

For more information, please contact Mike Clayborne, Juanita Floyd, Katie Stuart or P.K. Thomas at (662) 844-8989 or email at mike@createfoundation.com, juanita@createfoundation.com, katie@createfoundation.com or pk@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.

213 West Main Street ❖ PO Box 1053 ❖ Tupelo, MS 38802 ❖ (662) 844-8989 ❖ FAX (662) 844-8149

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).

01/30/21 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
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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**

HARDY – REED STOCK GIFT INFORMATION CREATE ACCOUNT #: 671-535214 DTC: 0226
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**MR. AND MRS. JOHN DOE ADVISED FUND
STATEMENT**

FOR PERIOD FROM 01/01/2021 TO 12/31/2021

BEGINNING CASH BALANCE	250.00
REVENUES:	
CONTRIBUTIONS (PROCEEDS FROM SALE OF STOCK)	10,996.82
TOTAL REVENUES	11,246.82
EXPENSES:	
FUND DISBURSEMENTS (GRANTS)	9,500.00
TRANSFERS	200.00
TOTAL EXPENSES	9,700.00
 ENDING CASH BALANCE	 1,546.82

GIFT DETAIL

Donor	Date	Amount
Mr. and Mrs. John Doe	01/30/2021	11,010.50
Stock Gift		
*** Total Gifts:		11,010.50

GRANT DETAIL

Grantee	Date	Amount
Good Samaritan Free Clinic	02/14/2021	2,000.00
Transfer - Association of Excellence in Education	02/14/2021	200.00
First Methodist Church	03/05/2021	500.00
United Way	04/16/2021	500.00
Tupelo-Lee Humane Society	12/10/2021	5,000.00
University of Mississippi School of Medicine	12/10/2021	1,000.00
Big Brothers Big Sisters	12/10/2021	500.00
*** Total Grants:		9,700.00

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.

DONOR ADVISED PASS-THROUGH FUND AGREEMENT
BETWEEN
CREATE FOUNDATION, INC.
AND

THIS AGREEMENT, made and entered into on _____, by and between CREATE Foundation, Inc., Tupelo, Mississippi (the "Foundation"), and _____, (hereinafter referred to as the "Donor").

W I T N E S S E T H:

WHEREAS, the Donor desires to have established in the Foundation a Donor Advised Fund with respect to which the Donor can recommend recipients of charitable grants; and

WHEREAS, the Foundation is a nonprofit Mississippi corporation exempt from taxation under Internal Revenue Code ("Code") section 501(c)(3), a public charity described in section 170(b)(1)(A)(vi) of the Code, and accordingly an appropriate institution within which to establish such a charitable endowment; and

WHEREAS, the Foundation is willing and able to create such Fund, subject to the terms and conditions hereof;

NOW, THEREFORE, the parties agree as follows:

1. GIFT AND NAME OF THE FUND. Donor hereby agrees to establish in the Foundation a Donor Advised Pass-Through Fund designated as the Foundation a Donor Advised Pass-Through Fund designated as the _____ Fund. Subject to the right of the Foundation to reject any particular gift, the Foundation may receive additional irrevocable gifts of property acceptable to the Foundation from time to time from Donor and from any other source to be added to the Fund, all subject to the provisions hereof. All grants, bequests and devises to this Fund shall be irrevocable once accepted by the Foundation.

2. PURPOSE. The primary purpose of the Fund shall be to provide support as directed by the Foundation Board of Directors (the "Board"), for general charitable purposes.

3. FUND ADVISORS. The fund advisors shall be

4. DISTRIBUTION. The principal, net of the fees and expenses set forth in paragraph 11, may be committed, granted or expended only for purposes described in Code section 170(c)(1) or (2)(B); provided, however, that such purposes are consistent with the exempt status and purposes of the Foundation. 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 power of the Foundation's Board of Directors (hereinafter the "Board") to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if in the sole judgment of the board (without the approval of any trustee, custodian or agent), such restriction or condition becomes, if effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served by the Foundation.

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 Code section 501(c)(3) status. 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.

5. RECOMMENDATION FOR DISTRIBUTION. Subject to the Foundation's principles and procedures for advised funds, the commitments, grants or expenditures from the Fund contemplated in paragraph 3 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 paragraph 3 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. All recommendations from Donor shall be solely advisory, and the Foundation may accept or reject them, applying reasonable standards and guidelines with regard thereto. (See attached *Donor Advised Pass-Through Process*.)

If Donor is married and Donor's spouse does not desire to serve as an advisor, Donor's spouse is requested (but not required) to sign a Spousal Consent as an addendum to this Agreement. If both spouses sign this Agreement as Donor, each shall equally advise as to Fund distribution. After the death of Donor or the survivor of Donor and Donor's spouse, as appropriate, the Board of the Foundation shall itself serve as the advisor of the Fund. (See attached *Advisor Succession*.)

6. ADMINISTRATIVE PROVISIONS. Notwithstanding anything herein to the contrary, the Foundation shall hold the Fund, and all contributions to the Fund, subject to the provisions of the applicable Mississippi laws and the Foundation's Articles of Incorporation and Bylaws. The Board shall monitor the distribution of the Fund to ensure it is used exclusively for charitable or other exempt purposes (within the meaning of Codes section 170(c)(1) or (2)(B)), and shall have all powers of modification and removal specified in United States Treasury Regulations section 1.170A-9(e)(11)(V)(B),(C), and (D).

The Board agrees to provide the Donor a copy of the annual examination of the finances of the Foundation as reported upon by independent certified public accountants.

7. CONDITIONS FOR ACCEPTANCE OF FUNDS. The Donor and Donors agree and acknowledge that the establishment of the Fund herein created is made in recognition of, and subject to, the terms and conditions of the Articles of Incorporation and Bylaws of the Foundation as from time to time amended, and that the Fund shall at all times be subject to such terms and conditions, including, but not by way of limitation, provisions for:

- a) Presumption of donors' intent;
- b) Variance from donors' direction;
- c) Amendments.

8. CONTINUITY. The fund shall continue so long as assets are available in the Fund and the purposes in the Fund can be served by its continuation. If the Fund is terminated, the Foundation shall devote any remaining assets in the Fund exclusively for charitable or other exempt purposes that:

- a) are within the scope of the charitable or other exempt purposes of the Foundation's Articles of Incorporation; and,
- b) most nearly approximate, in the good faith opinion of the Board, the original purpose of the Fund.

9. NOT A SEPARATE TRUST. The Fund shall be a component part of the Foundation. All money and property in the Fund shall be held as general assets of the Foundation and not segregated as trust property of a separate trust; provided that for purposes of determining the share of the Foundation's earnings allocable to the Fund and the value of the principal of the Fund, the interest of the Fund in the general assets of the Foundation shall be a percentage determined by dividing the gift to the Fund by the then value of the total assets of the Foundation, such percentage interest being subject to adjustment at the time of each addition to or reduction of the assets of the Foundation.

10. ACCOUNTING. The receipts and disbursements of this Fund shall be accounted for separately and apart from those of other gifts to the Foundation.

11. INVESTMENT OF FUNDS. The Foundation shall have all powers necessary, or in its sole discretion desirable, to carry out the purposes of the Fund, including, but not limited to, the power to retain, invest and reinvest the Fund and the power to commingle the assets of the Fund with those of other funds for investment purposes.

12. COSTS OF THE FUND. The costs annually charged against the Fund shall be determined in accordance with the then current fee schedule identified by the Foundation as applicable to funds of this type. ***There are currently no fees assessed to Donor Advised Funds.*** Any costs to the Foundation in accepting, transferring or managing property donated to the Foundation for the Fund shall also be paid from the Fund.

IN WITNESS WHEREOF, the Donor has executed this Agreement and the Foundation has caused this Agreement to be approved by its Board and to be executed by a duly authorized officer, all as of the day and year first above written.

BY: _____
Donor

Email address: _____
Telephone # _____
Mailing Address: _____

Approved by the Board of Directors of CREATE Foundation, Inc. on _____.

CREATE FOUNDATION, INC.

BY: _____
President

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

CREATE FOUNDATION, INC.

DONOR RECOMMENDATION FORM

name of fund

mailing address

city, state, zip phone number

I recommend distribution(s) to the following charitable or other exempt purposes and/or to the following organization(s) in the amount(s) listed below:

1) organization

honor/memory of (circle one)

mailing address

acknowledgement name

amount

mail back to donor

acknowledgement mailing address

2) organization

honor/memory of (circle one)

mailing address

acknowledgement name

amount

mail back to donor

acknowledgement mailing address

3) organization

honor/memory of (circle one)

mailing address

acknowledgement name

amount

mail back to donor

acknowledgement mailing address

I understand this recommendation is advisory only, that it will be considered pursuant to guidelines enumerating specific charitable needs consistent with the charitable purposes of the Foundation, and that it may be accepted or rejected. I affirm that no benefit will accrue to me or any member of my family from this grant.

Signature

date

Please return this form to: CREATE Foundation, Inc., P.O. Box 1053, Tupelo, MS 38802 or fax at (662) 844-8149. If the recommendation is accepted by the Board of Directors, distribution(s) will be made and you will be notified. If you have questions, please contact, Juanita Gambrell Floyd or Katie Stuart at (662)844-8989.

