

Fund Terms and Conditions

Tax Status of Contribution

Funds established at the Sandusky County Communities Foundation (SCCF) are component funds of SCCF, a Section 501(c)(3) public charity. All Contributions to SCCF's funds are treated as gifts to a public charity and are generally tax-deductible, subject to individual limitations. SCCF does not provide tax or legal advice. We recommend consulting a professional advisor with questions about a gift to SCCF.

Variance Power

As required by law, all assets contributed to funds become irrevocable gifts to SCCF, and legal control and responsibility for the funds rest with SCCF's Board of Trustees. The Board of Trustees recognizes its responsibility to SCCF's mission to support charitable organizations that donors care about while balancing the need to exercise good judgement. The Board of Trustees maintains final authority over distribution decisions and is not legally bound to comply with a donor's suggestions.

All funds established at SCCF are subject to SCCF's variance power, as set forth in SCCF's articles of incorporation. The variance power gives the Board of Trustees authority to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations if, in the sole judgement of the Board of Trustees, such restriction or condition becomes unnecessary, undesirable, impractical, or impossible to fulfill.

Investment of Assets

All gifts to SCCF are irrevocable, with some ability to transfer funds to another foundation or qualifying entity. The donor advisor(s) relinquishes all right, title, and interest to the contributed assets. In particular, the donor advisor(s) relinquishes the right to choose asset allocation, investments, investment agent, or to veto investment choices for any gifts. SCCF reserves the right to make any and all investment decisions regarding gift(s) in accordance with its Investment Policy. SCCF maintains a list of approved fiduciary investment agents. However, SCCF will consider suggestions of the donor advisor(s) for use of a particular fiduciary investment agent in accordance with SCCF's Investment Policy, and SCCF may consult the donor advisor(s) on the investment options for the assets of a fund. SCCF's Finance Committee will review and recommend to the Board of Trustees for approval use of any investment agent not currently on SCCF's approved list.

SCCF's Finance Committee, which is comprised of trustees and other local business and investment professionals, provides independent expertise to assist in the prudent investment of the assets entrusted to SCCF. The Investment Policy is continuously and rigorously reviewed and modified as needed to provide clear guidelines and goals for the long-term investment of SCCF assets. The Board of Trustees sets policies, oversees grant making activities, and sets guidelines for the investment agents to follow in their investment activities.

Funds that have been established where the donor advisor(s) have not recommended any asset allocations within a six-month period will be invested in accordance with the SCCF Investment Policy.

Fees and Minimums

Funds are charged an annual administrative fee of 1.25% of the funds average daily balance, with a minimum annual fee of \$250.00. The administrative fee is reviewed regularly and SCCF's approach is to provide efficient, cost-effective, and competitive services. The fee is assessed directly to the fund and does not require additional payment.

This fee covers SCCF's general administrative cost, including gift and estate planning assistance, investment and financial management, grant making and evaluation services, and gift notifications and acknowledgements. In addition to the administrative fee, there are investment fees charged by the investment agent, which also carry a minimum annual fee. These fees are capped at 1.15% and are assessed directly to the fund.

Any fees or expenses related to the transfer of planned gifts to SCCF that occur at death or upon termination of a trust will be charged to the fund established by said gift(s).

There is no set-up fee to open a fund at SCCF, with certain exceptions. However, specific initial gift minimums must be met. Initial gift minimums vary by fund type.

Fund Minimums

The principal balance of the fund should never be less than minimum balance to establish that fund. No disbursements will be approved with a balance below the minimum fund balance.

Scholarship Fund Minimums

The minimum balance to establish a Scholarship Fund is \$10,000. No awards will be made from any scholarship fund that has not achieved and maintained a balance of \$25,000.00, unless special circumstances have been approved by the SCCF Board of Trustees.

The minimum scholarship award has been established at \$500. SCCF will not process scholarship awards of less than \$500.

Fund Spending Policy

For permanent funds, which include Designated, Unrestricted, Field of Interest, Scholarship, and in some cases Donor Advised Funds, SCCF's Board of Trustees sets and monitors a required annual distribution rate that is calculated as a percentage of fund assets. This rate is based upon the three (3) year rolling average market value of the fund assets (calendar year). This rate is subject to change based on community needs, investment performance, and the long-term preservation of a fund's principal.

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Grant Disbursement

Grants must be for charitable purposes, and those grants may be recommended to any section 501(c)(3) public charity located in the U.S. or any federal, state, or local government entity in the United States.

Grants can only be made to U.S.-based tax-exempt organizations. Many international organizations have U.S. affiliates, to which the donor advisor(s) may be able to recommend a grant. For additional fees, SCCF can use an international intermediary to assist in making a grant to an international nongovernmental organization.

Restrictions On Grants

The donor advisor(s) may recommend grants to support tax-exempt public charitable organizations in Sandusky County, Ohio and throughout the United States.

In accordance with the federal tax law, grants are not permitted to individuals, for non-charitable purposes, for political contributions, or to support political campaign activities. In addition, there are regulations that prohibit grants that render benefits. This can include payment for personal tickets to fundraisers and memberships where the donor advisor(s) may receive dinner, gifts, or other items of value. In these situations, SCCF can make a grant from a fund for the charitable portion. The donor advisor(s) will be responsible for the non-charitable (benefit) portion. If a donor advisor(s) is not attending the event or receiving the benefits, SCCF may be able to make the entire grant.

A donor advisor is subject to federal tax penalties if they receive benefits, goods, or services in connections with a grant recommendation. This includes grants to satisfy legally binding pledges made by any person, including a donor advisor, and non-deductible (or partially tax-deductible) memberships, event tickets, sponsorships, registration fees in tournaments, and cause-related marketing activities. Grants cannot be made to private non-operating foundations. It is also SCCF's policy not to make grants to organizations whose status would require that expenditure responsibility be exercised, with certain exceptions.

Please contact SCCF at 419.334.6299 if you have questions about the exclusion of benefits from grant recommendations and/or multiple-year payments.

Fund Inactivity

Should a Donor Advised Fund with a balance of more than \$10,000 not make any grants after five (5) years, SCCF staff will contact the donor advisor(s), to make them aware of the low grant making activity, and discuss the donor's philanthropic goals and grant making intentions for activating the grant making of their fund.

If the Donor Advised Fund does not make any grants for another year (a sixth year), SCCF staff will attempt to contact the donor advisor(s) and offer one of the following activity options:

1. SCCF staff will work directly with the donor advisor(s) to create and document a Philanthropy Plan, clarifying the donor's philanthropic purpose and giving goals for their Donor Advised Fund; including clarifying the recommended grant-making aspect of their Philanthropy Plan.
2. Alternatively to creating and documenting a Philanthropy Plan, the donor advisor(s) can choose to distribute in the form of grant(s) the equivalent of SCCF's annual spending policy for grantmaking in that year. Making grant(s) to reflect the amount of the spending policy would reactivate their Donor Advised Fund.
3. If the donor advisor(s) chooses to forgo the options of creating a Philanthropy Plan, clarifying their grant-making purpose, giving themes, and/or organizations, then the donor has the option of making grants to the Sandusky County Communities Foundation (Unrestricted).
4. At years six through ten, the Donor Advised Fund will be rendered "inactive" status and the unresponsive Donor Advised Fund will transfer assets for SCCF's unrestricted grant-making purposes, using the spending policy to determine the transfer amount, during the period of time the donor remains unresponsive, still keeping the inactive fund separate from the Sandusky County Communities Foundation (Unrestricted).

In the event that the donor advisor(s) cannot be located during the first 10 years, or is/are unresponsive to at least three substantive communication outreach and documented attempts by SCCF staff, over the course of 10 years, then the Donor Advised Fund will not only be rendered "inactive" status, but will be considered "permanently inactive." The balance of assets in the "permanently inactive" Donor Advised Fund will then be subsequently and permanently transferred to the Sandusky County Communities Foundation (Unrestricted).

Fund Closure

A donor advisor(s) may recommend closing a fund by granting up to 100 percent of the fund balance to a qualified charitable organization, or to any of SCCF's funds, such as the Discretionary Fund. These recommendations must be received in writing, and, if approved by the Board of Trustees, funds will be disbursed in accordance with SCCF's current grant making policies and applicable laws and regulations.

Please contact the Sandusky County Communities Foundation at director@sanduskyccf.org or 419.334.6299 with any questions.