



Operating Procedures for Donor Advised Philanthropic Funds

A Philanthropic or Donor Advised Fund is established by a gift to the Jewish Foundation of Memphis. A separate fund bearing the donor's name (or one you specify) is created and that gift is invested fully (usually in common with other philanthropic funds). All income earned is credited to the appropriate fund.

The donor can recommend that distributions of the income and principal be made to qualified charities of their choice. The purposes of the recipient charity must be consistent with the broad charitable purposes of the Foundation. By creating a Donor Advised Fund, a donor can handle his or her current annual giving desires and also "grow" funds for future charitable purposes.

A donor usually establishes a Donor Advised Fund with stock and/or cash at a time most beneficial for their financial and tax planning. These assets are invested through the Foundation's highly flexible investment platform. Of course, the donor can add to the Fund as frequently as financial circumstances permit.

The law expressly recognizes the privilege of donors to make grant recommendations from time to time; it also clearly states that the Board of Directors of the Jewish Foundation of Memphis has the responsibility for exercising final discretion concerning expenditures from these Donor Advised Funds. This is stated in the agreement used to create a Donor Advised Fund.

OPENING A FUND

To create a Donor Advised Fund, a donor determines the name of the Fund and those individuals who will serve as Advisors and Successor Advisors for the Fund and signs a short standard agreement between the donor and the Foundation. Under the agreement, the Fund's assets are held, invested, and administered by the Foundation. The donor, or persons chosen by the donor, serves in an advisory capacity to the Fund and makes recommendations regarding all distributions of the income and principal for charitable purposes. Should an Advisor wish to add or change the Successor Advisors, he/she may do so at any time by executing a new fund agreement.

The minimum amount necessary to establish a Fund is \$5,000.

INVESTMENT OF FUNDS

The Jewish Foundation of Memphis Board of Directors has several different investment pools that donors and organizations can recommend for their funds based on several factors: the amounts and frequency of grant recommendations, short and long-term charitable plans, and donor's overall investment preference. The investment pools provide a comprehensive, flexible and diversified approach to the investment of charitable assets. Charges by investment managers are deducted from pooled Funds prior to income being allocated to individual funds. Investment charges vary depending upon the type of investment options in which the Fund is invested.

MAKING GRANTS FROM A FUND

Fund advisors may recommend specific grants at any time; however, the Foundation's Board of Directors retains final discretion over the grants made from the Fund. Since the donor receives a tax deduction when he or she gives the money to the Foundation for the benefit of the Fund, the donor cannot retain final control over how it is distributed. Accordingly, grants awarded from a Donor Advised Fund cannot result in any tangible benefit to the donor. This includes: rights to purchase tickets or parking passes to sporting events, or invitations to attend fundraising events where benefits such as meals and professional entertainment are provided. This applies even when documentation is provided that separates out the "tax-deductible" portion of a fundraising event.

To begin the grant process, you simply complete a grant recommendation form, which is provided to each Fund advisor, and send it to the Foundation's office either by mail, fax or email. You may make as many grant recommendations as you desire and as often as you wish. Recommendations received by the 1st and 15th of each month will be processed during that month. A recommendation should be for at least \$50, unless you are making a grant to one of the Jewish Foundation's ten partner agencies, in which case there is no minimum.

Each proposed grantee is checked to be sure that it is a tax-exempt organization and that its purposes are consistent with the charitable purposes of the Foundation. We may request information from the organization or consult other sources if necessary to verify a charity's status. Once the staff review is complete, the recommendation is presented to the Board of Directors for approval. Only the recommended charities and the amounts of the recommended gift are reviewed. (Donors' names are not shown.)

In order to ensure Jewish Foundation of Memphis grants follow IRS guidelines and are used solely for charitable purposes, the Jewish Foundation of Memphis will disburse grant checks only directly to the named charity.

DORMANT FUND POLICY

If there is no gift or grant activity ("dormant") for 3 years we will make an attempt to contact the Fund Advisor (s). If within 60 days we do not hear back from the Fund Advisor(s), a grant of 5% of the value of the fund will be made to support a priority need of one or more partner agencies as determined by our community planning and priority process. A donor may maintain a dormant fund for up to 5 years IF we are notified in writing that there is a plan within 5 years to utilize the fund to make a major contribution to a campaign of one of our partner agencies.

FUND ADMINISTRATION

The Foundation oversees the administration of the Donor Advised Funds, which includes record keeping of each separate Fund, providing quarterly reports for donors, and distributing charitable grants. The individual Funds will be pooled for investment purposes according to the policies of the Foundation.

Fee Schedule (as of June 2022)

Donor Advised Fund Admin Fee:

Minimum Fee is \$200/year

\$500 Set-up fee for Memorial Funds*

*Allows for multiple donors to make memorial gifts directly into the fund on-line.

Amount in Donor Advised Fund	Fee
Under \$500,000	1.50%
500,000+	1.25%
1,000,000+	1.00%
2,000,000+	0.75%
3,000,000+	0.50%
5,000,000+	0.25%
10,000,000+	0.15%
15,000,000+	0.10%
20,000,000+	0.05%

Designated Endowment Fund Admin Fee:

Minimum Fee is \$200/year

Amount in Designated Fund	Fee
Under \$500,000	1.00%
500,000+	0.75%
1,000,000+	0.63%
2,000,000+	0.50%
3,000,000+	0.38%
5,000,000+	0.25%
10,000,000+	0.08%
15,000,000+	0.05%
20,000,000+	0.03%

Agency Owned Fund Admin Fee:

Minimum Fee is \$250/year

Type of Fund	Fee
Partner Agency	.10%
Non-Partner Agency	.50%

Family Foundation / Support Organization Admin Fee:

Amount in Support Org	Fee
Under \$500,000	1.50%
500,000+	1.25%
1,000,000+	1.00%
2,000,000+	0.75%
3,000,000+	0.50%
5,000,000+	0.25%
10,000,000+	0.15%
15,000,000+	0.10%
20,000,000+	0.05%

Investment Fees (separate from admin fees)

Investment Option	Fee (as of 4/22)
Vanguard Short Term Bond Index (VBIRX)	.07%
Vanguard Life Strategy Income (VASIX)	.11%
Vanguard Life Strategy Conservative Growth (VSCGX)	.12%
Vanguard Life Strategy Moderate Growth (VSMGX)	.13%
Vanguard Life Strategy Growth (VASGX)	.14%
Vanguard Total Stock Market Index (VTSAX)	.04%
Vanguard Institutional Advisory Services (VIAS)	.34%
JLens	.50%

JFM Realty, Inc. Fee:

1% of gross sales proceeds