



Policies DONOR ADVISED FUND

Contributions to a Donor Advised Fund

Contributions to donor advised funds at the Community Foundation of Louisville (“Foundation”) are irrevocable gifts to a public charity and eligible for the maximum tax deduction allowed by law. The Foundation accepts gifts including cash, publicly traded securities, private business interests, cryptocurrency, and real estate. Any person or organization may make a contribution into a donor’s donor advised fund. All contributions are subject to review and approval by the Foundation prior to acceptance and are irrevocable once accepted. The Foundation does not provide tax, legal or financial advice and encourages donors to consult with their own professional advisors prior to making a contribution.

Contributions of Non-Cash Assets

The general policy of the Foundation is to sell all contributed property as soon as practicable after receipt. For non-publicly traded assets, the Foundation will exercise discretion as to the holding period and sales price. Any costs incurred by the Foundation necessary for the disposition of securities and other assets, or necessary for the holding and management of other assets, will be an expense charged to the donor advised fund. These costs may include commissions for the sale of contributed stock, expenses for the management of assets prior to disposition, and annual appraisals as necessary or required.

Grants from Donor Advised Funds

Grants may be distributed to any 501(c)(3) public charity in the United States as well as certain other qualified organizations. Unless otherwise indicated, grants will be made in the name of the donor’s fund and the donor’s name and mailing address will be shared with the grantee organization. Grants must be at least \$100, may be designated for a specific purpose, and may be made anonymously.

The Foundation reserves the right to deny grant recommendations from donor advised funds to organizations that attack or malign individuals or groups of individuals on the basis of their having certain characteristics, including but not limited to their ethnicity, race, age, gender identity/expression, sexual orientation, national origin, economic background/circumstances, physical and/or mental abilities, veteran status, regional differences, marital or parental status, immigration status, philosophy/religion, education, and/or grants to organizations with policies or practices that do not align

with the Foundation's mission and core values.

The IRS does not allow the Foundation to make distributions from a donor advised fund to individuals or to pay fundraising expenses. Grants from a donor advised fund cannot confer any direct or indirect benefit on the donor, fund advisor or related persons. Such prohibited benefits include paying membership dues, fulfilling a legally enforceable obligation (including a pledge), purchasing items at a charitable auction, contributing to a college athletic fund or purchasing tickets for an event.

The IRS also does not allow the Foundation to make distributions from a DAF to support a political campaign on behalf of, or in opposition to, any candidate for public office, or to support activities that are in direct support of, or in opposition to, a specific piece of introduced legislation. Because contributions to donor advised funds are eligible for a charitable tax deduction, grants subsequently made from donor advised funds are not tax deductible.

Joint Fund Policy

For donor advised funds created by a married couple or for funds in which a married couple are the only Fund Advisors, in the event of a divorce or separation, absent contrary direction agreed to by the Fund Advisors, the fund shall be divided equally between the spouses and two separate funds will be created.

Fund Activity

The Foundation monitors the use of donor advised funds to ensure their activity leads to charitable distributions. The Foundation periodically audits donor advised funds that are inactive to ensure the Foundation understands the advisors' charitable intentions for their fund. In the event that no grant recommendations have been submitted for three consecutive years and efforts to contact Fund Advisors have not been successful, the Foundation may presume that no one has an interest in advising the fund and may terminate such rights after written notice to the last known Fund Advisor.

Fund Statements

Fund statements will be available on a quarterly basis through the online donor portal. If you would like to receive fund statements through the mail, please contact us at stewardship@cflouisville.org or 502.585.4649.

Fund Advisors and Successor Advisors

Fund Advisors must be at least 18 years of age. Until then, the Foundation may take advice from the Advisor but they may not serve independently.

Unless the donor has specified otherwise, each Successor Advisor may recommend individuals to succeed him or her as an Advisor, including individuals from succeeding generations; may recommend investment options; and may change the name of the fund. Successor Advisors may continue to recommend grants indefinitely except to the extent limited by law, IRS regulations, or Foundation policy as in effect for donor

advised funds.

Fund Advisors shall be considered incapacitated if they are unable to handle business affairs, as determined solely by the Foundation.

Bequest Gifts and Beneficiary Designations

The Foundation can carry out a donor's charitable goals beyond a donor's lifetime and can work with the donor's professional advisor to ensure that the donor's estate plan includes a contribution to the donor's fund. To name a donor advised fund at the Foundation as a beneficiary of a will or trust, life insurance policy, or retirement account, the following language may be helpful: After describing the gift (i.e., a percentage of the estate/trust/account or a specific dollar amount), note that it will pass "to the Community Foundation of Louisville, EIN 31-0997017, for the _____ [name of the donor's fund]. For bequest gift administration, the Foundation generally assesses a one-time fee of up to 1% of the gift at the point of maturity.

Fundraising

Individual component funds cannot use the Foundation's 501(c)(3) status or EIN to submit grant applications or funding requests to outside funders, such as government entities or private, public or corporate foundations.

The Foundation cannot sponsor or reimburse expenses for any fundraising activities or any other events intended to benefit any donor advised fund, and will not be responsible for the collection of any amounts from any fundraising initiative, including but not limited to a benefit, gala, banquet, athletic event or third-party online fundraising page.

Honoring Donor Intent and Variance Power

The Foundation intends to carry out the donor's charitable intent through a donor advised fund. In rare circumstances, the Foundation may determine that the donor's charitable purposes may have become unnecessary, obsolete, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served. In that case, the Foundation may need to exercise its variance power to change the charitable purpose of the fund. In doing so, the Foundation will strive to make decisions that are as consistent as reasonably possible with the donor's charitable interests.

Actions by Agents

Donors may designate an authorized third party, such as a professional advisor or power of attorney, to have access to their fund. Duly authorized third parties may have full access to a fund, which includes making grant recommendations, or read-only access. Unless the donor has given express permission, authorized third parties may not change the investment option, purpose of the fund, or the Fund Advisors. It is our practice to work with the authorized third party's support staff to carry out your wishes with regard to this fund.