



OKLAHOMA CITY  
COMMUNITY FOUNDATION

Advised Fund Policy Statement  
**GIFT FUND**

An Oklahoma City Community Foundation Gift Fund is a personal charitable fund, which allows donors to establish a personal giving program with maximum simplicity, flexibility and tax-advantages. For donors with a longer-term time horizon or longer-term charitable goals, the Gift Fund offers the benefit of the Oklahoma City Community Foundation's investment performance as well as the help and advice of the Oklahoma City Community Foundation's program and donor services staff. The donor's gift creates a spendable fund in the donor's name. The funds are invested in one of the Oklahoma City Community Foundation's investment pools. The Trustees of the Oklahoma City Community Foundation receive grant recommendations from the donor. The staff of the Oklahoma City Community Foundation is available to help the donor review organizations and help develop specific projects of interest to the donor. The Trustees of the Oklahoma City Community Foundation review recommendations made by the donor and approve the grants. It is expected that the fund will be used by donors to support current gifts to the community. All inactive funds are administered according to our Fund Policy Guidelines. Grants from the donor's fund are so identified to any recipient organization. Grants can also be made anonymously at the donor's request. The donor has access to online reporting of fund balances, and gift and grant activity.

The Gift Fund serves the needs of donors having a longer-term distribution plan with the option of investment growth and the flexibility to eventually distribute the entire gift for charitable purposes. A donor can make the charitable gift in the year which best suits his tax planning needs and can recommend grants from the fund to charities in the future. The donor's interests change, as do the needs of the community, and the Gift Fund allows flexibility for the use of charitable funds to accommodate these needs. A Gift Fund can receive a gift of securities or other assets, sell the asset, and distribute grants to a number of non-profit organizations. This use allows a donor to utilize appreciated assets for charitable contributions more efficiently and minimizes the need for charities to deal with non-cash assets.

Because the Oklahoma City Community Foundation handles all of the administrative and reporting details, the Gift Fund is an easy and low-cost alternative to a private foundation. Because grants can be made at any time to any charity, the Gift Fund provides donors with the convenience of a national fund but all of the advantages of a local and knowledgeable charitable organization. The donor's interests and the needs of the community can change from year to year. The Gift Fund allows the donor to establish a fund with the flexibility to support current needs and to respond to new issues and opportunities as they arise.

The following policies have been adopted by the Trustees of the Oklahoma City Community Foundation regarding the establishment and operation of the Gift Fund:

- 1) Gift Funds are spendable funds at the Oklahoma City Community Foundation and not part of the permanent endowment. The minimum to establish a Gift Fund is \$20,000. Funds may be started with less than \$20,000 but no distributions will be made until the minimum gift total has been accumulated. The Oklahoma City Community Foundation and the donor will execute a fund agreement related to the fund's operation and the donor's intentions. All Oklahoma City Community Foundation Funds are subject to the variance power, which allows the Trustees of the Oklahoma City Community Foundation to modify the donor's instructions if these instructions are no longer practical or possible. The donor's intention will always be followed to the greatest extent possible.
- 2) The donor may advise the Oklahoma City Community Foundation to use his/her funds in any of the following ways:
  - a) To make a grant to any organization or charitable purpose that has a fund at the Oklahoma City Community Foundation.
  - b) To make a grant to public charities and other organizations qualified to receive charitable contributions.
  - c) To participate with other donors and the Oklahoma City Community Foundation to fund specific grant requests that have been approved by the Trustees of the Community Foundation.

The minimum grant for a Gift Fund shall be \$100.00 or the total spendable balance if that amount is less than \$100.00. There is no limit on the number of grants issued in a year.

- 3) The grant from a Gift Fund should not be used to purchase tickets or memberships with personal benefit to the donor or advisor, or to support fund-raising events where the donor is receiving a benefit – a grant of this type shall be designated as nonparticipatory. Additionally, grants should comply with the guidelines provided by the 2006 Pension Protection Act which include:
  - a) Prohibition against donors, advisors, or related parties from using advised funds to secure benefits from the grant recipient.
  - b) Prohibition against grants to individuals or to directly benefit any individual.
  - c) Prohibition against donors, advisors, or any related individual from receiving grants, loans or any similar payment.
- 4) The Internal Revenue Service requires that the Trustees of the Oklahoma City Community Foundation approve the grants from any advised fund according to the Foundation's current advised fund due diligence policy. The staff of the Oklahoma City Community

Foundation will conduct an independent investigation of the donor's recommendation, if necessary, to ensure that the grant is being used to meet appropriate charitable needs. This process protects the Oklahoma City Community Foundation and the donor and insures the full tax-deductibility of the donor's gift.

- 5) The Oklahoma City Community Foundation will advise recipient organizations of grants from Gift Funds and will provide the organizations with the names and address of the donor unless the donor requests that the grant be anonymous. The names of Gift Funds at the Oklahoma City Community Foundation are not made available to grant seekers or non-profit organizations.
- 6) Gift Funds, which may be established with securities or other non-cash assets, will be credited with the net amount available after the sale of the asset. No grants from a Gift Fund will be made until assets are converted to cash. No grants will be made in excess of the spendable balance in the fund at any time. The donor will be provided with an acknowledgment of the gift.
- 7) The donor to a Gift Fund may name successor advisors to recommend grants from the fund in case the donor is no longer able to do so. If the value of the advised fund exceeds \$50,000, the donor may provide that successive generations of advisors may continue to recommend grants. The succession plan must provide a clear determination of the successor advisor and if there is ambiguity or disagreement, then the Trustees of the Community Foundation may choose one advisor from among those who are eligible. The donor may provide for family members to choose a representative to provide annual advice. The responsibility for choosing the representative shall be that of the family or other eligible persons. The donor to the fund may change the successor advisors. These changes should be made in writing to the President of the Oklahoma City Community Foundation. They will be attached to the fund agreement. If no successor advisor is named and/or no distribution plan is stated, the fund will go to the Fund for Oklahoma City when the donor is no longer able to participate. If neither the donor advisor nor the successor advisor is able to provide annual grant recommendations, the original donor may provide for the use of the spendable amount in one of the following ways:
  - a) By converting the fund to a permanent fixed advice endowment.
  - b) By naming one or more charitable organizations or funds that would receive a fixed percent or dollar amount of the remaining amount.
  - c) By naming a particular area of interest or type of charitable cause to be supported and requesting that the Trustees make grants from the fund to support charitable purposes in that area of interest.
  - d) By asking that the Trustees utilize the funds as part of the Fund for Oklahoma City to support the general charitable needs of the community. If requested the Trustees will endeavor to utilize the fund in ways consistent with the grants suggested by the donor

during his or her lifetime.

- 8) The Oklahoma City Community Foundation will provide regular financial and investment reports to the donor contact or successor advisor. Online access to fund balances, gift and grant history, and regular reports is available through an online portal. The online portal is available to all Gift Funds.
- 9) Gift Funds are invested within one of the Oklahoma City Community Foundation Investment Pools. Details of those pools can be found in Appendix B.
  - a) A portion of the Gift Fund may be invested in a money market option at the Oklahoma City Community Foundation. Grants will be made from the money market balance first. Changes in asset allocation between the Oklahoma City Community Foundation investment pool and the money market option may be made once each calendar year.

Gift Fund Policy Statement  
Appendix A

Annual administrative fees for Gift Funds are assessed quarterly based on the average market value of the fund during the quarter and the following schedule:

- 100 basis points (1%) for the first \$500,000 of the fund's market value or a minimum of \$300
- 50 basis points (.50%) for portion of market value between \$500,000 and up to \$1 million
- 20 basis points (.20%) for portion of market value in excess of \$1 million

Effective May 1, 2020

Gift Fund Policy Statement  
Appendix B

**Endowment Pool**

**Investment Objective:** Preserve the purchasing power of assets by investing in a diversified pool targeting capital growth for long-term grant making.

**Risk Profile:** Achieve targeted long-term performance expectations while accepting some level of short-term capital volatility.

**Total Fund Benchmark Composition:**

Blended benchmark comprised of the Russell 3000 Index (50%), MSCI ACWI Index minus US (15%) and Barclays US Aggregate Index (35%).

**100% Equity Fund**

**Investment Objective:** To mirror the equity investments of the Endowment Pool. This fund is only available to Donor Advised Funds and Affiliated funds with a balance of \$250,000 or greater.

**Risk Profile:** Achieve targeted long-term performance expectations while accepting increased capital volatility.

**Total Fund Benchmark Composition:**

85% Russell 3000 and 15% MSCI ACWI Index

**Growth Pool**

**Investment Objective:** Preserve the purchasing power of assets by investing in a diversified pool targeting appreciation and capital growth. This fund is only available to Donor Advised Funds and Affiliated funds with a balance of \$250,000 or greater.

**Risk Profile:** Achieve performance expectations while accepting some level of short-term capital volatility.

**Total Fund Benchmark Composition:**

Blended benchmark comprised of the 80% Vanguard Total World Stock Index and 20% Vanguard Total Bond Market Index