



## **Donor Advised Funds**

Individuals, families, and businesses who establish donor advised funds at The Chicago Community Trust can remain actively involved in grant making. This relationship may continue during your lifetime and for a succeeding generation of appointed advisors.

Your fund may be established with either endowed or expendable assets. Such funds can be creative and practical alternatives to private foundations. No excise tax is levied against your fund's investment income because of the Trust's status as a public charity.

Your grant recommendations can benefit charitable organizations serving the people of metropolitan Chicago or qualified charitable organizations elsewhere in the United States and select international charities.

### **How do I start my fund?**

- ❖ Donor advised funds are established with a minimum gift of \$10,000. You may make an initial gift during your lifetime or arrange for it to be made after your death.
- ❖ You may take an immediate federal tax deduction for each contribution made to your fund, and you may add to your fund at any time.
- ❖ A variety of assets—cash, appreciated securities, other property—may be used to establish or increase a fund.

### **How do I make grant recommendations?**

- ❖ You may submit grant recommendations via fax, mail or our website at [www.cct.org](http://www.cct.org).
- ❖ The Trust will do the appropriate due diligence, to confirm that the organization is a registered 501(c)(3).
- ❖ Your grant recommendations generally will be paid within the month that they are made. Some recommendations may take additional time to process, for example, if the recipient selected requires further Trust review.
- ❖ Grants made from the fund must be \$250 or more.
- ❖ You may make grant recommendations based on the fund's annual income, if it is endowed, or on the full principal, if it is expendable. The principal may not be expended in less than three years.
- ❖ Unlike a private foundation, you may choose to remain anonymous in any or all of your grant making.
- ❖ Access to Donor Central, our confidential Website, which allows you to make grant recommendations on-line as well as retrieve valuable fund information, including contribution history, market value history, grants paid history and grants pending.

### **How does the Trust partner with me?**

- ❖ You will receive a quarterly summary of fund activity.
- ❖ You may choose to receive assistance from the Trust in identifying charitable needs and opportunities, researching prospective grant recipients, and making grant recommendations.
- ❖ The Trust holds quarterly events to inform donors about pressing community issues, charitable opportunities and emerging organizations.

### **What does it cost?**

- ❖ Investment and financial management fees on your fund's assets are charged to the fund.
- ❖ Currently, the annual administrative fee is 35 basis points (.35%) of the fund's net asset value, calculated on a rolling three-year average.

### **What happens down the road?**

- ❖ You can select successor fund advisors and may choose to set the terms of their authority.
- ❖ At the end of the successor advisors' authority—or yours if you name no successor—your fund's remaining principal will be directed in one of two ways:
  - If the assets of the fund total *less* than \$100,000, they will be added to the Trust's unrestricted endowment or to another fund you have identified.
  - If the assets of the fund total *more* than \$100,000, it may be converted to an individual endowment in your name for unrestricted purposes directed to one of the Trust's primary grant making areas: arts and culture, basic human needs, community development, education, or health, or to an area of your interest.

For additional information about donor advised funds or other ways in which you can partner with the Trust, please contact:

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