



## 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 the Oklahoma City Community Foundation's investment pool. The Trustees of the Oklahoma City Community Foundation ask the donor for recommendations in making grants from the fund. The program staff of the Oklahoma City Community Foundation is available to help the donor review organizations and 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. 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. Donors can use this advised fund option to grow a gift to generate the maximum charitable impact. 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. The Gift Fund allows flexibility for the use of charitable funds to accommodate these needs. A Gift Fund can receive a gift of appreciated 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 local donors with all of the convenience of a national fund but all of the advantages of a local and knowledgeable charitable organization.

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 \$10,000. The Oklahoma City Community Foundation and the donor will execute a fund agreement related to the fund's operation. 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 as closely as possible.
2. The donor may recommend that the Oklahoma City Community Foundation use the funds in any of the following ways:
  - a. To make a grant to any organization or charitable purpose that has an endowment fund at the Oklahoma City Community Foundation.
  - b. To make a grant to another 501(c)(3) public charity serving the education and charitable needs of the Oklahoma City area, the State of Oklahoma, or the United States, which has been investigated by the Oklahoma City Community Foundation and meets the I.R.S. criteria for a tax-deductible gift.
  - 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 Oklahoma City Community Foundation.
  - d. A grant from a Gift Fund should not be used to fulfill any legally binding pledge or obligation of the donor, to purchase tickets or memberships with personal benefit to the donor advisor, or to support fund-raising events where the deductible amount is less than the grant contributed from the fund. 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 fulfill pledges.
    - b. Prohibition against donors, advisors, or related parties from using advised funds to secure benefits from the grant recipient.
    - c. Prohibition against grants to individuals or to directly benefit any individual.
    - d. Prohibition against donors, advisors, or any related individual from receiving grants, loans or any similar payment.
3. 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 advised fund grant approval procedures. The staff of the Oklahoma City Community Foundation will conduct an independent investigation of the donor's recommendation, if necessary, to insure 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.

4. 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.
5. 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.
6. The following fund requirements have been established by the Community Foundation Trustees:
  - a. The minimum amount needed to establish the fund is \$10,000.
  - b. The fund shall be invested as part of the Oklahoma City Community Foundation general investment pool receiving a proportionate share of income and capital appreciation or loss. The fund will be charged an annual administrative fee. The current fee schedule is attached to this policy statement as Appendix A.
  - c. 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 quarter
  - d. There is no limit on the number of annual grants. The minimum amount for any grant shall be \$100.00. There is no time limit on grants.
  - e. The Oklahoma City Community Foundation will provide regular financial and investment reports to the donor contact. Online access to fund balances, gift and grant history, and regular reports is available through DonorCentral, the Oklahoma City Community Foundation's online advised fund reporting service. DonorCentral is available to all Gift Funds.
  - f. Gift Funds, which have a balance of \$1,000 or more on June 30, will be listed in the Oklahoma City Community Foundation annual report unless the donor requests no listing.

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. The donor may provide instructions to the Trustees of the Oklahoma City Community Foundation for the use of any fund balance after his death or inability to provide recommendations. The donor to the fund may change the successor advisor. These changes should be made in writing to the Executive Director of the Oklahoma City Community Foundation. They will be attached to the fund agreement.
  
8. The balance in a Gift Fund may be distributed to another Oklahoma City Community Foundation fund upon the written instructions of the donor and the execution of an appropriate fund agreement.

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:

1.0 percent on the first \$500,000 of average daily market value

50/100 of one per cent on the next \$500,000 of average daily market value

20/100 of one percent for the average daily market value above \$1,000,000

The minimum annual fee for a Gift Fund is \$300.00 to cover administrative and reporting costs.

Effective October 1, 2011