

# THE CATHOLIC FOUNDATION OF NORTHEAST KANSAS

## **Donor Advised Fund Policy Schedule A**

Approved by the CFNEK Board of Directors February 23, 2016

### **I. Purpose of the Donor Advised Fund Policy:**

- a. The purpose of this Donor Advised Fund (DAF) Policy is to ensure funds are structured to adhere to all applicable laws and regulations. In addition, the primary purpose of establishing a DAF with the Catholic Foundation of Northeast Kansas (the Foundation) is to benefit Roman Catholic charitable entities within the Archdiocese of Kansas City in Kansas and other charities in conformance with Catholic teaching.
- b. The Foundation retains the final authority to determine the use and distribution of all funds consistent with the mission and purpose of the Foundation and in accordance with applicable laws and regulations.

### **II. Establishment of a DAF**

- a. Any adult can create a DAF by contributing cash, securities, and/or other property to the Foundation. Current gifts, as well as gifts through wills and bequests (testamentary gifts), may be used to establish a DAF. All gifts are subject to the CFNEK Gift Acceptance Policy.
- b. To establish a DAF, the donor contacts the Foundation either by completing an online DAF application or by meeting in person with a Foundation representative. A representative of the Foundation will review with the prospective donor the application process, the Foundation DAF policy, and will develop a DAF agreement to ensure that the intentions and interests of the donor and the Foundation are met.

### **III. Contribution (gift) requirements**

- a. Upon receipt, the contributed gift(s) becomes the property of the Foundation. Once the gift is made, a donor has no right to control the distribution of the gift, however the donor retains advisory privileges of the distribution of the assets.
- b. The Foundation requires that a DAF have a minimum initial contribution of \$5,000. Additional contributions to the DAF are not required, but are welcomed in any amount.

### **IV. Distribution (grant) requirements**

- a. Distributions must be in increments of \$100 or more. Distributions must be made to public charities. No distributions to private foundations will be allowed.
- b. No distributions may be made to individuals or for the benefit of specific individuals; for example, distributions from a DAF to a school for tuition of a specific child is not permitted.
- c. No distributions may be made to fulfill a legally enforceable pledge or obligation of the donor, or to pay for transactions in which goods or services are received; only charitable gifts may be distributed from the DAF.

- d. In any calendar year, 25% of the DAF distributions must be to Catholic organizations within the Archdiocese of Kansas City in Kansas. At least 50% of the DAF distributions must be to qualified Catholic organizations within the United States. Up to 50% of the DAF distributions may be made to qualified non-Catholic charitable organizations within the United States.
- e. The Foundation desires to allow the donor/advisor maximum flexibility in designating charities to receive funds from the DAF. All distributions must be consistent with the philosophy and teachings of the Roman Catholic Church in the sole judgment of the Foundation.

#### **V. Naming the DAF**

- a. Donors are encouraged to name their DAF. The fund name accompanies distributions from the DAF and may be disclosed in annual reports or other Foundation publications, unless the donor specifies otherwise.

#### **VI. DAF Advisors**

- a. One advisor is authorized to communicate the recommendations of the donors(s) regarding distributions from the fund. The initial advisor of the fund is usually the donor. However, the fund may be established on behalf of a third party to whom the donor grants the advisory role, for example, children may establish a DAF in honor of a parent who serves as the advisor.
- b. When establishing the fund, one successor advisor may be designated in writing to the Foundation to serve as advisor upon the initial advisor's death or inability to serve.

#### **VII. DAF Investment Options**

- a. The Foundation offers professionally managed fixed income and equity portfolios monitored by the Foundation's Board of Directors. Any investment management fees are netted against returns. The Foundation provides the donor, on a quarterly basis, a fund statement, which delineates gifts and grants as well as investment returns. The DAF advisor may suggest investment allocation between equity and fixed income. CFNEK invests 100% of contributions to the Fixed Income Portfolio unless the DAF advisor requests an allocation to the Equity Portfolio.

#### **VIII. DAF Administrative Fees**

- a. Fees to cover the administrative costs are assessed quarterly to the DAF in accordance with the Foundation's board-approved fee structure, currently a flat fee of \$100 per year plus 1% (100 basis points) of the market value of the account at the end of each quarter.