



Community
Foundation
of Greater
Chattanooga

Donor Advised Fund

Handbook



About Us

People who love Chattanooga love giving back. We help them do that with personalized service, grant-making support, and local expertise; gleaned from our role as a community leader and convener.

Our mission is realized through the incredible generosity of our community. We are proud to serve as Chattanooga's trusted community partner and public foundation, bringing people together to build a better and brighter city for all.

CFGF is overseen by a Board of Directors selected to represent our diverse community. We work closely with donors, scholars, grantees, community members, and civic leaders to transform generosity into lasting change.



Thank you for choosing CFGC as your partner in generosity. This handbook is designed to answer questions you might have about the administration and use of your fund.

Mission

Together with our community and partners, we transform generosity into lasting change toward a prosperous and just Chattanooga where all can thrive and achieve their full potential.

Contact Us



Email: donorservices@cfgc.org



Phone Number: (423) 265-0586



Website: cfgc.org/give



Mailing Address: 1400 Williams Street, Chattanooga, TN 37408



Using Your Portal

ONLINE ACCOUNT ACCESS 24/7

Our Fund Portal is a web-based portal that gives our fundholders secure online access to their fund account, day or night. Fundholders can request grant distributions to their favorite charities, check a fund's balance, and see if a recent gift has been received. See inserts in the folder for detailed Fund Portal Access instructions and Frequently Asked Questions.

Access your portal here: <https://cfgc.fcsuite.com/erp/fundmanager>

STATEMENTS

Fund statements are provided to fundholders quarterly, or upon the request of the donor. Statements can be viewed online at any time through your Fund Portal. Statements include all increases and decreases to the fund since the last fund statement, such as: contributions, investment income or losses, grant expenses, and operating administrative fees. The detail of contributions and grant expenses are all shown on the statement.

CONTRIBUTIONS

You can make additional contributions to your donor-advised fund whenever it makes sense for you with almost any type of marketable asset. You will receive an acknowledgment letter for any contributions over \$250 which you should retain for Internal Revenue Service (IRS) gift substantiation. The most common contribution types are:

- Check or Money Order
- Securities
- Wires or ACH

Contribution Types Requiring Prior Approval:

- Real Estate
- Closely Held Stock
- Other Tangible Assets



We encourage you to send your year-end contributions as early in the year as possible. Check or money order contributions postmarked by December 31st will generally be recorded in that tax year. Contributions of securities should be sent by December 15th to ensure they are received in the applicable tax year. Often, contributions of mutual funds take longer to process and therefore should be sent by December 1st to ensure they are received in the applicable tax year.



Recommending a Grant

The donor advisors identified in the fund agreement may submit written grant recommendations by using the Fund Portal, mail, or email. If a grant recommendation is made in conversation, CFGC staff will email confirmation of the conversation with the grant recommendation(s) back to the donor advisor. Our staff will research the organization's IRS classification and the charitable nature of their activities in relation to the grant recommendation(s).

Grants can be made using interest and principal from the donor-advised fund so long as the fund agreement does not restrict the fund to interest only.

When CFGC makes a grant from a donor-advised fund, the recipient organization receives a grant letter that includes the name of the fund, the mailing address for the donor, and the grant designation.



ANONYMOUS GRANTS

Grants that you request from your donor-advised fund will default to identifying the name of the fund and providing your name and address to the grant recipient for acknowledgment purposes. **You have the option to request complete or partial anonymity in this correspondence on a case-by-case basis, or request that all grants from your fund be anonymous.**

TIMING

You can recommend grants from your fund whenever you wish. With the convenience of online access, you can use the fund to fulfill your charitable gifts with a quick turnaround. We make every effort to respond promptly to your requests. **As a general rule, grant recommendations received by 12:00 PM on Friday will be processed and sent to the organizations the following week.**

Please make your year-end grant recommendations as early as possible. Grant recommendations must be made **at least 10 business days** before a month, quarter, or fiscal year-end in order to make it to the intended organization in a timely manner.

MAKING AN ONLINE GRANT RECOMMENDATION

- Log in to the donor portal using your email address and password.*
- Submit your grant recommendation(s) online through the Fund Portal
- CFGC staff will complete due diligence on the request and reach out with any questions.
- CFGC staff will issue grant payments directly to the organization.

Grant Recommendation Do's and Don'ts

ELIGIBLE RECIPIENTS

You can recommend grants to publicly supported 501(c)(3) charities, schools, religious organizations, or government entities. Grants can support organizations in the greater Chattanooga region and beyond. **Grants cannot be made to individuals.** CFGC makes distributions only to qualifying public charities verified by our staff.

Other organizations, including those doing great work in the community, require additional due diligence and reporting requirements. CFGC will only make grants to these types of organizations in special circumstances and subject to certain conditions. These excluded organizations include:

- Private non-operating foundations;
- International charities;
- Supporting organizations that are not functionally-integrated;
- Organizations without Code 501(c)(3) exempt status; and
- Organizations who have filed for, but not yet received, their Code 501(c)(3) exempt status

MINIMUM GRANT AMOUNT

We ask that all grant recommendations are at least \$100.

RECURRING GRANTS

You have the option of making recurring grants from your donor-advised fund via the online Fund Portal or via email request to one of our donor services staff. You can choose the frequency, amount, and length of the recurring donation.



GRANT RESTRICTIONS

- Grants or distributions from donor-advised funds established at CFGC will be made only if they are consistent with CFGC's charitable purposes and satisfy community needs identified by CFGC as deserving of its support.
- Grants will not be made for any purpose or to any organizations that would provide a more than incidental benefit to the donor or advisor recommending the grant, including the fulfillment of binding pledges.
- Pre-existing commitments (pledges) cannot be assumed by CFGC. To support a nonprofit organization's fundraising campaign efforts, donors cannot obligate their donor-advised fund to a pledge.
- Grants from donor-advised funds may not be made to any named individual, or to an entity on behalf of a specified individual.
- Grants from donor-advised funds to organizations that are not qualified section 501(c)(3) public charities will require additional due diligence in order to determine if the grant is allowable.
- Distributions may not consist of any payment (including expenses for travel, meals, lodging, etc.) in the nature of a grant, loan, payment of compensation, or reimbursement of expenses to a donor or advisor.
- Distributions from donor-advised funds cannot be made to support or promote political or legislative activities.
- Under the relevant provisions of the Internal Revenue Code, grants from a donor-advised fund must disclaim any benefits (goods, services, etc.) either directly or indirectly in connection with a grant. Illustrative examples of benefits include, but are not limited to: meals, tickets, vouchers, or admission/access to performances, sporting events, or other events, items purchased at charitable auctions, or payment of club dues.





Making the Most of Your Fund

In addition to managing the administrative details of your fund, CFGC provides you with many opportunities to learn, lead, and grow as a philanthropist.





Working with You

CFGF has donor services staff dedicated to working closely with you to make your philanthropy as effective and fulfilling as possible. As soon as your fund is opened, our team will reach out to you to schedule a comprehensive onboarding, where we will talk in greater detail about the services that we offer. We will also take this opportunity to address any lingering questions or concerns regarding your fund. Whether you are an experienced philanthropist looking to go deeper or someone who is just getting started, we offer an abundance of services that may be easily tailored to suit your needs. What follows are just some of the ways our community of donors can take advantage of CFGF offerings.

VISION AND VALUES

Our staff can help you identify and articulate the values that motivate your giving as well as the legacy you wish to leave through your philanthropy. Utilizing a variety of tools, we can help you clarify your philanthropic vision and provide you with ideas for incorporating that vision into your giving.



ENGAGING YOUR FAMILY

Involving your family in your giving offers the opportunity to pass on your philanthropic values, determine shared philanthropic vision and values, come together for meaningful activities and discussions, and learn more about each other. It also enables you to address social needs in a way that draws upon the strengths of all family members. Without the guidance of experienced professionals, articulating and implementing a plan for your family's giving can be challenging. We are here to help. We routinely work one-on-one with donors and their families to develop and implement philanthropic plans. Our expertise is supporting donors so that they have a personally meaningful, fulfilling giving experience at any stage of their journey.

CONNECTING WITH COMMUNITY NEEDS

Having worked alongside the greater Chattanooga community for more than 60 years, CFGC is knowledgeable about the needs of our community and the organizations working to meet those needs. Our staff can help you identify and evaluate nonprofit organizations and programs, conduct site visits, and connect you with other fundholders who share your philanthropic interests.

Philanthropy is serious work, but it is also about building new relationships, seeing new places and exploring new ideas. CFGC hosts a series of regular events designed to introduce donors to each other, encourage networking and information sharing, and offer technical information to maximize grantmaking.

LEGACY PLANNING

Effective philanthropy requires thoughtful planning, including decisions related to the future of your donor-advised fund. Our donor services staff can work with you to develop a customized plan to meet goals in the three intersecting areas of philanthropy, estate planning and family, and will help you consider creative ways of building your philanthropic legacy.



How Your Fund Supports Chattanooga

As a donor at CFGC, your generosity makes a difference in the greater Chattanooga region by supporting the leadership and philanthropic work of CFGC. CFGC's annual operating budget is supported in large part by the fees we receive from managing the assets in our various funds, enabling CFGC to have a powerful and lasting impact in our community.

The revenue generated from supporting fees covers the cost of CFGC's core services which include philanthropic advising, nonprofit capacity building, grantmaking, gift and grant processing, investment and charitable asset management, planned giving services, new fund development, community leadership, and communications.

Your fund supports CFGC's work as a leader, convener and problem solver—enabling us to invest in strategic community work, maximize impact and achieve measurable change for the better.



The Fine Print

CHARACTERISTICS OF DONOR-ADVISED FUNDS

Donor-advised funds may be established by the donation or transfer by any person to, and acceptance by, CFGC of money or property, whether by contribution, gift, bequest or devise, or by transfer from a charitable or other organization, to further or carry out the charitable purposes of CFGC as set forth in its charter and bylaws. Contributions to donor-advised funds represent irrevocable gifts subject to the legal ownership and control of CFGC and its Board of Directors. A donor may not impose any material restriction or condition that prevents CFGC from freely and effectively employing the contributed assets or the income derived therefrom, in furtherance of the charitable purposes of CFGC.

NATURE AND TERMS OF DONOR ADVISED FUNDS

Each donor-advised fund established at CFGC is the property of CFGC, owned by it in its normal corporate capacity. In such capacity, CFGC has the ultimate authority and control of all property in the fund, and the income derived therefrom, for the charitable purposes of CFGC. Each fund may be recorded on the books and records of CFGC as an identifiable and separate fund, and may be given a name or other appropriate designation as requested by the donor. Anything herein or in the deed of gift or other instrument of transfer creating a donor-advised fund to the contrary notwithstanding, each fund shall be a component part of CFGC and shall be subject to the governing instruments of CFGC, including its charter and bylaws, as amended from time to time.

ROLE OF DONORS

CFGC welcomes the involvement and recommendations of its donors with respect to grants from donor-advised funds, but such recommendations are advisory only and are in no way binding upon CFGC. CFGC will seek to honor the charitable intentions of its donors consistent with community needs and applicable laws and regulations. Donor advice will be considered if offered in writing, via fax or e-mail, or through our online portal. Because CFGC's principal geographic area of concern is the greater Chattanooga area, CFGC's primary focus is to support and improve the charitable organizations of this region. CFGC will also consider charitable organizations outside the greater Chattanooga area if the grant will fulfill the broader charitable purposes of CFGC.



EVALUATION OF DONOR RECOMMENDATIONS

In evaluating recommendations for grants from donor-advised funds, CFGC staff investigates all prospective grant recipients to ensure that they are organized and operated for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, and that the grant will be used for a charitable purpose. Grants from donor-advised funds to organizations that are not qualified section 501(c)(3) public charities will require additional due diligence in order to determine if the grant is allowable. All distributions from donor-advised funds must be approved under procedures adopted by CFGC's Board of Directors.

VARIANCE POWER

Please be aware that your donor-advised fund is subject to the provisions of the charter, bylaws and other governing instruments of CFGC including the power reserved by the Board of Directors to modify any condition or restriction on the distribution of funds, if in its sole judgment (without the approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable purposes and functions of CFGC.

INVESTMENT OF ASSETS

CFGC has the responsibility and authority for the investment of the assets of each donor-advised fund. Any recommendations by the donor or advisor are advisory in nature and are not binding on CFGC. The assets of any fund may be separately invested or may be commingled with those of other donor-advised funds or endowment funds of CFGC, or may be invested in units of a common investment fund which may be established or utilized by CFGC. However, CFGC shall have no obligation either to invest separately or to commingle the assets, for investment purposes. Any decisions with respect to the retention, investment or reinvestment of assets and with respect to commingling of assets shall be made by CFGC's Board of Directors, in accordance with its regular procedures in accordance with prudent investment standards.

FUND AND SUCCESSOR ADVISORS

The person(s) identified in a donor-advised fund agreement as the donor advisor(s) and those designated by the donor advisor as Additional Advisor(s) or Successor Advisor(s) will have advisory privileges with respect to the distribution or investment of amounts held in the donor-advised fund.

The original donor advisor may revoke existing Additional Advisors or Successor Advisors and/or appoint new Additional Advisors or Successor Advisors at any time upon written notice to CFGC.



If any present donor fails to establish a succession plan for the fund prior to death, upon the donor's death, the fund shall be deemed inactive.

Donors may designate their spouse, children or others to serve as advisor(s) with the donor. When the Fund Advisors' and Successor Advisors' privilege to advise the fund terminates upon death, resignation or incapacity to serve, the donor-advised fund follows the Inactive Fund Policy of CFGC, unless the founding donor specifies a long-term plan for naming Successor Advisors.

INACTIVE FUNDS

A Fund is deemed inactive if one of the following applies: (1) the donor dies or resigns or evidence of their incapacity is provided to CFGC, and if no successor advisor has been named, (2) all named successor advisors as such, (3) no recommendations are made with respect to grants from the Fund for a period of two years and, during such period, the advisor or successor advisor does not reply to CFGC's attempts to contact them.

If the Fund becomes inactive, the President of CFGC is authorized to direct disposition of the fund balances up to \$50,000 to one of the unrestricted funds of CFGC. Balances in excess of \$50,000 will be directed by the Executive Committee or Board of Directors. CFGC's policy on inactive permanent donor-advised funds is to maintain the fund with its designated name, but the use of the distributions will be determined at CFGC's discretion.





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CFGF.org