



GREATER NORTHWEST KANSAS COMMUNITY FOUNDATION

Donor Advised Fund Activity Policy

A contribution to a donor advised fund is an irrevocable charitable contribution that is legally owned by the community foundation. These funds are institutional funds of the community foundation and may only be used for charitable purposes which do not confer any private benefit to the donor or any other disqualified person.

A fund is considered active when a donor recommends grants or an interfund transfer to another grantmaking fund held by **Greater Northwest Kansas Community Foundation ("GNWKCF")** or identified with an Affiliate of GNWKCF within a three-year period. Exceptions may be made in certain scenarios, such as:

1. **Developing a Philanthropic Program:** Fund advisor makes a substantial contribution to donor advised fund, for example, upon the sale of their business, and then refrains from recommending grants for an initial period while consulting with the sponsoring charity and/or doing research to determine what types of grants would best meet community needs and/or their philanthropic goals. This period is not to exceed five years.
2. **Long-term Giving Plan:** Donor/fund advisor deliberately reduces the frequency or size of grant recommendations from fund, to:
 - Build the fund balance to ensure grantmaking during retirement and/or when income changes.
 - Build the fund balance to leave a charitable legacy for the next generation to advise. This period is not to exceed five years.
 - Grantmaking is deferred for a set period in order to make a larger grant or grants for a specific project.
3. **Starter "Acorn" Fund:** Donor plans to build the fund balance over time according to GNWKCF's policies. Typically, no distributions are made until the fund balance reaches the minimum amount and timeframe stated in the fund agreement and foundation's policies.
4. **Asset transition:** The Fund Advisor defers recommending grants while DAF assets are illiquid (such as real estate or restricted stock). GNWKCF will document steps being taken to liquidate assets and establish the fund's grantmaking ability.
5. **Legal Issues:** In some cases, legal issues may require suspension of grantmaking from a Fund until resolution. The Foundation will document steps being taken toward clarifying advisory authority and the fund's grantmaking ability. Examples might include:
 - Donors/fund advisors are in the process of divorce. Grants may be suspended until the fund's status is resolved.

- Assets are being transferred to the fund during an estate settlement process; grants will not be made until the estate is fully settled.
- 6. **Gifts received and added to a donor advised fund do not qualify as “fund activity”.**
- 7. **Other Issues:** Other exceptions to this Fund Activity Policy made for an individual fund must be approved by the GNWKCF’s CEO and documented in the Fund record.

GNWKCF reviews grant activity on an annual basis. After one year of inactivity, the Foundation will contact the donor by mail, e-mail, or phone, and documented in the Fund record. The Foundation may distribute a list of community projects to the donor as suggested recommendations. After two years of inactivity, the Foundation will contact the donor by mail, e-mail, or phone, and documented in the Fund record. The donor will be reminded of GNWKCF’s Fund Activity Policy.

When a donor advised fund has not distributed a grant in more than a three-year period, where exceptions have not been implemented with an extension, the Foundation will take steps to activate the Fund, such as:

- Final attempts to contact the donor/fund advisor;
- Distributing grants to qualified grant recipients that align with donor intent demonstrated in previous grant distributions;
- Distribution or asset transfer to a grantmaking fund of the Foundation, or
- Any other distribution in accordance with the fund agreement and GNWKCF’s policies. This may include termination of the Fund. If those provisions are incomplete, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served the Foundation may exercise its variance power to direct these resources to meet the needs of the community.