



Advisors  
Charitable  
Gift Fund

*Program Description*

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Please note that in this document the Advisors Charitable Gift Fund follows a language convention used by many financial service professionals. The nouns Adviser (applied to financial services professional) and Advisor (applied to a donor who has a charitable intent and who establishes a Donor Account) are used in the pages that follow.

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### **Introduction**

The Advisors Charitable Gift Fund (the "Fund") is a donor advised fund serving the philanthropic interests of its donors. Its donors are individuals, corporations, trusts and estates.

This document describes the Fund, its mission and benefits. It provides important information about the Fund's policies and procedures.

The Fund is a nonprofit corporation organized in the Commonwealth of Massachusetts. It is a public charity described in Section 501(c)(3) of the Internal Revenue Code (Code) of 1986, as amended. Contributions to the Fund are exempt from federal income tax under section 501(a) of the Code.

Donor contributions to the Fund are irrevocable. Contributions become part of the Fund's endowment and the Fund is the legal owner of the endowment's assets.

Donor contributions are immediately tax deductible to the fullest extent provided by current law. The year in which a Donor may claim a tax deduction is determined by the date the contribution is accepted by the Fund.

When Donors give to the Fund, one or more accounts are created according to the Donor's instructions. The Donor may name each account, i.e., the "Smith Fund for Scholarship."

Donors retain an ability to advise the Fund's Directors on the ultimate charitable use of the fund's contributions. Donors can make recommendations for grants whenever they deem appropriate. For instance, the Donor of record of the "Smith Fund for Scholarship" might ask the Fund to grant a portion or all of the account to Centre College two years after an initial contribution established the account.

Donors have the ability to advise the Fund's Directors on the investment of funds in a Donor Account. Advice reflects a Donor's best investment allocation based on risk tolerances and the projected time frame for the funds in an account. The Fund's endowment is professionally managed and Donors are offered multiple investment options from which to select. For example, the Donor of record for the "Smith Fund for Scholarship" might ask the Fund to invest the assets of the account in the Fund's growth investment option.

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The Financial Advisor of a Donor of record, unless the Donor asks ACGFund to not share account information, will receive account statements and have access to account data. He or she can consult with a Donor on selection of the appropriate Investment Options and assist with grant requests. The Financial Advisor may receive compensation for such service.

As the word “advise” suggests, the advice of a Donor of record is a recommendation and subject to the disposition of the Directors. Whenever possible, it is the practice of the Directors to implement a recommendation offered by a Donor of record.

The Fund’s Directors administer the program. Improper use of the Fund (i.e., use of the Fund in a manner that is inconsistent with regulations found in Sections 170(b)(1)(A)(vi) and 501(c)(3) of the Code) can cause a Donor’s ability to advise the Fund to be restricted or ended.

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### **Advantages**

A donor advised fund offers unique advantages to its donors:

- An immediate tax deduction to the fullest extent provided by current law.
- An ability to recommend grants to charitable organizations *whenever* the Donor deems appropriate.
- Donor Accounts may increase in value depending on net income generated by investments, market conditions and risk tolerances of a Donor Advisor. Future growth, as with most investments, is not guaranteed.
- A family member or friend may be designated as your successor for the account, creating a giving legacy.
- Costs associated with establishing and maintaining a family foundation are avoided. And, unlike a family foundation, there is no minimum annual grant activity required.
- Your gift may be funded through a charitable trust, either a Charitable Lead Trust or a Charitable Remainder Trust.
- Your personal and family values are respected – and perpetuated. If, for some reason, you no longer feel aligned with the mission of a nonprofit beneficiary, you can change it. This way you can be certain that your charitable legacy is honored.

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### Definitions

#### **Donor:**

A Donor is an individual, corporation, partnership trust, other donor advised fund account or estate. The Donor is defined in a Donor Application. A Primary Donor can:

- Advise the Fund on the investment of his/her account's assets;
- Advise the Fund on the granting of his/her account's assets to qualified public nonprofits;
- Appoint a Successor Donor to advise the Fund on the investment and granting of the funds in his/her account; and
- Name a Charitable Beneficiary or Beneficiaries (qualified public nonprofits) for receipt of the assets of his/her account upon death or in the event that the named Successor Donor is unable to fulfill his or her responsibility.
- Benefit from the professional expertise and advice of a Financial Advisor to help with investment recommendations for his/her Donor Account's assets.

ACGFund offers the option of listing Secondary Donors. This option is sometimes used to recognize family members or friends who are involved with a Donor Account's contribution and grant making. Recommendations, however, for Investment Allocations, Grant Requests, Successor Donors and Charitable Beneficiaries are received from the Primary Donor, only.

#### **Donor Account:**

A Donor Account is the portion of the Fund's endowment contributed by a Donor. Each Account's Donor is described in the Donor Application. The assets in a Donor Account shall be invested by the Donor's advice which is guided by his/her risk tolerances, and the Donor Account's investment timeframe.

#### **Successor Donor:**

A Successor Donor is an individual who has been named by a Primary Donor as his or her successor upon death or renunciation for an account. A Successor Donor is defined in a Donor Application. A Successor Donor can:

- Advise the Fund on the investment of his/her account's assets; and

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- Advise the Fund on the granting of his/her account's assets to qualified public nonprofits.
- Benefit from the professional expertise and advice of a Financial Advisor to help with investment recommendations for his/her Donor Account's assets.

### **Charitable Beneficiary:**

A Charitable Beneficiary is a qualifying nonprofit able to receive funds granted by a Donor Account. Primary Donors recommend the granting of assets from a Donor Account to a Charitable Beneficiary. Donors may name a Charitable Beneficiary for a Donor Account. The named Charitable Beneficiary will receive the remainder of funds in a Donor Account upon the death of the Donor unless a Successor Donor has been named.

### **Directors and Officers:**

ACGFund is governed by its Directors. All activities of the Fund are subject to the management of the Directors. From time to time, the Directors may appoint officers and agents, and retain third party trust product administrators to complete the Fund's mission.

ACGFund is administered by its officers.

Christopher Hulse – Chief Executive Officer  
Freddie Jacobs, Jr. – EVP, Chief Operating Officer & Chief Risk Officer  
Chris Ellis – EVP, Chief Financial Officer

Additional information about the Directors and Officers may be obtained on the Fund's web site, [acgfund-donorfirstx.com](http://acgfund-donorfirstx.com).

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### **Gifts and Gift Making**

#### **Funding a Donor Account:**

Contributions may be received from individuals, corporations, partnerships, trusts, other donor advised fund accounts or estates. Receipt of contributions by the Fund may be limited from time to time by government rules and law.

#### **Effective Date:**

The Effective Date of a contribution is the date the Fund has effective control of the contributed asset. Donors receive a Statement of Acknowledgement that includes the Effective Date of a gift.

#### **Multiple Donors:**

A Donor Account may be funded from multiple sources. For example, the Smith Scholarship Fund may be funded by assets from a trust, (John and Mary Smith Trust), a corporation (Smith/Clark Legal Partners, LLP) and an individual (Dr. Francis Jones). Only one individual, the Primary Donor listed on the Account Application as amended from time to time, may direct the grants of the Donor account. In the example, the Financial Advisor for the John and Mary Smith Trust listed Mary as the Primary Donor in the application. Therefore, Mary is the only person that can direct grants for the Smith Scholarship Fund.

#### **Minimum /Maximum Contributions:**

The minimum contribution accepted by the Fund is established by the Directors and may change from time-to-time. The minimum initial contribution is \$5,000. Please contact your Financial Advisor for help making a contribution.

There is currently no maximum contribution limit set by the Fund.

#### **Additional Gifts:**

After a Donor Account is established, additional contributions may be made in amounts of \$500 or more. Please contact your Financial Advisor or the Fund at 877-236-2607.



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### **Types of Contributions:**

The following contributions are accepted:

- Cash
- Securities, i.e., publicly traded stocks, bonds and mutual funds
- Bequests
- Contributions & grants from Private Foundations
- Contributions & grants from other Donor Advised Funds
- Charitable contribution annuity residuum
- Charitable remainder trust assignments
- Charitable lead trust assignments
- Life insurance beneficiary designations
- Retirement plan distributions and beneficiary designations – including traditional IRAs (Individual Retirement Accounts). Distribution must be sent directly to the Account Holder from the current custodian, then a Personal Check or Wire gets sent to the ACGFund.
- Additional assets may also be eligible, such as Private Stock, Physical Assets– please contact ACGFund for further information regarding assets that are not listed.

Please consult with your tax and estate advisors for professional help as a contribution is planned and made.

Detailed instructions for contribution of cash, securities and other financial instruments are available on the Website ([acgfund-donorfirstx.com](http://acgfund-donorfirstx.com)) under the “Contributions” tab). Your financial advisor can help with the completion of the online form and the contribution of assets. If you need any assistance or further information please call the ACGFund service team at 877-236-2607.

### **Financial Advisors and Contributions:**

Financial Advisors are often key to charitable contributions. The Fund works with the Affiliated Financial Advisor Program to provide financial recognition for this service. Please contact the Fund at 877-236-2607 for additional information.

### **Irrevocable Contributions:**

All contributions, including property, to the Fund are irrevocable and non-refundable. The assets of a Donor Account are a portion of the Fund’s endowment and property of the Fund.

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### **Tax Consideration:**

The charitable deduction realized by a contribution to the Fund is taken on the Effective Date of the gift. Donors are encouraged to consult with a financial adviser, legal counsel and/or tax and estate adviser for a detailed analysis of their personal situation. The Fund does not offer tax advice or provide estate planning.

The assets of a Donor Account are the property of the Fund. Therefore, interest earned, dividends received or capital gains and losses realized are not part of a Donor's income and cannot be claimed as such. The income earned by the portfolio and attributed to a Donor Account is not an additional contribution of a Donor. A Donor Account is not part of a taxable estate and is not subject to probate.

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### **Investment of the Endowment**

#### **The Portfolio:**

The Fund's endowment may be invested in cash, stocks, bonds, mutual funds and other asset classes at the discretion of the Directors. An Investment Policy defines investment options available for Donor Accounts. These options offer multiple investment strategies designed to meet Donor risk tolerances and investment timelines. Investment options offered may change from time to time.

#### **Investment Policy:**

The Fund maintains an Investment Policy that describes its asset allocation strategy, sets the frequency of rebalancing among asset classes and the allocation of new resources, and any applicable benchmarks.

#### **Sale of Contributed Assets:**

Assets contributed to the Fund may be sold at the discretion of the Directors to maintain the asset allocation set by the Fund's Investment Policy and the funds invested in the Investment Options recommended by the Primary Donor.

#### **Investment Options:**

The Fund makes available one or more options for the Primary Donor to use when advising the Fund on the investment of assets in Donor Accounts. The Directors at their discretion implement advice for a Donor Account received from a Donor.

When a grant request is approved, it is funded proportionally, based on value, from assets held within the Donor Account. Funding for a grant may be also be directed from a specific investment, if the Donor wishes, via the online grant request form.

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### **Grant Making**

#### **Grant Recipient:**

From time to time, a Donor or his/her Successor Donor may recommend one or more grants from a Donor Account. Grant Requests can only be honored if the recipient is a qualified nonprofit – a charitable organization that is tax-exempt and described in Code Section 501(c)(3). Grant requests to private foundations or foreign charitable organizations cannot be fulfilled. (However, many foreign charitable organizations have developed relationships with United States nonprofits. Please contact the Fund for assistance in recommending grants to international nonprofits.) All grants are made in a manner that is consistent with the charitable purposes of the Fund.

Please note that a grant cannot be used to fulfill a pre-existing, enforceable pledge to a charitable organization. A grant cannot be used to pay for dues, membership fees, tuition, benefit tickets or goods bought at charitable auctions. Grant requests for direct scholarships sent to individuals cannot be honored. Greens fees and the cost of meals, etc., incurred in your charitable work cannot be underwritten by a grant.

#### **Minimum Grant:**

The minimum grant administered by the Fund is established by the Directors and may change from time-to-time. The minimum grant is currently \$250.

#### **Grant Fee:**

ACGFund does not charge a fee for receiving your recommendation, or processing and fulfilling your Grant Request.

#### **Grant Request:**

Advice is received from a Donor or his/her Successor Donor through an online grant request form. Grant Requests are advisory. The Fund's Directors and/or their agents review all Grant Requests. Every effort is made by the Directors to honor a Donor's advice.

If a Primary Donor makes multiple recommendations, the Fund will review and, if appropriate, approve Grant Requests in the chronological order of their receipt.

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If the Donor Account is depleted prior to fulfillment of all requests, the Fund will make grants in the order of receipt until the fund is exhausted.

Donor Accounts are often invested in more than one Investment Option. The assets required for a Grant Request will be drawn proportionately from all Investment Options in the ratio designated by the Donor, as described in Investment Options section above.

### **Grant Restriction:**

A Primary Donor may ask ACGFund to restrict a grant to a specific purpose. For instance, a grant may be restricted to a building fund, education or cultural program, etc. ACGFund Giving Associates are pleased to assist as you focus your grant making.

### **Anonymous Grant:**

A Primary Donor may elect to make an anonymous grant. ACGFund will forward the grant with a cover letter that indicates an ACGFund Donor Advisor has requested the grant be given anonymously.

### **Celebration Grant:**

A Primary Donor may ask the Fund to make a grant in honor or memory of an individual. The Directors are pleased to follow these instructions whenever possible.

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### **Creating a Legacy**

#### **Legacies – Successor Advisors:**

Successor Donors play an important role with the Fund. Most Primary Donors name a Successor Donor. (Often, Primary Donors name a Secondary Donor as the Account's Successor Donor.) Upon the Primary Donor's resignation or death, the successor assumes the Primary Donor's role – including the right to advise the Fund on the investment of the Donor Account's assets and offer Grant Requests.

Typically, a Primary Donor appoints a Successor Donor prior to resigning from a Donor Account. A resignation can be made by sending a letter to the Fund. Please include an updated Account Application so that the Fund has the most recent information for the Successor Donor. If a Successor Donor is a minor, the minor's legal guardian may be required to make Grant Requests until the Successor Donor achieves his or her majority.

A Successor Donor may advise the Fund to grant the assets in a Donor Account to a new Donor Account or Accounts. The Donors for these new accounts can include the Successor Donor. In this manner, the legacy of the first generation can pass to the second and third generations.

#### **Legacies – Charitable Beneficiaries:**

Some Donors wish to grant the assets of a Donor Account to a qualifying nonprofit upon his or her death. To accomplish the goal, no Successor Donor is named. Rather, the Charitable Beneficiary or Beneficiaries listed for the Donor Account will be received as a memorial request upon the Fund's notification that the Primary Donor is deceased.

#### **Inactive Accounts:**

Donor Accounts that have not received a gift or made a grant within the prior twenty-four months, and statements have been mailed to the address on record but the US Postal Service has returned as undeliverable are declared inactive. The Fund will attempt to reach the Primary Donor and the Successor Donor within 90 days of a Donor Account becoming an Inactive Account. If neither the Donor nor the Successor Donor can be located, the Directors may grant the remaining assets in the account to the Charitable Beneficiary listed for the

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Account. If the Charitable Beneficiary is not eligible to receive a grant, the assets may be granted to qualifying nonprofits at the discretion of the Directors.

### **Directors Discretionary Fund:**

The Fund's assets that are not attributed to a Donor Account are managed by the Directors. This is the Directors Discretionary Fund. From time to time, the Directors may grant all or a portion of the Discretionary Fund. To maximize the impact of the grant, the Directors may invite Donors to participate in the grant. Participation shall be solely upon the advice received from Donors.

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### **Partners**

#### **Record Keeper:**

The Fund uses NRS (Northeast Retirement Services, LLC.) of Woburn, Massachusetts, to provide necessary services. NRS is the Fund's donor accountant, plan administrator and record keeper. NRS may employ agents or other parties to assist in administering certain aspects of the program.

#### **Trust Company and Custodian:**

The Fund may contract with one or more Trust Companies and Custodians to provide necessary services.

### **Fees & Expenses**

#### **Expenses Associated with Contributions:**

Some contributions incur transaction costs. For instance, publicly traded stock will be sold upon receipt. The cost of selling stock reduces the net proceeds credited to a Donor Account. The Fund works to provide the least expensive transaction services but any costs that are incurred are applied to the gift as a pass through.

A Donor may incur expenses prior to the contribution of an asset. The contribution of restricted securities and partnership interests may require legal and appraisal services. These costs are borne by the Donor.

In addition, this is not a complete list of possible expenses that may be borne by the Donor. Please contact the Fund at 877-236-2607 for additional information.

#### **Expenses Associated with Grants:**

Some grants may incur a transaction fee such as a bank wire fee. If charged, these expenses are a pass through from the Fund's custodian or a grant recipient and its financial institution(s).

If a Donor requests a grant that liquidates his or her account, fees incurred for the grant as well as custody and administrative fees will be charged first and the grant disbursed from the remaining funds.



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### **Donor Accounting Services: \***

A Donor Account is assessed a fee for the administration of the Fund and record keeping of Donor Accounts. A Donor with multiple Donor Accounts receives a fee for each account based on the assets in that account.

Up to \$499,999	The greater of \$140 or 0.70% of average daily balance
\$500,000 through \$999,999	0.35% of average daily balance
\$1 million through \$2,499,999	0.25% of average daily balance
\$2.5 million and greater	0.15% of average daily balance

ACGFund assesses a Minimum Annual Fee of \$140. All fees are prorated monthly and are assessed and withdrawn from Donor Accounts on a quarterly basis.

For Donor Accounts with assets greater than \$5 million, please contact ACGFund.

*\*Fees subject to change in the future. Donors will be notified prior to any changes in the fee structure.*

### **Custody & Investment Expenses:**

The Fund's endowment is custodied by a trust company. Custody expenses are passed through to the Donor Account. On January 1, 2015, the custody expense was 0.05%.

The endowment may be invested in one or more mutual funds. A mutual fund charges for its investment and financial expertise.

### **Other Information:**

NRS, the Fund's record keeper, generates and makes available on a secure web site, quarterly Donor Account Statements, for review by Donors and Financial Advisors For more information, please contact your financial advisor or the Fund at 877-236-2607.

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### Getting Started

The Directors of the Fund are eager to welcome you to the family of donors. Please contact your Financial Advisor to complete an online Donor Account Application at, [acgfund-donorfirstx.com](http://acgfund-donorfirstx.com) or call the Fund at 877-236-2607 for a physical copy.

The application provides additional information about funding and naming a Donor Account. After receiving your Donor Account Application, the Fund will take immediate steps to open an account and receive your charitable contribution.

### More Information?

For more information please contact your Financial Advisor or the Fund at 877-236-2607.

Advisors Charitable Gift Fund  
12 Gill Street, Suite 2600  
Woburn, MA 01801-1729

877-236-2607  
(8:30 AM – 5:00 PM Eastern Time)

[www.acgfund-donorfirstx.com](http://www.acgfund-donorfirstx.com)

