

## ***Donor Advised Fund Guidelines***

### **Establishing a Fund**

The minimum amount to establish a donor-advised fund (an “advised fund”) at the Foundation is \$25,000. Acceptance of any non-cash contribution is subject to the Foundation’s Gift Acceptance Policies and Guidelines.

### **Tax Status of Funds**

Advised funds established at the Foundation are component funds of the Foundation, a 501(c)(3) public charity. Accordingly, all contributions to an advised fund are treated for tax purposes as gifts to a 501(c)(3) public charity and are tax deductible to the extent allowed by law, subject to individual and corporate limitations. Please consult your legal or tax advisor regarding the application of such limitations to your personal situation.

### **Variance Power**

All advised funds established at the Foundation are subject to the Foundation’s “variance power,” as set forth in its bylaws. The variance power gives the Foundation the authority to modify any donor recommendation or condition on distributions from a fund for any specified charitable purpose or to any specified organization, if in the sole judgment of the Foundation, such recommendation or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by the Foundation.

### **Role of Donor Advisors**

The Foundation welcomes the involvement and recommendations of donor advisors with respect to distributions from advised funds, but such recommendations are solely advisory. When the Foundation receives a recommendation for a distribution, Foundation staff will carefully consider the advisors’ recommendation and will conduct due

diligence to ensure that the recommended grantee is organized and operated for charitable purposes and consistent with specific charitable needs identified by the Foundation as benefitting the public good.

The easiest way for a donor advisor to recommend a distribution is through Donor Central (an online donor portal). All other distribution recommendations must be made in writing on a form provided by the Foundation for this purpose. The Foundation requires minimum grant recommendations of \$250. As a general rule, distributions from advised funds will be processed within ten business days from the date received by the Foundation.

### **Restrictions on Distributions**

Distributions from donor-advised funds will be made only if they are consistent with the Foundation’s charitable purposes and satisfy community needs identified by the Foundation as benefitting the public good. Distributions will be made only to 501(c)(3) organizations qualifying as public charities as defined by the Internal Revenue Service. *The Internal Revenue Code and IRS regulations prohibit any distributions from a donor-advised fund that will result in a benefit to a donor, a donor advisor, or a related party to such persons. Thus, for example, distributions from a donor-advised fund cannot be used: (i) to pay membership dues of such persons, (ii) to purchase tickets or tables to fundraising events, or (iii) to purchase greens fees for charity golf tournaments. Distributions may not involve loans, compensation, expense reimbursements or similar payments to donors, donor advisors, or related parties. In addition, distributions may not be made to any specific individual, or to participate in, or intervene in, any political campaign on behalf of (or in opposition to) any candidate for public office.*

### **Management and Investment of Assets**

Advised funds at the Foundation are the property of the Foundation, and are administered by the Foundation in accordance with its Donor-Advised Fund Policies and

Procedures, these Guidelines, and applicable laws, including the Internal Revenue Code and Colorado’s Uniform Prudent Management of Institutional Funds Act, all as amended from time to time. The Foundation invests the assets in its advised funds in accordance with the Foundation’s investment policies, as amended from time to time. Donors to an advised fund may choose to have the Fund invested using the Foundation’s asset allocation, or by choosing their own allocation among the Foundation’s pool of investments. For investment purposes, the Foundation may commingle the assets of an advised fund with those of other Foundation funds, so long as it maintains separate accounting records with respect to each fund. The Foundation may, in its sole discretion, delegate to its committees, officers, employees or agents authority with respect to investment of its funds. In addition, the Foundation may contract with and pay compensation to independent investment professionals, banks or trust companies.

**Fees**

Advised funds established at the Foundation are subject to administrative and investment fees. The current fee for standard administration of funds is as follows:

Less than \$1,000,000	1.00%
\$1,000,000 or more	.50%

The Foundation reserves the right to change its fee structure at any time. The Foundation may also pay or reimburse itself for all direct expenses it incurs in administering an advised fund. In addition, if the Foundation and the donors to an advised fund agree, the Foundation may provide additional services with respect to the fund in exchange for an additional fee.

**Reports**

The Foundation will provide to donors quarterly reports showing the then-current balance in the fund and listing all contributions to the fund, distributions from the fund, fees charged to the fund, and net investment gains (losses) allocated to the fund during the period covered by the report.

**Inactive and Low-Balance Funds**

In order to carry out its policy of consistently distributing charitable dollars to the community, the Foundation will periodically review the distribution activity of every advised fund. If a fund has failed to make distributions commensurate in size with the Foundation’s spending policy over a two-year period, the Foundation will contact the advisor(s) to discuss this situation.

If the balance of an advised fund falls below \$25,000, grantmaking will be allowed to continue until the balance reaches \$5,000, when grantmaking will be suspended and the Foundation will contact the donor(s) or the advisor(s) to understand their plan for the future of the Fund. The Foundation will encourage them to: (i) recommend granting the balance in the fund either to another 501(c)(3) charity or to the Foundation’s unrestricted funds, or (ii) increase the balance in the Fund to the \$25,000 minimum. In addition, all funds regardless of balance will be invested in the commingled pool (unless otherwise specified by donors) and will be charged an annual fee. Upon the death of the last remaining advisor (including successor and second successor advisors) to a fund, any assets remaining in the fund will become unrestricted funds of the Foundation.

**Please sign below to indicate that you have read and agree to these Guidelines.**

\_\_\_\_\_  
**Donor 1**

\_\_\_\_\_  
**Donor 2**