

Donor and Corporate

Advised Funds

2023

HANDBOOK

COLLIER
COMMUNITY
FOUNDATION™

Welcome to the Collier
Community Foundation.
This document is a guide
to using your Donor or
Corporate Advised Fund.
It also includes information
about other ways the Collier
Community Foundation
can help you achieve
your philanthropic goals.

For more information, please contact us at 239-649-5000
or development@colliercf.org.

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Donor Advised Funds

A Donor Advised Fund (DAF) at the Collier Community Foundation (CCF) is a simple, flexible, and impactful approach to charitable giving. You receive an immediate tax deduction when you contribute to a DAF, and the flexibility of the DAF allows you to make grant requests on your timeline. DAFs are a great way to create a legacy of family philanthropy by involving future generations in charitable grantmaking from the fund.

Donor Advised Funds are a popular alternative to a private foundation because they allow for greater tax benefits, eliminate the burden of filing tax forms, have lower fees, do not include excise tax, do not mandate payout, offer the option of remaining anonymous, and CCF handles grant monitoring and other paperwork.

Distributions from a DAF are called grants and fund advisors may request grants locally, nationally or around the world to any qualified 501(c)(3) nonprofit organization. Fund Advisors can be the donor or a person designated by the donor who has advisory privileges with respect to grant requests, investments and fund information for an advised fund. CCF staff conducts due diligence to ensure that the requested grantee is a qualified 501(c)(3) nonprofit organization. All grant requests require approval from CCF's Board of Trustees, however, CCF makes every effort to approve all grant requests that are in accordance with IRS regulations.

Corporate Advised Funds

Creating a Corporate Advised Fund at CCF is an easy, efficient, and impactful way for your company to give back. We manage the fund administration and vet the nonprofits for your organization. Our staff is available to partner with you to design a corporate philanthropy program uniquely tailored to your objectives and culture.

Advantages of a Corporate Advised Fund include:

- Ability to outsource all or part of your corporate philanthropy program.
- No legal liability as CCF fully complies with all state and federal regulations related to grants and contributions.
- Name your corporate advised fund and issue grants in the company's name or anonymously.
- Receive the maximum allowable tax advantages for donations.
- CCF can accept a wide range of charitable donations.
- No separate tax return.
- Ability to create a corporate committee with access to CCF staff.

Benefits of Donor and Corporate Advised Funds

Simplicity

You establish the fund by completing a fund agreement and making a gift of cash, securities, or nearly any other type of asset. CCF handles the paperwork associated with your fund, which is particularly beneficial if you support multiple charities because it can significantly reduce your record keeping obligations. For example, when you make grant requests from your advised fund, you will not receive tax receipts from the nonprofit recipients because you will already have received a tax receipt when you made a gift to your fund at CCF.

Tax-Deductible Gift

Your initial gift to create the fund and any additional gifts will receive the maximum charitable tax deduction allowed by law. You may be eligible to receive a tax deduction on your contributions up to 60% of your adjusted gross income for cash contributions and up to 30% for securities, therefore avoiding capital gains taxes on appreciated assets. We advise you to seek financial, tax or legal advice in connection with charitable giving and financial planning matters. CCF and its staff do not provide legal, tax or financial advice.

Make a Difference

By establishing an advised fund at the CCF, you are making a positive impact and have the opportunity to create a philanthropic legacy.

Experienced, Effective Philanthropic Partners

By partnering with CCF, you can centralize and streamline your philanthropy by requesting grants to benefit the nonprofit organization(s) of your choice. Interested fund advisors can work with CCF staff to partner on grantmaking opportunities within their philanthropic interest areas, schedule site visits, and receive grant reporting.

Learning Experience

You experience the unique opportunity to learn about philanthropy from a knowledgeable team. CCF's staff is available to research charities, review requests and make recommendations for your specific areas of interest.

Endowed vs. Non-Endowed Funds

Funds can be endowed (only the earnings — not the principal — are available to make grants) or non-endowed (distributions can be made from both income and principal). Endowments are permanent funds established to perpetually carry out the fund advisor's philanthropic intentions. In essence, endowments are gifts that keep growing and giving. Assets are invested for growth, and the amount available for grants each year is based on a "spending policy" that may be changed by CCF's Board. Contact our Philanthropic Services staff for more information about the current spending policy. Non-endowed funds allow grant distributions from the fund's total balance, excluding the \$10,000 minimum balance (subject to change). A non-endowed fund may be converted to an endowment — usually upon the passing of the original fund advisor(s) — but an endowed fund may not become non-endowed.



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SUCCESSION PLANNING

Effective philanthropy requires thoughtful planning. Many of our fund advisors enjoy giving through the Foundation during their lifetime and are also thinking about their philanthropic legacy. Planned gifts provide a wide variety of opportunities that can help further your charitable goals, enhance your retirement income, and provide substantial tax savings. CCF offers many planned giving options that help individuals and families develop lasting legacies in support of the causes they care about.

Such planning begins with an introspective look at your motivations and the development of your goals. Have you thought about incorporating charitable giving into your overall estate plans? Do you know what specific causes or institutions you wish to support? Do you want to pass along a tradition of giving to your children or grandchildren?

Succession Plan Options

The succession plan for your advised fund can be crafted to reflect your personal charitable goals and involve one or more of the following options:

Unrestricted

This ensures CCF will always be able to respond to Collier County's most pressing challenges. Due to our generous donors, our unrestricted funding has given us the flexible resources to act nimbly in alleviating the most critical issues of the day, respond to basic human needs, seed innovation through grants for fresh ideas, and help to change the very systems that affect the lives of everyone in our county. We were "there at the beginning" to help establish The Shelter for Abused Women and Children and the Cambier Park Band Shell—and with your help, we will be here for the future.

Field of Interest Fund

Field of Interest Funds support particular areas of community interest, such as the arts or education, or specific populations such as children or seniors and Veterans. Through our grants program, we will identify organizations with the most significant impact in the area of importance to you.

Designated Fund

Would you like to continue to support specific organizations indefinitely? A Designated Fund lets you earmark dollars for an annual contribution in perpetuity to the organizations you care about.

Successor Advisor

Pass the fund on to another generation or split equally into separate funds for each of your successors.

Family Philanthropy

Many people enjoy introducing their children and grandchildren to an ongoing tradition of philanthropy. Approaching philanthropy as a family can be a way to deepen the bonds between loved ones while simultaneously impacting the causes that matter to you. Giving back together provides many benefits, including:

- Passing on philanthropic values and the spirit of giving to the next generation.
- Encouraging the next generation to give their time, talent, and treasure.
- Establishing or continuing a family philanthropic legacy.
- Exposing family members to the needs of the community.
- Bringing the family closer while learning more about each other's interests.
- Teaching family members how to give effectively.
- Recognizing and celebrating the family's history and values.
- Fostering a mindset of abundance while having fun together.

A simple way to begin the tradition of family philanthropy is to start a Donor Advised Fund naming your children and/or grandchildren as fund advisors or successor advisors. By combining resources with additional family members, you can increase your impact and work toward a common goal — perhaps memorializing a loved one or supporting a shared passion. Some families choose to contribute to the charitable fund rather than purchasing gifts for special occasions because it allows for maintaining and celebrating the true spirit of generosity.

Beyond your Donor Advised Fund

You may wish to fund your philanthropic legacy using resources beyond your DAF. CCF accepts a wide variety of planned gifts and non-cash assets and can discuss the giving vehicles that might make the most sense for your circumstances.

Finally, with a combination of the above, you can also choose whether you would like your fund to be endowed for lasting impact or spent down over a number of years. Please note that all succession plans must be communicated to CCF in writing for approval. Suppose upon the death of all of the original fund advisors, CCF does not have a succession plan on file for the future purpose of your fund. In that case, the balance of your fund will be added to the unrestricted fund for Collier County to support our community's greatest needs.

We are happy to work with you to develop a customized plan to meet your goals and provide creative ways to build your philanthropic legacy through CCF.

Building Your Fund

Upon acceptance of an asset, CCF will provide you with a receipt for your charitable income tax deduction, in the year your gift is made, in accordance with IRS regulations. Gifts to your fund are irrevocable.

Assets That Can Be Donated to Your Fund

- Cash and marketable securities
- Closely-held and restricted stock
- Tangible personal property (i.e., rare books, furniture, and artwork)
- Real estate
- Life insurance
- Cryptocurrency
- *Currently, the IRS does not allow Qualified Charitable Distributions from IRAs be donated to a Donor Advised Fund. However, there are other types of funds at CCF that can accept Qualified Charitable Distributions.*

Checks shall be made payable to the Collier Community Foundation, with the fund name in the memo line. Procedures for gifts of publicly traded securities may be obtained by contacting CCF staff. In the case of gifts of restricted or closely-held stock, real estate, art, cryptocurrency or other unusual assets, the proposed gift is considered on a case-by-case basis. Acceptance will require additional approval by CCF's Board of Trustees. Assets which cannot be readily converted to a charity's financial benefit or carry unusual potential liability may not be accepted. Please contact CCF to make a gift to your fund other than cash or for cash wire instructions.

Gift Acceptance Fees

Any costs incurred to evaluate, acquire, or sell a non-cash asset, such as real estate, partnership interest, or closely-held stock, will reduce the net proceeds credited to the beneficiary fund.

Fundraising Policy

Fund Advisors sometimes want to raise money to add to their advised funds. You can informally solicit family and friends; however, fundraising activities are subject to specific policies. Fundraising is permitted, but donors must strictly adhere to CCF policy guidelines. Funds that engage in fundraising may be charged a higher administrative fee. CCF can provide you with the fundraising policy and walk you through it. Please contact CCF before making any third-party solicitations.

Minimum Requirements

You are unable to distribute grants if your fund drops below the current required minimum fund balance of \$10,000 (subject to change). CCF will notify you if this occurs. Once your fund is above the minimum level, you can continue to support your charitable interests.

Year-End Giving and Granting

Fund advisors planning to make a year-end stock gift into their funds are asked to advise CCF as soon as possible so that gifts can be handled promptly. CCF also welcomes the opportunity to assist fund advisors with making year-end grants to nonprofit organizations. Since fund advisors receive a tax receipt when they make a gift to their fund, they only need to request grants from their fund before year-end if that is their preference. Both for the benefit of the grantee and to ensure that grants are made and received in advance of the end of year, fund advisors will be given deadlines for year-end giving and grantmaking annually every fall. Please reach out to CCF staff for the most up-to-date deadlines.

Private Foundations

Consolidating a private foundation into a Donor Advised Fund is easy and convenient. Advantages include anonymity, consolidation of administrative costs, and preferred charitable deductibility of additional gifts. To discuss private foundation conversion or consolidation, please contact CCF.



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INVESTMENTS

Investment Consultants and Managers

Your fund's assets are co-mingled with those of the CCF and are professionally managed by our investment managers. Consultants and managers are under the supervision of CCF's Investment Committee. The Investment Committee is comprised of highly reputable business and financial leaders in our community. The majority of CCF's assets are pooled and invested using a strategy developed by the Investment Committee. However, if you are interested in using a specific investment firm, please contact CCF for more information and specific guidelines. CCF is audited annually. Additionally, 990s and audits are available upon request and can be viewed online at collierccf.org.

Fees

There are two fee assessments on funds at CCF:

- The first fee is an investment oversight fee charged by the Investment Managers. This fee covers costs incurred to manage and invest each fund. All returns are net of fees.
- The second fee is an administrative support fee charged by the CCF to help cover operational costs for each fund and varies depending on the size of the fund. You will see this charge on your fund statement.

The Collier Community Foundation is a comprehensive resource for philanthropists focused on Collier County and beyond. We can help you understand our community's pressing issues and advise you on where your grants can make a difference. We can help you find organizations that are doing outstanding and innovative work. We spearhead community initiatives and help you make a lasting and meaningful impact with your grantmaking.

Administrative support fees are assessed quarterly and are based on the fund's market value in the previous quarter. The revenue generated from administrative support fees helps to cover some of the cost of CCF's core services, which include philanthropic advising, nonprofit capacity building, gift and grant processing, community leadership activities, etc. All fees are charged directly to the fund and do not require additional payment by you. CCF does not charge a transaction fee for new contributions, grant distributions, or regular administrative support by our staff.

Requesting a Grant

Fund advisors can support a wide range of areas and organizations through CCF. You may request grants to a qualified IRS tax-exempt public charity with 501(c)(3) IRS classifications. Grants to religious organizations, educational institutions, and libraries or government programs are also allowed.

Geographic Area

Grants from advised funds may be made to charitable organizations in Collier County, across the country, and throughout the world. For fund advisors with multiple residences, this provides a simplified and convenient way to make charitable gifts to organizations in several communities. If a fund advisor wishes to make a grant internationally, CCF can work with them to find a U.S. fiscal agent.

Due Diligence

When we receive your grant requests, we carefully verify that the requested grantee is certified by the Internal Revenue Service as a qualified 501(c)(3) charitable organization.

CCF Board of Trustees has approved guidelines that are accommodating to you and the public charities you support. The Board recognizes its need to support organizations that fund advisors care about while balancing the need to act using good judgment. In rare instances, the Board may decline an advised fund request. A decline could occur during the due diligence process we perform on organizations if it is not an IRS-qualified public charity or if a substantive issue was raised. We would, of course, discuss the issue with you and help you redirect the grant.

Submitting a Request

Fund advisors may request a grant for general support or for a specific program or activity.

Information needed for a request:

- The name and address of the organization
- The amount of the proposed grant and the purpose of the grant
- Any special instructions
- If the grant is to be anonymous

Grants must be for charitable purposes. The minimum grant amount is \$250.00. Fund advisors may make grant requests at any time and as often as they wish. The easiest, most efficient way to request a grant is through the Fund Advisor Portal. You can also email your grant requests to CCF. Grant request forms are available for those who prefer to complete and fax or mail them to CCF. We use the term “requested” purposefully. To gain the maximum tax advantage when you make a contribution to establish or augment your fund, the IRS insists that the final determination of how the funds are used rests with CCF’s Board of Trustees.

The IRS is specific about some limitations on the types of grants that can be made from a Donor or Corporate advised fund. The IRS does not allow Donor and Corporate Advised Funds to fund the following:

- Non 501(c)(3) organizations.
- Any entity if the purpose is not charitable.
- Grants that include personal benefit or services rendered to the donor, fund advisor(s) and/or related parties.
- Memberships in a nonprofit organization (i.e., museums, guilds, etc.).
- Tickets or sponsorships to events (i.e., awards luncheons, golf tournaments, etc.).
- Goods purchased at charitable auctions and other fundraising events.
- Grants to private foundations (because they receive different tax treatments).
- Grants to individuals.
- Grants for lobbying purposes or to support political campaigns.

Our Philanthropic Services staff are happy to answer your questions about what grant requests are allowed through Donor or Corporate Advised Funds.



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FUNDHOLDER RESOURCES

Fund Advisor Portal

The Fund Advisor Portal is an online service for fundholders of the Collier Community Foundation.

With the Fund Advisor Portal you can:

- Check your fund balance.
- View and print your fund statements (updated monthly).
- View grants made from your fund.
- Request grants.

CCF updates fund statements monthly on our Fund Advisor Portal, located at cfcollier.fcsuite.com/erp/fundmanager. Fund advisors can access fund statements on the portal 24-hours a day. Fund statements can also be mailed by request.

To access the Fund Advisor Portal, visit colliercf.org and click on the Fund Advisor Portal link. To log on, please enter the user ID, which is also your primary email address on file with CCF and password you created. Training classes are available at CCF for fund advisors who would like to learn more about the Fund Advisor Portal. Contact us at 239.649.5000 if you need help accessing the Fund Advisor Portal.

Nonprofit Directory

Our Nonprofit Directory is a free resource that helps you direct your charitable giving by providing comprehensive, frequently updated, and easily searchable information about hundreds of nonprofit organizations serving Collier County. It's a wonderful way to learn more about our nonprofit community. Visit colliercf-nonprofitdirectory.org to begin your search.

Community Indicators Dashboard

This dashboard, powered by *My Sidewalk*, is an overview of our diverse communities in Collier County and provides key data and insights about those challenges and opportunities. The dashboard is designed to be interactive and accessible with exportable graphs, charts and pdf's. Visit dashboards.mysidewalk.com/collier-community-foundation/our-story to review Community Indicators

Variance Power

All contributions to CCF are subject to CCF's variance power, as stated in your fund agreement. Variance power, though rarely invoked, gives CCF the power to modify or vary any direction or restriction in the event they become unnecessary, cannot be fulfilled, or are inconsistent with the charitable needs of the community or area served by CCF. For example, if your fund supports finding a cure for a disease and the disease is cured, CCF will find an adequate funding replacement for your fund's grantmaking. All funds accepted by CCF are subject to this variance power. All community foundations have this policy, allowing them to remain flexible and relevant as grantmaking organizations far into the future.

Fund Activity and Inactive Funds

The following are definitions of fund activity, which apply to funds over \$10,000. If this policy ever conflicts with federal law or state law (including UPMIFA), the relevant law controls.

A fund is considered active when there is regular communication between a fund advisor (or named successors) and CCF regarding the existence and purpose of that fund. Examples of some of the activities that would deem a fund active include (but are not limited to):

Regular Grant Requests

The fund advisor(s) generally requests grants annually to qualified charitable organizations. The amount of grantmaking can vary from year to year.

Developing a Philanthropic Program

The fund advisor makes a substantial contribution to donor advised fund but refrains from requesting grants for a given initial period while the fund advisor consults with CCF and/or does their own research to determine what types of grants will best meet community needs and their philanthropic goals.

Long-term Giving Plan

The fund advisor(s) deliberately reduces the frequency or size of grant requests from fund, for example:

1. During their working years with the intention of increasing the advised fund balance to support grantmaking during their retirement, when the advisor(s) expect their income to change.
2. A fund advisor(s) may want to build a fund over time so the fund advisor's children can make grants later (the idea being the fund advisor is leaving a charitable legacy for the next generation to administer).
3. The fund advisor(s), with a financial partner, refrains from requesting grants for a given period because the fund is invested in an undervalued investment. The fund advisor intends to begin making grant requests when the investment can be sold at a reasonable price.

Project Grants

The fund advisor(s) makes a substantial contribution to an advised fund and determines to request grants to a specific qualified charitable organization over a period of years so that the fund advisor(s) can monitor how the charitable organization performs and to consider whether another organization would better achieve the fund advisor's charitable objectives.

Seedling Fund

Advised funds may need time to build the fund balance to make substantial grants to the community. Therefore, no distributions may be made until the fund balance reaches an amount above the \$10,000 fund minimum or an agreed upon fund balance.

Specific Exception Grant

The fund advisor refrains from requesting grants for a number of years with the specific charitable goal of requesting a grant upon a specific occasion. Examples may include:

1. Fund advisor is incapacitated with no successor advisor(s) named so CCF waits until the fund advisor's death to distribute the fund according to the fund advisor's original intent.
2. Fund has transitioned to named successor advisors, but they are minors and no adult representative is named to represent them (so grants resume when successor advisors are adults);
3. Fund founders who are also the fund advisors are getting divorced, so grants are suspended until both the husband and wife agree on grants, which may include splitting the fund into two separate funds, one for each spouse to advise, or eventually dissolving the fund by granting the remaining balance of the fund to qualified 501(c)(3) charitable organizations.

4. Grants are suspended during litigation involving a fund (e.g., the fund advisor has left their estate to a fund, but the fund advisor's children are disputing the bequest, so CCF does not allow grants until the litigation is resolved).
5. Fund advisor(s) leaves a bequest to a fund and distributions are made periodically to the fund during the estate settlement process, but grants are only made once the estate is fully settled.

Inactive Funds

If a fund advisor does not make any grant requests for a period of three (3) years and does not contact CCF during this time, the fund will automatically convert to an unrestricted named fund for Collier County. CCF's Board of Trustees will make grant decisions through the unrestricted fund that will most benefit our community at the time of distribution.



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FOR FUNDHOLDERS

Your User ID is your primary email address on file with the Collier Community Foundation. Please make note of your Password for the Fund Advisor Portal, the online source for fund information. When you log on to the Fund Advisor Portal, you can view your fund balance, contributions to your fund, grants made and requested and fund statements. You can access this information from anywhere there is internet access.

- **User ID/Primary Email Address:** _____
- **Password:** _____

If you have questions about the benefits of opening a fund or accessing your fund on the Fund Advisor Portal, please contact the Collier Community Foundation at 239.649.5000.



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Informed giving. Powerful results.

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