



How to Use Your Donor-Advised Fund

Berkshire Taconic Community Foundation
Moving Forward by Giving Back

TABLE OF CONTENTS

Welcome	2
Grant Recommendations	3
Advisor Changes	4
Investment	5
How We Process Grants	6
Additional Contributions	7
Fees	8
DonorCentral	10
Year-End Giving	10

WELCOME

On behalf of our board of directors and staff, thank you for partnering with Berkshire Taconic Community Foundation. As a donor advisor, you play an important role in investing charitable resources in the Berkshire Taconic region.

We have developed this guide to help make your experience working with us easy and enjoyable. It contains information about making grant recommendations and additional contributions to your fund, as well as financial statements, fees and year-end giving deadlines. You can find additional information and forms on our website at: www.berkshiretaconic.org, as well as access to DonorCentral, an online service that provides instant access to fund-related information whenever you need it.

Our professional staff is always available to answer any additional questions you may have. Please do not hesitate to call or email. Again, thank you for partnering with us to improve the quality of life in our communities. We are proud to enable your good work.



Jennifer Dowley

President

jd@berkshiretaconic.org

413.528.8039

GRANT RECOMMENDATIONS

As a donor advisor, you may make grant recommendations online whenever and as often as you wish using DonorCentral. Some donor advisors make their first recommendation the same day that they establish their fund! For more information, please see the DonorCentral section of the Guide.

Grant disbursement forms are also available from the Berkshire Taconic office, and may be faxed or mailed at any time.

GRANT ELIGIBILITY

Berkshire Taconic is responsible to the Internal Revenue Service for grants made by your donor-advised fund. Our board of directors has final discretion over all grants made and is responsible for ensuring that the organizations you recommend are eligible to receive grants.

When you recommend a grant recipient, we check that it is designated as a recognized charitable organization within IRS guidelines. The IRS requires that the organization be a public charity as defined in Sections 501(c)(3) and 509(a) of the Internal Revenue Code. If a recommended organization fails to meet IRS requirements, IRS rules prohibit Berkshire Taconic from awarding your recommended grant.

In some cases, we may contact an organization for additional information about its mission and purpose. We will contact you directly if an eligibility question arises.

You may recommend a grant to any public charity located in the United States, including your place of worship, public libraries and most educational institutions. Although we cannot distribute grants directly to foreign charitable organizations, we can make grants to U.S. public charities that fund and support foreign charitable activities.

HOW WE PROCESS GRANTS

Approved grants are normally paid out within one week of receiving your recommendation.

Berkshire Taconic makes every attempt to provide prompt service and to respond to your suggestions quickly. There may be an occasional delay if we are unable to verify the charitable status of the organization or if the grant is over \$5,000.

NOTIFICATION

Berkshire Taconic sends you a notification when a grant recommendation is approved and paid. We also send a letter, along with the check, to the recipient organization; the letter includes the name of your donor-advised fund and your name and address (unless, of course, you request anonymity), so that the organization can thank you directly.

If you are making a donation in honor or memory of a friend, colleague or family member, let us know and we will inform the organization receiving the grant. If you supply the address, we will also send a note to the person you are honoring.

The notification process typically takes one week. Due to the large number of grants made at year's end, additional time is usually required to process grants and notification letters at that time.

ANONYMITY

Berkshire Taconic honors all requests for anonymity. You may instruct us to keep the fund name or your name anonymous. You may also choose anonymity for any individual grant that you suggest. Please let us know your preference. You may also want to work with our staff to deploy your anonymous grant strategically. For example, the staff can use your anonymous grant to create a challenge grant to stimulate fundraising for an organization you care about.

INVESTMENT

Berkshire Taconic invests and manages donor-advised fund assets. When you establish your fund, you may select from one or a combination of our investment pools. Investment growth within the fund provides additional tax-free dollars for grants.

A majority of Berkshire Taconic funds are invested in our managed pool, which generates funds for grantmaking while providing for asset growth and security of principal.

Our Investment Committee meets four to five times a year to monitor all investment activity. This committee, made up of board members and others with significant institutional investment expertise, reviews our money managers' performance against Berkshire Taconic's investment guidelines. Our administrative staff, led by Jill Gellert, our vice president, works with our investment consultant, Prime, Buchholz & Associates, Inc., to provide day-to-day oversight.

RESTRICTIONS

The IRS places a number of restrictions on the use of grants. IRS regulations prohibit donor-advised funds from awarding grants to:

- purchase tickets to fundraisers or benefit dinners (including any portion of the ticket that is above the cost of the event)
- purchase or fulfill memberships that have any tangible economic benefit for donors, advisors or related parties
- support a specific individual
- fulfill personal pledges
- secure personal benefits for donors, advisors or related parties
- support political campaigns or lobbying
- make grants, loans, compensation or similar payments (including expense reimbursements) to donors, advisors or related parties

For these reasons, grants are sent directly to the organization. Our goal is to help our donors accomplish their charitable objectives within all federal and state regulations. If you have any questions about eligibility, please feel free to contact our staff.

ADVISOR CHANGES

As a fund advisor, only you may recommend distributions from your fund. You may change authorized advisors at any time by submitting the appropriate form to us. Forms for changing advisors are available on our website at www.berkshiretaconic.org.

ESTATE PLANS

Please keep your donor advised fund in mind when you do your estate plans. It's very easy! You can include language in your will about your fund, or list it as the beneficiary of your retirement fund. Your donor advised fund can be the vehicle for your charitable giving after your lifetime by setting it up to change to an endowed fund upon your death and creating a list of charities to receive grants on an ongoing basis in your name. Also, know that you can change the list of beneficiaries for your fund at the Foundation at any time for no cost, and without changing your will. Give us a call, we'd be happy to review options with you.

ADDITIONAL CONTRIBUTIONS

You may make contributions to your fund at any time. Other persons, such as family members or friends, may also make contributions to your fund.

Assets such as cash and securities, including stocks, bonds and mutual fund shares, are routinely accepted. Other assets, such as real estate, interests in closely held businesses, partnership shares, and tangible personal property such as art, antiques, collectibles and jewelry, may also be accepted, based on review. Berkshire Taconic will accept most assets and provide you with a receipt to substantiate your charitable income tax deduction.

Berkshire Taconic can receive gifts online (www.berkshiretaconic.org), by wire transfer or mail. Please give us advance notification if you plan to make a stock gift by electronic transfer so that we can place the gift in the correct fund. You may also choose to hand-deliver stock certificates, with the appropriately executed stock power, to Berkshire Taconic.

In the case of more complicated gifts, such as real estate, shares in closely held businesses or other unusual assets, the proposed gift may require additional review by Berkshire Taconic. This may add several weeks to the process. While our goal is to be responsive, Berkshire Taconic has final authority to accept or decline any proposed gift. Our gift acceptance policy is available upon request.

FEES

Each fund is charged an administrative fee and its share of investment management fees from the investment pool that you have selected.

Donor-advised fund fees are based on the average daily balance of the fund and are charged quarterly.

The fees are assessed directly to the fund and do not require additional payment by you. A minimum fee of \$87,50/quarter is charged to all funds.

The current fee is

- 1.5% per year on first \$250,000
- 1.25% per year on portion \$250,000–\$1 million
- 1.0% per year on portion \$1 million–\$3 million
- 0.75% per year on portion \$3 million and above
- or 3.0% of grants given out in a quarter, whichever is higher

Fees help support Berkshire Taconic's general administrative costs and the following services:

- Charitable gift and estate planning assistance
- Investment and financial management
- Grantmaking services
- Support to nonprofits in the region
- Initiatives to solve regional problems

DONOR CENTRAL

DonorCentral is a web-based donor service that provides instant access to information about your fund. With DonorCentral you get secure access to your fund updated daily including your fund balance, grant history, gifts, and pending grants.

You can also download your latest quarterly fund statement. Quarterly statements are available the last week of the month following the end of the quarter (April, July, October and January). These reports contain a statement of activity for the quarter and year to date, including realized and unrealized gains and losses, investment income, fees and contributions by you or other donors.

Your fund statement also lists the grants made from your fund during the reporting period. Feel free to contact us with any questions about your statement.

DonorCentral can also be used to make grant recommendations through **Suggestion Central**. You can research organizations in our database, or submit the name and address of any nonprofit organization to whom you wish to make a grant. To recommend a grant, just submit the name of the organization, the amount of the proposed grant (minimum \$100) and how you would like to be acknowledged. Please let us know if you wish the grant to go to a special purpose, such as a capital campaign or class gift. Otherwise, we will assume that the grant is for general support and will notify the recipient organization that there are no restrictions on the gift.

Logging on to DonorCentral is easy. Just go to our website at: www.berkshiretaconic.org and click Donor Login on the left-hand side of the page. You can then enter your username and password on the DonorCentral welcome screen. You will receive your DonorCentral login information after your fund has been established.

YEAR-END GIVING

Many of our donors choose to make additions to their funds in December. We strongly encourage you to send us such year-end grant recommendations as early as possible to ensure timely processing.

Note: Gifts *must* be in Berkshire Taconic's account by end of day on December 31 to be eligible for a tax deduction for that year.

The following recommendations can help you plan your year-end giving schedule.

CHECK OR STOCK CERTIFICATE

Must be postmarked by U.S. Postal Service or, in the case of a stock certificate, hand-delivered with the appropriately executed stock power, by December 31.

MONEY WIRE

Instruct your financial institution to wire to Berkshire Taconic's account by December 23.

STOCKS TRANSFERRED BY WIRE

Instruct your broker to transfer to Berkshire Taconic's brokerage account by December 15.

MUTUAL FUNDS

Submit completed letter of instruction and most recent mutual fund statement to us by October 31.

REAL ESTATE

Real estate gift acceptance requirements include a Phase I Environmental Assessment, a visual inspection and a qualified appraisal of the property. Contact us by September 30 to begin the process.

SPECIAL SECURITIES INCLUDING RESTRICTED STOCK

Instruct your broker to initiate the process with us by October 31.

Berkshire Taconic Community Foundation builds stronger, more vibrant communities and improves the quality of life for all residents of Berkshire County, MA; Columbia County and northeast Dutchess County, NY; and northwest Litchfield County, CT.

Since 1987, we have been an agent for positive change in the region we serve. In education, health care, basic human services, transportation, the arts, youth and senior programs—our grants touch all aspects of life and every person in the Berkshire Taconic region. Each year, we help thousands of donors achieve their philanthropic goals and hundreds of nonprofits carry on their good work. Berkshire Taconic is a 501 (c)(3) charitable organization.

Berkshire Taconic Community Foundation

271 MAIN STREET - SUITE 3
GREAT BARRINGTON, MA 01230-1972
T: 413.528.8039 F: 413.528.8158
info@berkshiretaconic.org
www.berkshiretaconic.org

