

CREATE FOUNDATION, INC.
DONOR ADVISED FUND POLICY

PURPOSE

The purpose of this Donor Advised Fund policy is to guide the CREATE Foundation, Inc. (“CREATE”) staff and donors in complying with the law applicable to donor advised funds (“DAF’s) and CREATE’s administrative policies, while achieving the charitable goals of the donor.

SCOPE

Pursuant to federal tax law, a fund will be a donor advised fund if the following characteristics are met:

1. The fund is separately identified with reference to the contribution(s) of the donor or donors
2. The fund is owned and controlled by CREATE
3. The donor or persons appointed by the donor have, or reasonably expect to have, the privilege of providing advice with respect to the fund’s distributions.

ESTABLISHING A DONOR ADVISED FUND

A DAF will be created with an agreement between the donor and CREATE, pending board approval. Donors can be individuals, families, businesses, or charitable organizations. The fund agreement will name advisors who may recommend grants from the DAF. The fund name and the advisor will be identified to grant recipients unless the advisor requests anonymity.

CONTRIBUTIONS TO A DONOR ADVISED FUND

Contributions to the fund are irrevocable, and the assets are owned and controlled by CREATE Foundation, Inc. Gifts may be made in many forms, including cash, securities, or other assets like real estate.

DISTRIBUTIONS FROM A DONOR ADVISED FUND

Donor advisors may recommend grants to qualified charitable organizations. Qualified charitable organizations include those organizations described in Section 501(c)(3) of the Internal Revenue Code that are not private foundations, and certain governmental entities. These include charitable, religious, and educational organizations, as well as school districts, public libraries, and other units of government. In general, CREATE does not allow grants to non-charitable organizations from DAF’s.

A fund advisor can make a grant disbursement by completing a Donor Recommendation Form. Once the grant recommendation is received, the CREATE staff will perform due diligence on the request to ensure that the organization is a qualified charity. Grant checks will be accompanied by a letter from CREATE indicating the DAF that is the source of the grant and confirming that no benefits have been or will be provided to the donor, advisor, or related parties in connection with the grant.

According to IRS regulations, distributions from DAF’s **cannot**:

- Be used to satisfy all or a portion of a pledge or legally enforceable obligation, although a disbursement can be paid out over multiple years

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- Result in the donor, advisors, or any related parties receiving goods or services or any benefit that is more than incidental. Prohibited benefits include event tickets, memberships, meals, preferred parking, preferred seating, discounted merchandise or other preferential treatment from the organization receiving the grant.
- Make a grant to an individual, such as scholarships, emergency hardship grants, or individual disaster relief grants. Payments cannot be made directly to an individual or to an entity for the benefit of a specified individual (i.e. to a college or university for a particular student). If donors wish to grant scholarships, a different type of fund can be established.
- Make a grant, loan, compensation, or similar payments to donors, advisors, or any related parties

REPORTING

The designated fund advisors of a DAF will receive a quarterly statement showing year-to-date activity, including gift and grant detail and beginning and ending fund balances.

DONOR CENTRAL

DAF advisors have access to online fund reporting that would allow viewing of fund activity and grant-making capabilities. To sign up for this service, contact Beverly Williams at beverly@createfoundation.com.

For more information on Donor Advised Funds, please contact the CREATE office:

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