

# NORTH TEXAS COMMUNITY FOUNDATION

*Philanthropic Solutions*

Donor Advised Funds are a flexible, efficient and personal way to give to the charitable organizations you care about.

## WE OFFER A VARIETY OF SERVICES AND SUPPORT.

- We complete all necessary paperwork for grant administration and provide you with statements summarizing your fund's contributions, earnings and grants.
- Our community expertise can lead you to effective, innovative organizations and strategies you wish to support — locally, regionally and nationally.
- Our secure online donor system, DonorCentral, makes it quick and easy to access your fund and recommend grants 24 hours a day.
- We conduct due diligence on all grantees, verifying their tax-exempt status and charitable missions to give you confidence in your giving.
- We are happy to work not only with you, but with your spouse, children and grandchildren to foster family philanthropy.
- We offer grantmaking initiatives, educational seminars, visits to nonprofit organizations and a range of collective giving opportunities that can connect you with other donors and enrich your giving experience.

## YOU CAN GET STARTED RIGHT AWAY.

Establish a Donor Advised Fund at the North Texas Community Foundation by following these steps:

- Contact Nancy Webb at [nwebb@northtexascf.org](mailto:nwebb@northtexascf.org).
- Complete a two-page agreement establishing your fund.
- Make an initial contribution to the fund you establish. The North Texas Community Foundation accepts many types of assets, including cash, stock and real estate.
- Begin recommending grants.

## OUR PURPOSE

To lead and inspire powerful and rewarding philanthropy that improves the quality of life and the prosperity of our region.

Types of assets you can give to establish your fund:

- Cash
- Publicly traded securities and mutual funds
- Closely held stock
- Retirement plan assets
- Life insurance
- Real estate

*Please note that IRS rules require that the North Texas Community Foundation owns and has ultimate control over all funds it receives. The IRS rules also prohibit Donor Advised Funds from fulfilling a pledge or providing any goods, services or membership benefits to donors. As such, you may not use your Donor Advised Fund to purchase charity event tickets, pay school tuition, etc.*

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**WHAT IS THE BEST WAY TO  
RECOMMEND GRANTS FROM  
MY FUND?**

DonorCentral, our online grantmaking tool, is the preferred method. If you do not wish to use DonorCentral, you may fill out and sign a recommendation form, which can be delivered in person or by mail, email or fax.

**DOES THE COMMUNITY  
FOUNDATION STAFF REVIEW MY  
GRANT RECOMMENDATIONS?**

Yes, the staff provides due diligence on all grant recommendations to make sure the organization is a verified 501(c)(3). If a nonprofit is not verified by the IRS or has received a sub-standard report, we will let you know and possibly provide other suggestions of worthy organizations providing those same types of services.

**HOW DOES THE GRANT  
PROCESS WORK?**

Once we receive your grant recommendation, we perform the due diligence and issue the check, along with a letter to the grantee that indicates the purpose of the grant, the fund that made the recommendation and where to send a “thank you” letter (unless the grant is anonymous). The letter also states that neither the donor advisor nor the Community Foundation is receiving any benefits for the grant. Donors also receive a letter letting them know that the grant has been processed.

*NOTE: The fund OR the name can be anonymous. Please let us know if you have special requirements.*

**IS THERE A MINIMUM  
GRANT AMOUNT?**

We recommend grants of \$250 and above, but the minimum amount is \$100.

**HOW QUICKLY ARE  
GRANTS PROCESSED?**

Grants are generally processed once a week. As long as we receive your grant recommendation by Tuesday at 5:00 pm, it will be processed the same week. If your grantee is included on the Community Foundation’s previously approved list, the check will be mailed on Friday after we receive the recommendation. If the potential grantee is unfamiliar to the Community Foundation, due diligence may require extra time. In these instances, we may ask you for additional information about the nonprofit to which you want to make a grant.

**MAY I RECOMMEND GRANTS  
TO AGENCIES LOCATED OUTSIDE  
OF THE U.S.?**

Yes, donors may recommend grants outside of the U.S. as long as the organization is chartered in the U.S.

**WHAT KINDS OF GRANTS CANNOT  
BE MADE FROM A DONOR ADVISED  
FUND?**

Grants cannot be made to agencies based outside of the U.S., private foundations and agencies not certified 501(c)(3) by the IRS, or individuals. In addition, grants may not include tangible benefits to the individual donors.



### **CAN A DONOR ADVISED FUND BE USED TO PAY A PLEDGE?**

No. When you make a contribution to a Donor Advised Fund at the Community Foundation, you are entitled to take the full amount as a tax deduction. This is because you have received nothing in return for your contribution. If the Community Foundation satisfies your pledge, you will be receiving something in return for your contribution - release of a debt.

### **MAY I RECOMMEND A GRANT TO PAY FOR A TABLE AT A FUNDRAISING GALA?**

No. You, as the donor, cannot receive any benefit from making grants through your Donor Advised Fund — even relatively small benefits. Even if the price of the dinner is separated out, these are called bi-furcated gifts and not allowed by the IRS. We request that you pay for this sort of thing separately, outside of your Donor Advised Fund, unless you do not plan to attend or allow anyone you know to attend in your place.

### **HOW DO I KNOW IF THE GRANT CHECK WAS DELIVERED TO THE ORGANIZATION?**

In most cases, we supply your name and address to the organization, so they can send a personal “thank you” letter.

### **I RECEIVED A TAX ACKNOWLEDGEMENT FROM THE AGENCY I RECOMMENDED FOR A GRANT. DOES THAT MEAN I CAN TAKE THE DEDUCTION ON MY INCOME TAXES?**

No. Your income tax deduction was earned when you made your contribution(s) to your Donor Advised Fund. The acknowledgment of your gift to the Community Foundation is your receipt to document your gift on your tax return. “Thank you” notes from agencies are sent to let you know that a gift was received and appreciated.

### **MAY I RECOMMEND GRANTS TO BE PAID AT SPECIFIC INTERVALS, SUCH AS QUARTERLY?**

Yes. We will make sure that the grantee qualifies as an IRS section 501 (c)(3) organization and that the purpose of the grant is consistent with the Community Foundation’s charitable purposes. We can set a reminder to pay the grant at certain intervals selected by the donor.

#### **CONTACT US**

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