



## Givepact Charitable Foundation

### **Donor Advised Funds Guidelines**

These Givepact Charitable Foundation (“the Foundation”) Guidelines set forth the Terms and Conditions that apply to the donor-advised fund program of the Givepact Charitable Foundation, including opening a donor advised fund at the Foundation, contributions to the Foundation, and donor advised fund privileges, including grant recommendations, investment recommendations, fund authorization, and successor options.

Givepact Charitable Foundation, an independent, section 501(c)(3) public charity that administers donor-advised funds, was organized, and operates exclusively, for charitable purposes. Givepact Charitable Foundation is recognized by the Internal Revenue Service (IRS) as a tax-exempt charitable organization classified as a public charity, as described in section 501(c)(3) of the Internal Revenue Code (“the Code”) of 1986.

Givepact Charitable Foundation donors may make irrevocable charitable contributions to the Foundation and may recommend grants to Eligible Grant Recipients. Account Holders may also recommend that their contributions be allocated to one or a combination of investments. All activities of Givepact Charitable Foundation, and participation in the donor-advised fund program, are governed by an independent Board of Directors, who are responsible for all aspects of its operations. The Directors reserve the right to modify the program and these Terms and Conditions at any time.

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## Creating a Fund

Donor advised funds (a “Fund”) are created through the completion of our online application or simple letter of agreement (the “agreement”) between a donor and the Givepact Charitable Foundation.

- Donor advisors may be individuals, families, businesses, or other charitable organizations.
- A Fund is activated upon receipt by the Givepact Charitable Foundation of an initial gift of \$500 or more.
- Gifts to a Fund are irrevocable and the Givepact Charitable Foundation has exclusive legal control of the contributed assets.
- Founding donor advisors may name the Fund, subject to approval by the Givepact Charitable Foundation.
- Unless founding donor advisors request that a Fund be anonymous, it may be listed by name in the Givepact Charitable Foundation’s annual report and may be identified in other Foundation social media channels.

## Contributing to a Fund

Contributions may be made using cash or credit card, cryptocurrency, publicly traded securities, or other property, including closely held stock, partnership interests, real estate, personal property, trusts and life insurance.

- Instructions on making contributions will be provided by the Givepact Charitable Foundation depending on the type of property.
- Contributions may be added at any time and in any amount, subject to acceptance by the Givepact Charitable Foundation.
- Contributions should be clearly designated by Fund name: “The XYZ Fund of the Givepact Charitable Foundation.”
- To enjoy maximum tax benefits, many donor advisors make contributions using appreciated publicly traded securities that have been held for longer than a year.
- Contributions of property other than cash or publicly traded securities are accepted at the discretion of the Givepact Charitable Foundation, and subject to completion of our due diligence procedures.
- The Givepact Charitable Foundation does not solicit contributions to existing Funds.
- Givepact Charitable Foundation will send confirmation of each contribution to the Donor making the contribution. Confirmations should be read carefully. Any error must be reported within 60 days of receipt to the Foundation.

*\* Contribution confirmations serve as Donors' receipts. Because the IRS requires taxpayers to substantiate the deductions they claim as charitable contributions, Donors should keep copies of contribution confirmations provided by Givepact Charitable Foundation with their tax records for the year in which the contribution was made.*

*\* Donors are responsible for the value they claim as a deduction on their tax returns. (Any fair market value reflected on Givepact Charitable Foundation contribution confirmations or statements is provided as a courtesy.) Before claiming any tax deduction, Donors should consult their tax advisor.*

## **Recommending Grants**

Once a Fund has been activated, the donor advisors named in the agreement may recommend distributions to qualified charitable organizations.

- Each recommended grant should be for at least \$100.
- Unless otherwise restricted in the agreement, grants may be paid out of the Fund's principal as well as accumulated investment earnings, if any.
- Grant recommendations can be made at any time during the year.
- Distributions from a Fund have no tax impact to the donor advisor; the tax deductible event occurs at the time the donor advisor makes a gift to the Fund.
- Grant recommendations can be submitted by mail or online. Forms and instructions for online access are provided upon creation of a Fund.
- The Fund and its donor advisors will be identified to grant recipients unless the advisors request anonymity.

\* Recommendations may be accepted or rejected, in whole or in part, by the Givepact Charitable Foundation in its sole and absolute discretion.

## Grant Eligibility

Qualified charities generally include those described in Section 501(c)(3) of the Internal Revenue Code, other than private foundations and certain supporting organizations.

- U.S. charities that support foreign organizations are generally eligible to receive grants.
- Examples of organizations generally not eligible for contributions from a Fund include foreign-based organizations, fraternal orders, organizations whose primary purpose is lobbying, cemetery associations and Funds set up to provide emergency relief to specific individuals or families.
- \* Funds may not be used to pay an individual for any purpose, including a scholarship or an expense reimbursement.
- If a donor advisor is concerned about a particular recommendation, the Givepact Charitable Foundation can pre-screen an organization for eligibility. If a grant recommendation cannot be processed, the Givepact Charitable Foundation will inform the advisor and explain the relevant limitation.

## Processing Grants

Once a grant recommendation is received, the Givepact Charitable Foundation's staff will perform due diligence to ensure that the organization is a qualified charitable organization and that its status is current. For most grants this process can be completed in a few days. For grant recommendations to unfamiliar organizations, the Givepact Charitable Foundation requires an affirmative response from the organization before issuing a check or wire transfer. This process may take longer.

- The final decision about a grant recommendation is the Givepact Charitable Foundation's; however, the Foundation usually finds advisor grant recommendations to be acceptable.
- Once the Givepact Charitable Foundation approves the grant recommendation, a check or wire transfer will be issued to the grantee organization. The Givepact Charitable Foundation will not deliver grant checks or wire transfers to anyone other than the organization receiving the grant. Unless other arrangements have been made (e.g., anonymity has been requested), a letter accompanying the check will indicate that the contribution is from "The XYZ Fund of the Givepact Charitable Foundation" and that it has been given upon the recommendation of the named advisors.
- \* Grants will be processed through the Givepact Charitable Foundation direct donation platform and incur the associated transaction fees.

	<p><i>* The recipient organization is encouraged to acknowledge the gift directly to the donor advisors, and to confirm that no benefits have been offered or provided to the Givepact Charitable Foundation or the donor advisors in exchange for the grant. If the recipient organization publishes a list of donors, it is asked to list the Fund.</i></p> <ul style="list-style-type: none"> <li>• Grant checks are generally issued within 5 to 10 business days.</li> </ul>
<p><b>Grant Restrictions and Limitations</b></p>	<p><i>* Grants from a Fund cannot be made to purchase benefit tickets or silent auction items, or to obtain preferential treatment from a grantee organization.</i></p> <ul style="list-style-type: none"> <li>• Generally, Donor Advised Fund grants also cannot be used to satisfy all or a portion of a personal pledge. Donor advisors may, however, recommend that a grant be paid out over multiple years, subject to annual due diligence. The total amount of the multi-year grant is encumbered at the time the grant recommendation is approved. The encumbered amount continues to earn interest accordingly.</li> <li>• Donor advisors are not required to recommend grants from their Fund.</li> </ul>
<p><b>Grant Opportunities</b></p>	<p>From time to time, the Givepact Charitable Foundation may alert advisors to grantmaking opportunities in which the advisors may have an interest. Donor advisors are not obligated to recommend a grant to the identified program.</p>
<p><b>Inactive Funds</b></p>	<p>If a Donor Advised Fund has gone two years without any activity (contributions or grants), the Givepact Charitable Foundation will attempt to contact the donor advisor. If the donor advisor cannot be located within a 12-month period, the Givepact Charitable Foundation will begin to distribute the Fund’s income (calculated pursuant to its spending policy) to its unrestricted funds.</p> <p>If the Foundation is still unable to contact the donor advisor after two additional years, the Fund may be closed and its balance distributed to the Givepact Charitable Foundation’s unrestricted endowment.</p> <ul style="list-style-type: none"> <li>• Pre-existing relationships with advisors may preclude taking action under the policy</li> </ul>

## Investment

The Givepact Charitable Foundation is responsible for investment of Fund assets.

- At the time the Fund is established, the founding donor advisors may recommend an investment preference, based on the expected use of the Fund over time, from among several investment options identified by the Givepact Charitable Foundation.
- \* Investment preferences can and should be indicated in the online application to or simple letter of agreement between the donor and Givepact Charitable Foundation.
- \* Unless otherwise noted during the application process, Givepact Charitable Foundation will default to maintaining investments in the form in which they are donated.
- The financial activity and balance information for each Fund is reported in quarterly statements available that are provided online or, on request, by mail.
- \* *Investments will be administered in accordance with Givepact Charitable Foundation's Investment Policies as determined by its Board of Trustees. The donor acknowledges that investments are subject to the risk of market and interest rate fluctuation and that any investment gain or loss generated will be credited or charged to the Fund. The total investment return of each investment vehicle is net of its investment fees.*
- \* *Givepact Charitable Foundation may, at any time, at its sole discretion, change the investment options of all or any portion of the assets in the Fund.*

## Fees

Givepact Charitable Foundation assesses a fee to help defray the costs associated with the administration of the Fund.

This fee is assessed to the Fund on a monthly basis based on a weighted average of the portfolio balance over the course of the previous month. A schedule of the administrative fees in effect at the time of this agreement is below:

<b>Balance</b>	<b>Annual Admin Fee</b>
First \$1,000,000	1%
Next \$4,000,000	0.6%
Next \$10,000,000	0.5%
Excess Balance Greater than \$15,000,000	0.3%

## Legacy

Founding donor advisors—who are most often the original advisors—can name successor advisors. Frequently these are the children or grandchildren of the founding donor advisors. The rights of successor advisors are defined by the founding donors when the Fund is established.

After the death of the founding advisors, portions of the Fund may be transferred into separate funds established for the family of each second-generation advisor, subject to the policies and guidelines in effect at that time. Each new Fund created according to this third option may have its own successor advisors in accordance with the policies in effect at the time.

## Ultimate Use

At the time the original Fund is established, the founding donors may designate the ultimate use of the Fund's assets following the death of the last advisor.

- The remaining assets in the Fund may be allocated to one or more Givepact Charitable Foundation funds, to endowments for the benefit of named charities, or to a combination of these options.
- The Fund will continue to be listed among the component funds of the Givepact Charitable Foundation.
- Unless other ultimate use provisions are designated, the Fund's assets will be commingled in a pool of unrestricted assets from which the income is used to meet community needs as determined from time to time by the Givepact Charitable Foundation's Board of Trustees.
- All provisions for the ultimate use of the Fund's assets are subject to the Foundation's power to depart from such designations if the Board determines that a designation has become unnecessary, is incapable of fulfillment, or is inconsistent with the charitable needs of the community.

## Terms and Conditions

Givepact Charitable Foundation has developed the following Terms and Conditions pertaining to the administration of Funds. These guidelines may be amended or replaced from time to time when deemed necessary by Givepact Charitable Foundation's Board of Trustees and as needed to comply with changes in applicable tax laws and regulations and other legal changes.

The guidelines in effect at any given time will govern the administration of all Component Funds of Givepact Charitable Foundation. These Terms and Conditions are part of the Fund Agreement.

### **The Fund as a Component of the Givepact Charitable Foundation.**

The Fund shall be a component of Givepact Charitable Foundation and not a separate trust, and nothing in this Agreement shall affect the status of Givepact Charitable Foundation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("Code"), and as an organization which is not a private foundation within the meaning of Section 509(a) of the Code. This Agreement shall be interpreted to conform to the requirements of the foregoing provisions of the federal tax laws and any regulations issued pursuant thereto. Givepact Charitable Foundation is authorized to administer the Fund and this Agreement to conform to the provisions of any applicable law or government regulation in order to assure continued compliance with Section 501(c)(3) and section 509(a) of the Code. References herein to provisions of the Internal Revenue Code of 1986, as amended, shall be deemed references to the corresponding provisions of any future Internal Revenue Code.

**Donor Tax Benefits.** Givepact Charitable Foundation is a section 501(c)(3) public charity and contributions to Givepact Charitable Foundation are generally tax deductible, subject to Code limitations. In order for a donor to take advantage of the tax benefits, the donor must part with control over the donated assets, in accordance with Section III, Gift Acceptance (below) and Givepact Charitable Foundation's Gift Acceptance Policy. Givepact Charitable Foundation does not provide tax or legal advice. We encourage donors to contact their own professional advisor for questions about the tax deductibility of a gift to Givepact Charitable Foundation.

**Gift Acceptance.** The Code and IRS regulations require that all contributions to Givepact Charitable Foundation are irrevocable. As a result, Givepact Charitable Foundation legally owns contributed assets after acceptance and holds discretion and control over the use of those assets. Cash, publicly traded securities, cryptocurrency and other property are deemed accepted upon receipt. Please see Givepact Charitable Foundation Gift Acceptance Policy for information about the process for accepting other types of gifts such as real estate, closely held stock, partnership interests, and other illiquid assets.



## Terms and Conditions

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**Support from Givepact, Inc.** Contributions to, and grants from, Givepact Charitable Foundation are administered with technology support from Givepact, Inc., a for-profit affiliate of the Foundation. This does not add to donors' costs. Any payments for Givepact, Inc.'s technology and services are covered by the Administrative Fee.

**Variance Power.** Funds established with Givepact Charitable Foundation are subject to Givepact Charitable Foundation variance power, which provides Givepact Charitable Foundation Board of Trustees with the power to modify any restriction or condition on the distribution of a Fund for any specified charitable purposes or to specified organizations, if, in the sole judgment of obsolete, incapable of fulfillment, or inconsistent with the charitable needs of the community or the requirements of Givepact Charitable Foundations continued section 501(c)(3) tax-exempt public charity status.

For Designated, Field-of-Interest, Scholarship, Disaster Relief/Emergency Assistance, and Agency Funds, the original charitable purpose or Field of the Fund will be continued, unless or until the original purpose is no longer capable of being fulfilled. In those instances, Givepact Charitable Foundation will exercise variance power as described above.

**Continuity of Funds.** For Donor-Advised Funds, after the initial Fund Advisor is no longer serving, Givepact Charitable Foundation will honor a donor's desire to name Successor Advisor(s). A founding donor or donors (only) may designate in writing Successor Fund Advisor(s) whose role will take effect upon the death of the founding Advisor(s) (donor and/or other Concurrent Fund Advisors named). A Successor Advisor(s) does not have any advisory privilege as long as the initial Fund Advisor(s) (typically the founding donor or donors) is alive. All requests to modify or appoint additional Concurrent or Successor Advisors must be communicated via email or other written form, by donor.

Funds may be advised by a Fund Advisor's Power of Attorney, but only if the ability to conduct charitable transactions on behalf of the Fund Advisor has been specified in the Durable Power of Attorney signed by the Fund Advisor. Similarly, a Personal Representative for the estate of a deceased Fund Advisor may act on the Fund Advisor's behalf only if those powers are specified in the Fund Advisor's will or trust. Givepact Charitable Foundation allows one generation of Successor Fund Advisors as long as the Fund meets the minimum balance requirement of at least \$500 and the Fund remains active. Successor Advisors may gain the right to name additional Successor Advisor(s) by making a one-time donation of at least \$500 to the Fund. If no Successor Advisor is named, the Fund will follow the Termination Policy specified in C, below.

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**Fund Activity.** The minimum amount required to open most Funds is \$500 (see Scholarship Policy and Fiscal Sponsorship policies for exceptions.) While Funds are not required to maintain a minimum balance of \$500, donors will be notified when their balance becomes \$100 or less and will be encouraged to either replenish or close their fund.

**Fund Inactivity.** A Fund will be classified as inactive after two years of inactivity. If a Fund receives no gifts and no grant recommendations are made for two years, Givepact Charitable Foundation staff will make a reasonable effort to contact the Fund Advisor by telephone, email, and/or certified mail. If the Fund Advisor does not respond to the contact effort within three months after the initial contact attempt, the Fund balance will be transferred to Givepact Charitable Foundation general assets for charitable purposes. Outreach and closure will be documented in the Fund's record.

**Fund Closure.** A Fund Advisor may recommend the closure of a Fund by submitting a written notification of the intent to close the fund that includes a grant recommendation of up to 100% of the Fund balance, after payment of all final applicable fees, to a qualified nonprofit organization or to Givepact Charitable Foundation discretionary Fund.

**Dissolution of Givepact Charitable Foundation.** Should the Givepact Charitable Foundation plan to dissolve as an entity or no longer operate its donor-advised fund program for any reason, Fund Advisors will be given a minimum of 90 days notice to transfer their funds to any U.S. 501(c)(3). Should the Fund Advisor not provide a recommendation after being notified, the board of GCF will grant the funds to other 501(c)(3) organizations as they see fit.

**Termination.** If no final purpose for a Fund is indicated, either as specified in the agreement, in a Letter of Understanding from the founding donor, or in another written communication, upon the death of the donor, Successor Advisor(s), or the termination of a donor's or Successor Advisor's advisory privileges due to inactivity, as indicated above, funds that are closed will become a part of Givepact Charitable Foundation general fund to support charitable activity throughout the region and general operations.

### Grant Recommendation Policies

a. Grant Disbursements: Grants may be paid to organizations defined as tax-exempt public charities under Sections 501(c)(3) and 509(a) of the Internal Revenue Code.

Fund Advisors may suggest a grant to any qualified public charity located in the United States. The minimum grant amount allowed is \$50. There is no limit to the number of grants allowed each year.

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As confirmed in the Agreement, while Givepact Charitable Foundation intends to follow donor and other Fund Advisor recommendations as closely as possible, Givepact Charitable Foundation has full discretion whether to make a grant to a particular organization recommended by a Fund Advisor.

b. Due Diligence Givepact Charitable Foundation staff will review each grant recommendation to determine the following:

- i. The organization is a nonprofit public charity, school, religious institution, or recognized as a 501(c)(3) tax exempt organization or is a qualified government entity or program.
- ii. The organization is not listed on the Office of Foreign Assets Control Specially Designated Nationals list to ensure Givepact Charitable Foundation is in compliance with the Patriot Act.
- iii. The grant recommendation does not fall under Givepact Charitable Foundation Grant Restrictions (see Grant Restrictions section below for further information).

Note for Employer-Sponsored Disaster Relief Funds Only. Givepact Charitable Foundation will make distributions from the Fund exclusively for the charitable purposes, limited to grants and/or direct costs associated with disaster relief and employee emergency assistance as stated in the Fund's purpose, consistent with federal tax laws governing Disaster Relief Funds. Individuals who are recipients of grants must be selected based on objective determinations of need and made using either an independent selection committee or adequate substitute procedures to ensure that any benefit to the employer is incidental and tenuous. (The selection committee is independent if a majority of its members consists of persons who are not in a position to exercise substantial influence over the affairs of the employer.) No payment may be made from the Fund to or for the benefit of any director, officer, or trustee of the sponsoring organization of the Fund, or members of the Fund's selection committee. The Fund Advisors must maintain adequate records that demonstrate the recipients' needs for the disaster relief assistance provided.

c. Grant Restrictions: Current tax laws prohibit Funds from making grants for the following purposes:

- i. To pay for event tickets, memberships, or any portion of tickets to fundraisers or benefits that include a material benefit such as a meal, seat at an event, or other goods or services for the Fund Advisor, donor, or any related party; in accordance with the IRS Revenue Ruling 2017-73, grants for events and memberships may not be bifurcated to cover the charitable portion only.

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ii. To purchase or fulfill memberships having any tangible economic benefit.

iii. To support political campaigns or for lobbying purposes.

iv. To private, non-operating foundations unless expenditure responsibility is exercised. In accordance with IRS Revenue Ruling 2017-73, pledges may be fulfilled, but the Foundation will not make reference to the pledge when making the grant; reference to the pledge should not be included with the grant request.

Note: An individual or individuals recommending grants from a Fund is/ are subject to IRS penalties if the donor, Fund Advisor, or other related parties receive benefits, goods or services in connection with a grant recommendation.

d. Grant Recommendations to International Charities. Grants to international organizations that meet the same qualifications as 501(c)(3) organizations are permitted and must be for a minimum of \$50. However, IRS regulations and Homeland Security restrictions require Givepact Charitable Foundation to complete additional enhanced due diligence review before the grant is made. The grant processing time may take up to several weeks, and any fees assessed by financial institutions due to the international grant status will be borne by the Fund and not the Givepact Charitable Foundation. In addition, non-U.S. charities are required to execute a written Grant Agreement and submit a final report and financial narrative.

e. Grant Recommendations from Funds Established with Public Monies: In order to maintain its commitment to transparency regarding the use of governmental or other public monies, Givepact Charitable Foundation reserves the right to disclose information regarding grants recommended from Funds established with governmental or other public monies or established by contractual agreement with a government entity. Information disclosed may include the grant amounts and the recipients of the grants.

Fundraising: Fundraising for a Fund is permitted, but subject to pre-approval by Givepact Charitable Foundation, including all uses of Givepact Charitable Foundation name and branding in advertising and promotional material. The fundraising policies are outlined in Givepact Charitable Foundation Funds that Fundraise Policy. The Fundraising Proposal Form must be submitted and approved at least two months before any fundraising begins. Givepact Charitable Foundation retains the right to not pay expenses for events that have not received pre-approval and for invoices that have been given adequate processing time.

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**Investment Management.** Upon making a gift to FOUNDATION, donors give up all interests to the contributed assets. However, donors are allowed advisory privileges for Fund investment options.