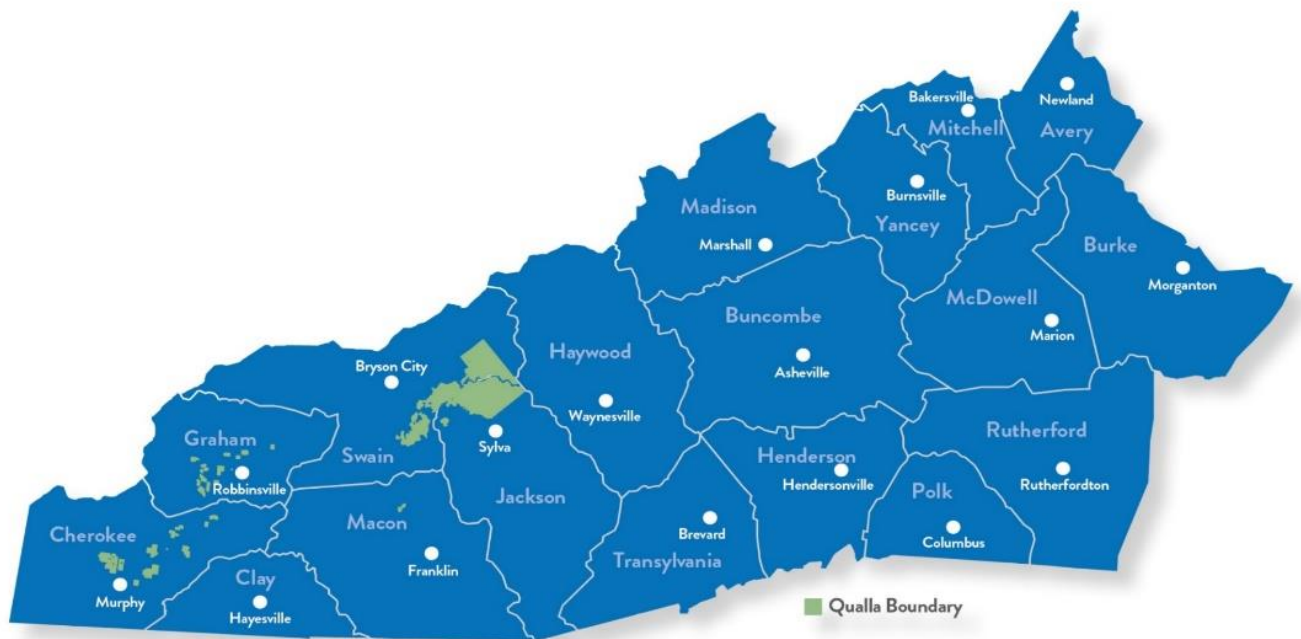
About Us

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 1,200 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; 2023 Strategic Planning Leadership, photo courtesy of Lindsay Hearn; Folkmoot Middle Eastern dinner, photo courtesy of Folkmoot; Fundholders John Moody and Hardy Holland, photo courtesy of Michael Oppenheim.

Online Fund Access



Photo courtesy of KidSenses.

CFWNC's online fund access platform allows you to access your fund at any time, from anywhere.

With your online fund access you can:

- Recommend grants
- Create recurring grants for ease of giving
- View your fund summary, including:
 - Contributions to your fund
 - Grants made from your fund
 - Current balance
 - Available to grant / spendable balance (amount you have available for grantmaking)
- Have instant access to fund information:
 - Updated daily
 - Quarterly statements available for reference
 - View your fund agreement

Contact Amy McGuire mcguire@cfwnc.org for questions about online fund access.



Photo courtesy of The Haywood Street Congregation.

Donor Relations

Our goal is to help you align your giving with your passions.

CFWNC's staff builds relationships with local nonprofits and work in partnership with our donors.

Together, we support existing and emerging programs and projects.

When you give through CFWNC, you have access to our grantmaking services. We can help you research local nonprofits, plan and execute your grantmaking goals, and determine thoughtful giving for larger issues.

Co-investment

Our donors are our partners. Collaborative grantmaking is one way we support you in achieving your philanthropic goals.

If we see a grant request for a project we think will match 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. Co-investors have opportunities to learn more about the organization and its programs through site visits, end of grant reports and more.

If you are interested in learning more, contact [Spencer](#) or [Angela](#).

Making Grants from Your Fund



Photo courtesy of Tater Hill Farm.

You can quickly and easily recommend a grant online through your Online Fund Access 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

As of August 2023, CFWNC will be delivering grant and funding distributions to our nonprofit partners via an electronic payment system that allows for the transfer of funds securely and in a timely manner. CFWNC's payments and distributions will be made via the Automated Clearing House (ACH), which is a secure network connecting all U.S. financial institutions. The ACH network acts as

the central clearing facility for all U.S. Electronic Fund Transfer (EFT) transactions, such as direct deposits, electronic payments and debit-card payments.

Grants may be made for operating support, a specific project or program, or a capital campaign. Grants cannot be made for named individuals.

Recommendations received by Monday at noon will typically be processed by Friday. If we do not have an organization's EFT information, processing the grant payment may take two to three weeks.

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 the Online Fund Access grant recommendation, or in the Grant Recommendation Form. Once the grant is approved, funds are disbursed to the organization.

All grants will be made via EFT directly from CFWNC to the grantee. The minimum grant recommendation amount is \$250.

Funds Available for Grants

You may check your fund balance at any time through your Online Fund Access. 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 1st – June 30th). 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 include this information on the grant recommendation form.

Recommending Grants to Other CFWNC Funds

CFWNC holds over 1,200 funds, including the Fund for Western North Carolina, geographic affiliate funds, field of interest funds, more than 200 organizational funds, and various scholarship funds. You can recommend a grant to any one of these funds through your Online Fund Access 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



Photo courtesy of Penland School of Craft.

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

- Cash, Check, or Credit Card
- Securities
- Real estate

Gifts by cash or check or credit card

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 the fund to receive the gift noted on the memo line, or in accompanying correspondence.

Credit card please use your online access.

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 [Melissa](#) on our Finance team 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.

Your Fund Statements



Photo courtesy of The Wilderness Project.

A statement detailing the activity of your fund will be made available 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.

Online Fund Access users can view and download their fund statements at any time.

Legal Matters



Photo courtesy of The Bascom.

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.

* Treasury Regulations, Section 1.507-2, 12. U.S.C. 1234 (2006).

Future Planning



Photo courtesy of Black Mountain Home.

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



Photo courtesy of Joe Standaert.

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.

Visit our webpage for more information about the [types of funds](#) we offer.

To discuss in more detail, contact [Laura](#) or [Becky](#) on our Development team.



Donor Initiated Fundraising Policy

THE COMMUNITY FOUNDATION OF WESTERN NORTH CAROLINA

DONOR INITIATED FUNDRAISING POLICY

When fundholders conduct fundraising activities and solicitations on behalf of the foundation's component funds, it is important to understand that for tax purposes such fundraising is being done on the foundation's behalf. This raises a number of significant tax and accounting issues. For example, activities must be conducted under the foundation's observation and fiscal guidance to ensure that donors to the fund are entitled to the appropriate tax deductions, to protect the fundraising groups from unintended tax consequences to themselves, and to ensure that the foundation is not exposed to penalties for failing to make required solicitation disclosures.

Fundholders may only solicit gifts for specific funds established at The Community Foundation of Western North Carolina ("CFWNC") when fundraising 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
- appropriately use CFWNC's brand identity, including its logo.

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 including social media to contribute to your fund. The term "fundraising events" includes, but is not limited to, receptions, meals parties, sports or entertainment events, and/or other similar activities.

NOTIFICATION AND APPROVAL REQUIRED

All public fundraising events require advance written approval from the foundation. 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. If there are losses incurred, the fundraising group will be responsible for all losses, the foundation will not be held responsible for such losses.

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 auctions, raffles or other games of chance are prohibited.

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. Donors who are not Fund Advisors may not direct or recommend grants from a fund.

In response to these efforts, donors may make gifts directly to the fund. Gifts should be made 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. Contributions are listed, with the donor's name, on your fund statement unless given anonymously or by a third party

CFWNC has an online donation portal and uses its discretion in determining which component funds are listed. If you plan to promote a fund to receive online gifts you will need to contact CFWNC to request that the fund be listed on the public donation page prior to promoting the fund. Advisors of funds listed on the public donation page must sign an acknowledgment of the Donor Initiated Fundraising Policy annually.

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: meals; golf tournaments; walk-a-thons; races; 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.

ANNUAL FUND HOLDER ACKNOWLEDGEMENT

I acknowledge that I have received a copy of The Community Foundation of Western North Carolina's Donor Initiated Fundraising Policy which contains important information, guidelines and policies regarding fundraising activities and solicitations on behalf of the foundation's component funds.

I understand that prior to any fundraising events or solicitation of donations I must adhere to this policy.

Name of Fund: _____

Fund Advisor Name: _____

Signature: _____

Date: _____

Donor Advised Grant Recommendation Form



Donor Advised Grant Recommendation Form

I (we) recommend the following grants to the Board of Directors. I (we) understand that the final judgment 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 no tangible benefit, goods or services, such as dinners, tickets, memberships, etc. were or will be received by any individual or entities connected with the Fund (as described above).

Signature of Advisor(s)

_____ (REQUIRED)

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, call (828) 254-4960.

Date: _____ **Name of Donor Advised Fund:** _____

Address: _____

Phone: _____ **E-mail:** _____

<u>Name and Address of Recommended Organizations</u>	<u>Grant Amount</u> \$250 minimum per organization	<u>Purpose/Special Instructions</u> No tangible benefit to donor, advisors or related parties, please.
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

In Memory of (Grant # _____) **In Honor of** (Grant # _____)

Name of Deceased _____ *Honored Person* _____

Survivor to be Notified _____ *Occasion* _____

Relationship to Deceased _____ *Address* _____

Address _____