



Jewish Community Foundation of Greater Mercer Fund Policies and Procedures

1. Introduction

Welcome to the Jewish Community Foundation of Greater Mercer. We thank you for your interest and for the opportunity to share more information about how to use a charitable fund at our Foundation.

The Jewish Community Foundation serves as a local resource, helping individuals and families to direct their charitable giving and guiding institutions on the importance of legacy giving and the growth of endowments.

The Foundation was incorporated under the laws of the State of New Jersey in 1963, has been granted public charity tax-exempt status by the Internal Revenue Service under section 501(c)(3) of the Internal Revenue Code of 1986, as it may be amended from time to time (the “Code”), and is a registered charitable organization within the State of New Jersey.

The Foundation is governed by a volunteer board of trustees comprised of community leaders who work or live in the Greater Mercer area and surrounding regions. All Foundation activities are overseen by its board and are carried out in compliance with its bylaws, the laws of New Jersey and the regulations of the Internal Revenue Service.

This document is intended to provide information about managing your philanthropy or your organization’s investments through a fund at the Jewish Community Foundation. We welcome your additional questions. Please contact us at info@foundationjewish.org or 609-240-9511.

2. Types of Funds

a. Donor Advised Fund

A donor advised fund makes it possible for you to consolidate all of your charitable giving into one vehicle. Once established, you may recommend grants at any time for \$100 or more to any 501(c)(3) public charity. Our Foundation staff is happy to provide assistance as you develop a giving strategy or research organizations to support.

IRS regulations require that the Foundation Board of Trustees approve all grants from donor advised funds. The Executive Committee of the Board reviews all recommendations from Fund Advisors. All grant recipients must be designated as a 501(c)(3) public charity in the United States.

A minimum contribution of \$6,000 is required to open a donor advised fund, and a \$6,000 minimum balance should be maintained. When establishing a donor advised fund, the donor will receive a gift receipt for tax purposes.

Should a donor wish, a donor advised fund can be named in memory of a loved one. Grants can be recommended to organizations and causes that were meaningful to your loved one.

b. Restricted Fund (including Endowment and Scholarship Funds)

A restricted fund is established to specifically support one or more charitable organization or purpose. A minimum contribution of \$25,000 is required to open this type of fund and a minimum balance of \$50,000 is required to make distributions.

When establishing a restricted fund, the donor will receive a gift receipt for tax purposes.

You can name a restricted fund in honor or in memory of a loved one, or in recognition of an organization that you are choosing to support.

In your fund agreement, you will indicate the terms under which distributions will be made and other terms governing the management of the fund.

c. Custodial Fund (for organizations)

A custodial fund is established by nonprofit organizations and allows each organization to take advantage of the Foundation's investment management. A minimum contribution of \$6,000 is required to open a custodial fund. Distributions are made from the fund to the nonprofit organization upon request by authorized individuals.

3. Contributions to Funds

Following the initial contribution to open a fund, additional assets may be contributed to any fund at any time. Contributions can be made by check (payable to the Jewish Community Foundation of Greater Mercer), by Electronic Funds Transfer (or wire), or by a transfer of securities. Please contact the staff for the most updated instructions before transferring appreciated stock or other securities. When making additional contributions to a fund, we accept contributions of no less than \$100.

Fund holders may encourage others (family and friends) to make contributions to a fund, in recognition of birthdays, holidays and other special occasions, or as memorial gifts.

All those making a contribution to a fund will receive a gift receipt for tax purposes.

4. Management of Donor Advised Funds

a. Recommending Grants

Once a donor advised fund is established, there are three ways to recommend a grant from a fund.

- You can access DonorSphere (the online fund management platform) from the Foundation homepage (<https://www.foundationjewish.org>); click on **DonorSphere Login** on the navigation bar. Follow the simple steps on the “Make a Grant” page.
- Complete the Grant Recommendation Form (which can be downloaded from the Foundation website) and send a copy of the form to Foundation staff for processing.
- Send an email to Foundation staff (at info@foundationjewish.org) with clear instructions on your recommendations including the grant recipient name, address and contact info, the amount of the grant and any other details (such as how the grant should be used – restricted or unrestricted – or if you’re using the grant to honor anyone). Also indicate how the source of the grant should be identified.

Please note the minimum grant amount is \$100. Grants typically take two weeks for processing. Once a grant is received by a nonprofit organization, there is no need to issue you (as the fund advisor) a tax letter; however, if you wish to receive a general acknowledgement letter, please be sure to include those instructions when making a grant recommendation. The Foundation will not release the address of fund holders unless authorized to do so.

b. Recurring Grants

When recommending grants, fund holders have the option of scheduling future grants and of designating recommendations as recurring grants.

c. Low Balance

The Foundation periodically reviews donor advised funds with balances under the Foundation's \$6,000 minimum, and will contact the donor to offer assistance, including the option to make additional contributions to bring the fund up to the minimum or grant out the balance and close the fund.

d. Successors

When opening a donor advised fund, advisors are asked to indicate how the fund should be handled upon the death or resignation of an Active Grant Advisor. The Foundation staff is available as a resource to help identify the best succession plan for you and your family. The following options are available:

- Option 1 – The assets will be retained in the fund, and you may name a successor advisor to your fund, such as a spouse, children, partner, other heir, friend or representative. Successor advisors enjoy the same privileges as you, the original donor, and will follow the same policies and procedures.
- Option 2 – You may elect to transfer the fund assets to the Jewish Community Foundation as a new or existing restricted fund to benefit a specific nonprofit organization, scholarship or area of interest of your choice. A minimum balance of \$25,000 is required to create a restricted fund and a balance of \$50,000 is required to begin contributions.
- Option 3 – You may elect to transfer the fund assets to an unrestricted fund of the Jewish Community Foundation of Greater Mercer.
- Option 4 – You may elect to transfer all remaining fund assets to one or more specific nonprofit organizations, fulfilling your LIFE & LEGACY Promise or any other planned gift. Active Grant Advisors should indicate a dollar amount or percentage of fund assets for each recipient organization listed.

If Active Grant Advisors intend to select more than one option, a letter should be sent to JCFGM signed by the Active Grant Advisors, indicating succession preferences.

If no Succession Option is selected, the remaining assets in the fund will be transferred to a fund of the Jewish Community Foundation of Greater Mercer.

5. Online Access

All fund advisors will receive access to an online fund account on *DonorSphere*.

You can access *DonorSphere* from the Jewish Community Foundation website, <https://www.foundationjewish.org>. Click on ***DonorSphere Login*** on the navigation bar.

Once logged into your account, you can view your fund balance, recommend grants, download statements and letters, and track your previous grants and contributions.

6. Charitable Deductions

For every contribution received, the Foundation issues a gift acknowledgement which serves as your receipt to fulfill IRS substantiation requirements.

Gift acknowledgements provide the details related to publicly traded securities and the date they were received and accepted by the Foundation. You should consult with your tax advisor before claiming a fair market value deduction on your income tax return.

For more information about your charitable tax deductions, please contact your professional tax advisor.

7. Professional Investment Services

Our highest priority is the proper stewardship of our donors' charitable funds.

The Jewish Community Foundation pools donor funds in order to maximize performance. The Foundation's investment committee guides the Foundation's investments in compliance with the Investment Policy adopted by the JCFGM Board of Trustees. The investment committee works closely with a senior investment team in Mercer Advisory Services to design investment approaches and strategies. Please contact the Foundation for more specific information.

8. Recordkeeping and Reporting

The Foundation utilizes the services of a professional third-party service provider that tracks all donor contributions, investment earnings, fees, expenses and grants. Quarterly statements are issued to fund holders providing detail and activity as of the end of each calendar quarter.

9. Foundation & Professional Fees

There is no fee to establish a fund at the Jewish Community Foundation. The Foundation's current annual administrative fee is 1% of fund assets assessed quarterly based on the balance at the end of the prior quarter, with a minimum annual fee of \$150. The combination of mutual fund fees and our fee to Mercer Advisory Services is approximately 0.32% per year assessed quarterly.

JCFGM trustees may change the fee structure; all fund holders will be given six months' notice in the event of such changes.

The Foundation assesses a processing fee of \$150 when closing a fund, in order to offset direct costs charged by the third-party processor.

10. Legal Provisions

Any contribution to a fund, other than a Custodial Fund, represents an irrevocable gift to the Jewish Community Foundation. As required by law, the recommendations with respect to distributions will be solely advisory, and the Foundation will not be bound by such recommendations.

Grants may not be given to individuals; as political contributions or to support political campaign activities; or for any purpose that would provide a fund donor or advisors, or any related party, any benefit, goods, services or other privilege in return for a distribution from the fund or a grant recommendation. No distribution from a fund may be used to discharge or satisfy a legally enforceable pledge or obligation of any person, including the fund donors or advisors.

The Foundation will have the ultimate authority and control over all property in all non-Custodial Funds and all income derived therefrom, for the charitable, educational and religious purposes of the Foundation.

It is intended that no fund shall not constitute a separate trust, and that nothing in any fund agreement shall affect the status of the Foundation as an organization described in Section 501(c)(3) of the Code and as an organization which is not a private foundation within the meaning of Section 509(a) of the Code. The Foundation is authorized to amend any fund agreement to conform to the provisions of any applicable law or government regulation in order to carry out the foregoing intention.