

Donor-Advised Fund

Frequently Asked Questions

- **What is a Donor-Advised Fund?**

The Donor-Advised Fund is the Foundation's most flexible option for giving. It allows a donor to make a charitable gift when it best suits their planning needs then recommend grants from the fund to nonprofit organizations on their schedule.

- **What are the benefits of giving through a Donor Advised Fund?**

The donor receives an immediate tax deduction when the fund is established. The Foundation takes care of writing checks, distributing grants, filing paperwork, and conducts due diligence on each grant recipient.

- **How do I establish a Donor Advised Fund?**

It takes just one simple form to set up a fund. The minimum gift required to establish a fund is \$10,000. You may add to your fund at any time.

- **What is the cost for a Donor-Advised Fund?**

There are no set-up fees. The fund will be charged an annual fee of 1% with a minimum fee of \$250. Fund fees are assessed quarterly.

- **How is the Fund invested?**

Non-endowed funds are invested in cash and cash equivalents. Endowment funds are invested in a mix of equity and fixed income. Donors with \$100,000 or more in a non-endowed fund may choose to have the fund invested in WCF's endowment pool. The pool is subject to market risk.

- **Is there an annual payout required?**

There is no annual payout requirement, however, WCF will monitor the fund to be sure it meets the needs of the community and addresses the charitable purposes for which the funds were committed. See WCF's Fund Activity Policy for details.

- **Who can act as a fund advisor?**

Donors may name themselves or others as the advisors to recommend grants from the fund. Donors may also authorize, in writing, a successor advisor to make recommendations for grants either during the donors' lifetime or upon the donors' death.

- **How do I make grants from my fund?**
The donor may submit grant requests in writing or online through the Foundation's website whenever he or she would like to make a grant.
- **How do I keep track of my grantmaking?**
The Foundation will send the donor a detailed statement on the fund quarterly.
- **How soon will my grant recommendation be processed?**
Donor-advised grant recommendations will be processed twice a month.
- **May I make a grant anonymously?**
Yes. The donor may request that grants be made anonymously.
- **May I make grants to my college or faith community?**
Grants may be made to tax exempt organizations qualifying under Section 501(c)(3) of the Internal Revenue Code, to U.S. government entities, or to recognized religious organizations.
- **Will my grant recommendations always be honored?**
In order to meet Treasury regulations for Donor-Advised Funds, the Board of Trustees cannot be bound by the advice of the advisor and must always maintain the right to distribute funds in accordance with its charitable purpose. If a grant recommendation is not approved the advisor will be notified and offered the opportunity to make an alternate suggestion.
- **May I fulfill a pledge or pay for a membership through a Donor Advised Fund?**
In order to meet Treasury regulations for donor-advised funds, grants may not be used for pre-existing pledges, auction items, or to receive any benefits such as tickets to events, gifts or memberships that carry more than a token value. The Treasury regulations are designed to ensure that donors do not receive a maximum charitable deduction at the time of the gift and still maintain control over the gift or receive benefits from the gift.
- **May I make a grant directly to a student or to support a political candidate?**
The Foundation will not make grants from donor-advised funds to individuals, political parties, organizations that discriminate on the basis of sex, race, age, religion, or national origin, or organizations that are on the United States Department of the Treasury Specially Designated Nationals list (often referred to as the Terrorist List).