



For more information, please contact Mike Clayborne or Juanita Floyd at (662) 844-8989 or email at mike@createfoundation.com juanita@createfoundation.com

What is a Donor Advised Fund?

An advised fund allows an individual to actively participate in the giving process by recommending charitable organizations to receive gifts. Once an advised fund has been established, the individual can add to the fund whenever he/she wishes and make grant recommendations at his/her convenience. Gifts are deductible at the time they are made to CREATE, even though distributions may be made in the future.

Why Establish a Donor Advised Fund?

- *Simplify charitable giving*
- *Support many charities through one donation*
- *Consolidate record keeping and tax reporting*
- *Make contributions at your convenience, then request disbursements throughout the years*
- *Recommend grants from your fund to causes within our 17 county area or anywhere in the United States*
- *Receive maximum tax benefits in the year your gift is made*
- *Add to your fund at any time and receive tax benefits with each new gift*
- *No Fees*

How Donor Advised Funds Work?

- *Establish the name of the fund, (your name, in the name of your family or business or in honor of any person or organization you choose or it can be an anonymous fund)*
- *Complete an Advised Fund Agreement*
- *Board Approval of the Agreement*
- *You make a gift to CREATE of cash, appreciated stock, credit card, or other assets*
- *You receive tax benefits the year your gift is made*
- *You recommend uses for your fund to support the agencies and programs you care about most*
- *We hold an existing Board approved list of grantees from which CREATE is allowed to make immediate disbursements. (Board reviews list of charitable organizations only – Donor names are not listed)*
- *We handle all the administrative details and issue grant awards to charities in the name of your fund, unless you prefer anonymity*
- *Free access to Donor Central, which allows you to review the activity of your fund and make grant recommendations on-line*
- *Receive quarterly statements (or whenever needed) detailing the activities of your fund*

All gifts to charities must be made to charitable organizations and must be approved by the Board before distribution.

CREATE Foundation Donor Advised Pass-Through Fund Process

Advisors of Donor Advised *Pass-Through* Funds are allowed to recommend disbursements from funds by following the following procedures established by the Foundation:

- Advisors may recommend donations from Donor Advised Funds by using the CREATE Donor Advised Fund Recommendation Form (*see attached form*).
- All recommendations from Donor shall be solely advisory, and the Foundation may accept or reject them, applying reasonable standards and guidelines with regard thereto.
- When a donor recommends disbursement to grantee, due diligence will be used in approving each organization. CREATE staff will collect and review the organization's governing documents declaring its IRS Code section 501 (c) 3 status.
- CREATE Foundation is immediately allowed to make disbursements to all grantees of donor advised funds which have been previously approved by the CREATE Board within the past three years.
- The CREATE Board reviews and approves all recommendations (total amount) to grantees by donors, but does not review the name of the donor making each recommendation.
- The Executive Committee may review and approve new grantees submitted by the staff on a weekly basis.
- No distribution shall be made from the Fund to any individual or entity if such distribution will in the judgment of the Foundation endanger the Foundation's IRS Code section 501(c)(3) status.
- If disbursement to a new grantee is requested before the date of the next CREATE Board meeting, approval of the grantee is requested from the executive committee through fax, phone or email. New Grantees will be indicated to the Executive Committee and Board of Directors when submitted for approval.
- The list of approved grantees is reviewed and approved by the CREATE Board every three years.
- If any gifts to the Foundation for the purposes of the Fund are received and accepted subject to a Donor's conditions or restrictions as to the use of the gift or income therefrom, said conditions or restrictions will be honored, subject, however, to the authority of the Foundation's Board to vary the terms of any gift if continued adherence to any condition or restriction is in the judgment of the Foundation's Board unnecessary, incapable of fulfillment, or inconsistent with the charitable or other exempt purposes of the Foundation or needs of the community served by the Foundation.

- Disbursements may be committed, granted or expended only for purposes described in IRS Code section 170(c)(1) or (2)(B); provided, however, that such purposes are consistent with the exempt status and purposes of the Foundation.
- No distribution shall be made from the Fund to fulfill pledges and/or to secure benefits from the distribution recipient for donors, advisors, and related parties.
- No distribution shall be made from the Fund to donors, advisors or related parties as grants, loans, compensation or similar payments.
- No distribution shall be made from the Fund as grants to individuals or to entities for the benefit of a specified individual.
- Subject to the Foundation's principles and procedures for advised funds, the commitments, grants or expenditures from the Fund shall be made at such time or times and in such amount or amounts as may be determined solely by the Foundation for such purposes described in IRS Code section 170(c)(1) or (2)(B) as may be designated by the Foundation; provided, however, that Donor may from time to time submit to the Foundation the specific charitable or other exempt purposes or the names of specified organizations for or to which is recommended that distributions be made.

GIFTS OF APPRECIATED STOCK

Everybody wins when you make a gift of appreciated stock to your community foundation. Your gains are put to good use. Your gift of stock is reinvested in your community and qualifies for an immediate tax deduction equal to the full fair market value.

Here's how it works:

- *You make a gift of appreciated stock to CREATE.*
- *Your gift can be placed in any of our charitable funds. For example, you can create a Donor Advised Fund in your name or your family's name.*
- *Your gift qualifies for a tax deduction based on the full market value of your stock; plus, you avoid the capital gains tax that would arise from the outright sale of the stock.*

Generating a return for your community. Putting stock in charity is a good thing for everybody. Stock gifts can provide the means for giving to our community. Some of our local charities are not accustomed to accepting direct stock gifts, but through CREATE it is easy to use this option of giving.

Why donate gifts of appreciated stock? You can use your stock to establish a charitable fund that benefits the local agencies and programs you care about most. Set up a scholarship fund. Support special programs for at-risk youth, senior citizens, or other people in need. Support the arts. CREATE will help you fulfill your personal charitable goals. And we can do it through a fund established in your name, in the name of your family or business, or in honor of any person or organization you choose.

HOW GIFTS OF APPRECIATED STOCK CAN BE UTILIZED AT CREATE FOUNDATION

THE EXAMPLE

(This transaction was handled through CREATE utilizing a brokerage firm. The fees associated with this transaction represent rates quoted from this brokerage firm only).

6/30/16 Stock Gift (190 shares Coca Cola Corporation Stock valued @ \$57.95 per share - average asking price on the day stock is given) (CREATE's policy is to sell stock immediately once the gift is placed in the brokerage firm's account during market hours.)

| | | |
|--------------|---------------|--------------|
| Gift Receipt | (190 x 57.95) | \$ 11,010.50 |
|--------------|---------------|--------------|

Proceeds Trade Date - (Market price at the time of the sale of the gift (\$57.921 per share)

(190 x 57.921) **\$ 11,004.99**

**Less Fees: Commission 8.00
Activity Assessment Fee .17

| | |
|--------------------|--------------|
| Gifts to Charities | \$ 10,996.82 |
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All gifts to charities must be made to charitable organizations (501)c(3) and must be approved by the Board before disbursing.

**** Commission - Charitable discount is applied**

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| HARDY – REED STOCK GIFT INFORMATION CREATE ACCOUNT #: 671-535214 DTC: 0226 |
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Advisor Succession

The advisor or advisors to a Fund are named by the donor at the time the Fund is established. At that time or at a later date, the donor may name an advisor to succeed him or her upon his or her death or resignation. The donor must identify his or her successor by name (i.e. “John Smith,” not “my child”) and provide the successor’s most recent mailing address. Each succeeding advisor may also identify in writing a subsequent successor in the same manner. If the Foundation has received no written notification of a successor advisor during the life of the advisor and no indication within 12 months of the advisor’s death that a successor was named in a will, the Fund will be directed by the CREATE Foundation Board of Directors.

CREATE Foundation, Inc.

SUCCESSOR ADVISOR(S) FORM

THE NAMED SUCCESSOR ADVISOR(S)
FOR MY ADVISED FUND IS (ARE) AS FOLLOWS:

Name of Advised Fund: _____

Name of Successor Advisor(s): _____

Address: _____

Phone Number: _____

Email Address: _____

Please select one: Current Advisor Successor Advisor

Should this person receive a quarterly fund statement? Yes No