



# DONOR ADVISED FUND HANDBOOK

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## **Idaho Community Foundation**

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# WELCOME

On behalf of the Idaho Community Foundation's board of directors and staff, welcome. We are delighted that you have chosen us as a partner to develop and channel your personal philanthropy.

As a fund advisor, you have joined a community of generous, civic-minded donors from all over Idaho. Together, we are making powerful strides to strengthen our community and its citizens. Our goal is to make your philanthropic experience fulfilling, engaging and easy.

This handbook is designed to guide you and answer questions about your Donor Advised Fund (DAF) with ICF. DAFs are convenient, flexible tools for individuals, families, businesses or others who want to be personally involved in selecting grant recipients.

Our philanthropic advisors are available to help you identify causes and organizations that matter most to you and can recommend options to extend the legacy of your fund by incorporating charitable giving into your estate planning.

Above all, we hope you know that having a DAF at ICF is not transactional. We consider you part of our family. We recognize and celebrate your generosity, your passion and your commitment to enriching the quality of life throughout Idaho.

With gratitude,  
The Idaho Community Foundation

# YOUR PARTNER IN PHILANTHROPY

## OUR COMMITMENT TO YOU

ICF is committed to serving all 44 counties in Idaho and we are committed to you.

We pledge to:

- Provide clear and accurate information about your DAF
- Promptly respond to your correspondence and inquiries
- Maintain an excellent investment strategy
- Identify and share information about emerging needs across the state
- Offer opportunities to partner with other donors through collective giving

## YOUR ROLE AS FUND ADVISOR

We consider you an active partner in our work, and you play a critical role in enriching the quality of life that Idahoans enjoy. We believe the most effective giving happens when our fund advisors embrace the following responsibilities:

- Periodically evaluate your own philanthropic goals
- Talk with ICF staff about your charitable objectives
- Keep staff informed when your contact information changes
- Visit the nonprofit organizations you support to remain curious about their mission.  
(ICF staff can arrange meetings and accompany you whenever possible.)



*“We love Idaho and cherish the quality of life with which we have been blessed. Our fund will continue to support Kootenai County and Idaho long after we’re gone.”*

*- Sue and Tom Thilo,  
Hayden Lake*

## BENEFITS OF AN ICF DONOR ADVISED FUND

- **EASE OF GIVING:** Leave it to our staff to perform due diligence on nonprofits, making sure that they are in good standing, well managed, and financially sound.
- **PHILANTHROPIC ASSISTANCE:** We can help you make informed, strategic decisions by identifying nonprofits working in areas you care about most.
- **ACCESS TO A COMMUNITY OF LIKE-MINDED PHILANTHROPISTS:** You'll receive invitations to ICF events, current information on community needs, and introductions to the nonprofits working to address these needs.
- **FLEXIBILITY:** You can give to a few or to many organizations, doing so anonymously if you choose.
- **TAX ADVANTAGES:** Your fund can provide optimal tax advantages as identified by your tax advisors.
- **SOUND ASSET MANAGEMENT:** You can trust our experienced investment subcommittee and investment consultants to diligently manage the investments in which your fund is held.
- **AVAILABILITY:** You can access your fund information and recommend grants 24 hours a day, 7 days a week through our online fundholder portal.
- **LOCAL SUPPORT:** Your fees are reinvested back into the community.
- **PEACE OF MIND:** ICF is confirmed in compliance with National Standards for Community Foundations, which demonstrates our commitment to accountability and operational excellence to our donors, the community, policymakers and the public.



# GROWING YOUR DONOR ADVISED FUND

A DAF allows you to make contributions to your fund as frequently as you would like, and recommend grants to your favorite nonprofits, schools, or faith-based organizations over time. You can establish or add to a fund with any of the following:

## GIVE NOW:

- Cash, check or credit card
- Stocks, bonds and mutual funds
- Closely held, restricted or pre-IPO stock
- Real estate
- Tangible personal property and business assets
- Transferring the assets of a private foundation
- Royalties and distribution rights



*“Finding a way to continue giving back to a state where I have had a great life raising my family is important to me.”*  
*- Alice Hennessey, Boise*

## GIVE LATER:

- Bequest - Create a new ICF fund or name an existing fund as a beneficiary in your bequest
- Life Insurance - Transfer an existing policy to the Idaho Community Foundation or purchase a new one in ICF’s name
- Retirement Assets - Maximize value by minimizing income and estate taxes
- Charitable Gift Annuity - Receive a lifetime income in exchange for your charitable gift. Accepted on a case-by-case basis.
- Charitable Trusts - Provide income to your heirs and then to ICF (charitable remainder trust) or provide income to ICF and then to your heirs (charitable lead trust)

## RECORDKEEPING AND REPORTING

For every gift received, ICF will issue a gift acknowledgement which will support your IRS substantiation requirements. Gift acknowledgements show the date your gift was received and accepted by ICF, as well as the amount of the donation for cash gifts or otherwise identify the gift for non-cash donations.

ICF will provide an annual report for your fund that reflects activity, including contributions, grants, net investment returns, and administrative fees and expenses. You may also access this information throughout the year through our fundholder portal (*please note that some information is only finalized on a quarterly basis*).

### ACCESSING YOUR FUND'S FINANCIAL INFORMATION

Login and scroll over the word Fundholder in the green banner to access:

- **FUND SUMMARY:** At-a-Glance view of the fund balance and available distribution in the current year
- **GRANT HISTORY:** List of organizations to whom you have recommended grants in the past
- **GIFT HISTORY:** The amount(s) you have donated to your fund or other funds in the Idaho Community Foundation
- **REPORTS:** A **Donor Fund Report** will allow you to view the contributions to and grants from the fund in any given year since the fund's inception. (NOTE: While contribution and grant activity on the Donor Fund Report may appear in real time, some activity is not finalized until four to six weeks after the close of each quarter).



*“The Idaho Community Foundation shares my goals and meets my needs. And they handle all the dreaded paperwork.”*

*- Pam Lyford, Elkhorn*

# GRANTMAKING GUIDE

As a fund advisor, you may recommend distributions from your Donor Advised Fund at any time. If your fund is endowed, we will provide information in the first part of each year letting you know the amount you have available to distribute that year.

## MAKING THE MOST OF YOUR DONOR ADVISED FUND

Your partnership with ICF is an opportunity to learn about community needs and strategic efforts addressing those needs from experienced, professional grantmakers. Our Philanthropic Advisors act as dedicated liaisons who will listen to your philanthropic vision and help you develop a customized giving plan. The fund you establish can support community grantmaking, a field of interest or a specific organization.

## GETTING TO KNOW THE FUNDHOLDER PORTAL

Once your fund is created, the assigned fund holders will receive an emailed invitation to the donor portal, where you can monitor your fund's activity, see the amount available to distribute, watch how the investments are performing and make grant recommendations all in one place.

For questions about the donor portal, please email [ITTeam@idahocf.org](mailto:ITTeam@idahocf.org).

## RECOMMENDING A GRANT FROM YOUR DONOR ADVISED FUND

Recommending grants is a simple process. After we receive your recommendation, our staff will conduct an independent review to ensure that the prospective grantee is a qualifying recipient, and that the recommendation is consistent with the charitable purposes of ICF. If we cannot confirm that the grantee is an eligible organization, we will contact you.

There are two ways you can recommend a grant:

1. Use the ICF fundholder portal
  - After logging in, move the mouse over the **Fundholder** menu option and click on Recommend Grant. From there, you can enter the details of your grant request.
2. You may email your grant recommendation(s) to [grants@idahocf.org](mailto:grants@idahocf.org). Please include the following:
  - The name of your fund
  - The grantee/organization's name
  - Recommended grant amount
  - Describe whether the grant is to go toward a designated purpose. If no designation is listed, we will let the grantee know the funds are to be used to support their greatest needs.

Whenever possible, grants are sent to recipient organizations through electronic funds transfer (EFT). The organization will receive an email to let them know which fund the grant is coming from, and how it is to be used if there are any restrictions. While our staff will not release your contact information without your consent, we will happily forward you any cards or notes that we receive in response to the grant.

## ELIGIBLE ORGANIZATIONS

Organizations classified under Internal Revenue Code Section (IRC) 501(c)(3), including those qualified under IRC 509(a)(1)-(4) and 170(b)-(c) which can also include governmental entities like school districts and tribes are also eligible to receive grants from ICF. If the organization you wish to support does not fall into one of these categories, please email [grants@idahocf.org](mailto:grants@idahocf.org) to learn more about a fiscal sponsorship, whereby a qualifying organization can accept funds on behalf of the group doing the charitable work.

## GRANTMAKING LIMITATIONS

While most grant requests to qualifying organizations will be approved, some recommendations require additional due diligence and may have to meet specific criteria to be approved.



# OTHER DAF USES AND RESTRICTIONS

## MEMBERSHIPS

You may use your fund to cover the cost of a membership so long as the organization confirms that the full membership amount is 100% tax deductible, and that your grant recommendation confirms that you waive all benefits beyond the incidental or insubstantial benefits related to the membership.

## EVENTS & SPONSORSHIPS

While you may use your fund to make grants in support of fundraising events, please note that your DAF cannot be used to purchase event tickets.

You *may* recommend a grant to support the charitable event generally by indicating in the grant purpose that:

- You are not attending or
- You are attending, but you are paying the full ticket price (both tax-deductible and non-deductible portions) separately out of pocket. In either case, your recommendation should clearly state that you waive all benefits associated with the event

## SCHOLARSHIPS AND TUITION

While you may use your DAF to support a scholarship program administered by a 501(c)(3) public charity or educational institution, you cannot support an individual that you help select.

## PLEDGES AND COMMITMENTS

No distribution from a donor advised fund can be used to satisfy a legally binding pledge.

## GRANTS THAT SUPPORT HATEFUL ACTIVITIES

We honor the fundamental value and dignity of all individuals, and ICF will not support organizations - through donor recommendations or otherwise - that engage in hateful activities.

“Hateful activities” is defined to mean activities that incite or engage in violence, intimidation, harassment, threats or defamation targeting an individual or group based on their actual or perceived race, color, religion, national origin (including membership in a Native American Tribe), ethnicity, immigration status, gender, gender identity, sexual orientation or disability.

As part of its due diligence, ICF will use its current policy to identify and update information regarding potentially hateful activities and organizations and may conduct additional due diligence as needed.

## GRANTS TO OUT-OF-STATE OR INTERNATIONAL ORGANIZATIONS

While ICF funds are established to primarily benefit Idaho, we understand donors may have close ties with other communities throughout the country, and donors may recommend grants to qualified public charities or universities outside of Idaho.

Distributions from funds can also be made to support charitable international efforts if they are to be deposited in the United States by a qualified charitable organization that meets the criteria under Eligible Organizations.



*“We have been able to live extraordinary lives thanks to our friends, neighbors, colleagues and clients from eastern Idaho and other areas of our nation. We wanted to give back to the area where we started our business that has given us so much through the years.”*

*- Kevin and Lisa King, Idaho Falls*

# FREQUENTLY ASKED QUESTIONS

## HOW DOES ICF CALCULATE THE ANNUAL DISTRIBUTION AMOUNT FOR MY ENDOWED FUND?

Each year the Board reviews the financial status and returns of ICF's endowment and sets a distribution level based on the recommendation of the Investment Subcommittee for the coming year. This level is set to balance current needs with growth for the future. Currently, the Board has adopted a 4.25% distribution level based on the market value of each individual fund within ICF, over the prior two to twenty quarters ending the previous September 30, depending upon how recently the fund was established.

Your annual available distribution will be ready near the beginning of each year and will be included in your annual fund report.

This distribution policy does not apply to non-endowed funds because they are fully expendable.

## IS MY DAF REQUIRED TO DISTRIBUTE EVERY YEAR?

DAFs are designed to benefit the community, so ICF's Donor Advised Fund Activity Policy requires you to make grant distributions at least once every three years, unless a long-term accumulation or distribution plan has been approved by ICF.

If your fund does not distribute for three consecutive years, we will contact you to discuss possible distribution options. If we cannot reach you after three attempts, we will direct your available distribution to the appropriate regional or statewide Forever Idaho Fund.

## IS THERE A MINIMUM AMOUNT TO EACH GRANT I AWARD?

Yes. Each grant must be a minimum of \$250.

## HOW LONG WILL IT TAKE FOR MY GRANT REQUEST TO BE PROCESSED?

From the time you make a grant recommendation, it typically takes 10-14 business days for the gift to arrive at the organization.

### WHO CAN MAKE GRANT RECOMMENDATIONS FROM THE FUND?

Only the individual(s) listed in the original fund agreement, or those appointed in cases where the agreement indicates others may be added in the future, may request grant recommendations from the fund.

### CAN I SERVE ON THE BOARD OF AN ORGANIZATION AND RECOMMEND A GRANT FROM MY FUND TO THE ORGANIZATION?

Yes, as long as you do not receive personal benefit from the grant.

### CAN OTHER PEOPLE DONATE TO MY DAF?

Yes. Your fund can receive credit card donations through our website, or a check may be sent to ICF with your fund name in the memo line. Please contact our staff for more information.

### WHAT HAPPENS TO MY FUND AT THE END OF MY LIFETIME?

After the advising period ends, the fund will make distributions according to the instructions you provided ICF in the fund agreement at the time the fund was established. For DAFs, you may name successor advisors to make grant recommendations and continue your family's legacy of giving or you may choose to allow the fund to convert to a Forever Idaho Fund, where local volunteers make funding recommendations based on current community needs - allowing maximum flexibility to build stronger communities in perpetuity.

### WHAT IF THE ORGANIZATION I DESIGNATE TO RECEIVE GRANTS CEASES TO EXIST OR THE CHARITABLE CAUSE I WANT TO SUPPORT BECOMES OBSOLETE?

An important distinguishing feature of a community foundation is "variance power," which gives a community foundation the ability to change the charitable purpose of a fund if circumstances have changed that make the original restriction inappropriate or not feasible. Should this occur, ICF will conduct due diligence to redirect your funds in a way that aligns as closely as possible to your original charitable intent.

### CAN ICF GIVE ME LEGAL OR TAX ADVICE ABOUT THE TYPES OF ASSETS I SHOULD DONATE?

No. We always recommend that you consult with your own professional advisors to determine the legal and tax implications about what you ought to donate. If your advisor would like to discuss a more complex gift with us, please have them contact us.