



The Greater Lynchburg Community Trust

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Guidelines for Donor Advised Funds

Donor advised funds are created so that the donor can remain involved in the grant making process from the fund. The following guidelines have been established by the Distribution Committee and the Board of Directors of The Greater Lynchburg Community Trust (“GLCT”) to assist in the administration of these funds.

- 1. Establishment** - If the Donor wishes to maintain maximum flexibility in their charitable giving, the Donor can elect to establish a Donor Advised Fund. Donor Advised funds are permanent funds meaning that income on the fund may be paid out during the year according to the spending policy adopted by the Distribution Committee and Board of Directors from time to time. Upon completion of a written instrument between the Donor and GLCT, a gift of \$10,000.00 or more can be used to establish a fund at The Greater Lynchburg Community Trust. Smaller gifts to “acorn funds” can be accumulated under The Trust’s procedures and used to establish a fund after the total aggregate gift attains \$10,000.00.
- 2. Ownership and Control** – Establishment of a Donor Advised fund represents an irrevocable gift to GLCT. This fund becomes the property of GLCT, over which The Trust has full authority and control. The fund and its income therein are administered by GLCT subject to its “Amended and Restated Resolution and Declaration of Trust” including the power contained therein for the Board of Directors of The Trust to modify any restrictions or conditions if in their sole judgment such restriction becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs served by The Trust. The Board of Directors of The Trust shall have full authority and discretion as to investment and reinvestment of the assets of the Fund following its normal policies and procedures, including the employment of investment agents and advisors.
- 3. Donor Recommendations** – The donor or their designated advisor(s) may submit recommendations regarding the distribution of income from the Donor Advised fund. Because the fund is owned and administered by The Trust, and to protect the charitable deduction for tax purposes, such specification or recommendation constitutes a suggestion only and is not binding upon The Trust, however, such recommendations are given great consideration and usually carried out.

- a) For individual donors, the ability to make recommendations regarding distributions from the Donor Advised Fund will be limited to the lifetimes of the donor and the donor's spouse. If the donor in the written instrument establishing the Fund designates another advisor(s), this privilege is extended for the lifetime of the designee.
 - b) For other non-individual donors, the ability to make recommendations regarding distributions from the Donor Advised Fund will continue as long as the entity is doing business in the Greater Lynchburg area. These non-individual donors may designate in writing an individual who has authority to make recommendations on behalf of the entity.
4. **Granting Procedures** – The donor or the designated advisor(s) may donate available funds during either/or both grant cycles: September 15 and March 15. GLCT will notify all Donor Advised Funds during each cycle which approved agencies have requested funding and how much is available for granting from the fund based on GLCT's approved spending policy. Donors will notify GLCT in writing their wishes as to the distribution of the available amount. A donor may choose any of the agencies OR may ask about another agency of his/her choice and donate to an approved agency that has not submitted a grant request. If this is an agency that has not made a request, GLCT will notify the agency and request the necessary information on the Short Form to be sure that there are no problems in granting the wishes of the donor and in accordance with Federal guidelines. The accumulated funds will be available for only 501(c)(3) agencies that are approved by The Trust.
5. **Limitations** – Distributions from Donor Advised funds may not be used to fulfill a legally binding pledge of the donor nor can a grant be used to pay for any tangible benefit for the donor, advisors, and related parties. These benefits may include membership dues, attending a fundraising event, etc. No grant may be made to an individual. Scholarships are paid to educational institutions and are granted based on GLCT's approved scholarship procedures. No distribution will be made to the donor or advisor(s) or related parties for loans, compensation, expense reimbursement or similar payments.
6. **Scholarships** - In the event an advisor periodically requests a scholarship grant from the Donor Advised Fund, the scholarship may only be approved by the Board of Directors pursuant to the established scholarship grant making procedures.

7. **Notification** – Unless otherwise requested by the donor, GLCT will identify the name of the Donor Advised fund to a grantee that receives a distribution from these funds. At least once a year, or upon request, GLCT will provide an annual statement to the donor or designated advisor(s).

8. **Termination** – If the Donor and/or the advisor(s) become unable to advise their Fund for any reason, the Fund shall become an Unrestricted Fund unless the donor has specified a charitable purpose or agency at the time the fund was established, in which case it becomes a Field-of-Interest or Designated Fund. The Fund will continue to carry the name given by the Donor.