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DONOR ADVISED FUNDS

Introduction

The Assemblies of God Foundation solicits and welcomes the establishment of donor-advised endowment funds by members of our Assemblies of God constituency. To ensure that such funds comply with both the mission of the Foundation and the requirements of the United States Treasury Department, the following guidelines have been established.

The Treasury Department provisions are based on the proposition that donors should not be able to give money away, receive maximum tax benefits from the gift and, at the same time, retain control of the gift. To be sure that donor recommendations regarding expenditures are really suggestions and do not provide control which may benefit a single individual, the Treasury has set up criteria for community foundations which appears to be the best point of understanding donor-advised funds.

Because the donor is the most important part of charitable giving, the A/G Foundation has established the following guidelines to make certain that the charitable gifts established within the Foundation accomplish your ministry goals.

Guidelines

1. A request for the establishment of a donor-advised fund shall be subject to the Assemblies of God Foundation's review and approval to make certain that the purpose of the fund is consistent with the practices and policies of the Foundation.
2. Treasury rules expressly recognize the right of donors to make grant recommendations; however, the law also is clear that the Foundation must exercise final discretion concerning the expenditure of funds. And, if the foundation does not follow the donor's recommendations, the Fund income shall be used for similar charitable purposes in the discretion of the Board.
3. The donors shall be free to name themselves, family members or third parties as advisors for the fund.
4. When suggestions from the fund's advisors regarding disbursement are received, the Foundation will conduct its own independent investigation to insure the suggestion(s) is (are) consistent with the Assemblies of God Foundation mission and purpose.
5. Fund duration shall be guaranteed for the lives of the donor and spouse, and thereafter shall continue as a separate endowment fund in accordance with donor's instructions.
6. All manner of assets, real estate, securities or cash are acceptable to establish a fund or as an addition to an already established fund.

A proposed gift asset not readily marketable (such as restricted or closely held stock or real estate) shall be reviewed by the Foundation for acceptance before being given.

7. To help defray the cost of administration, the Foundation shall charge a fee for management and administration of the fund's assets. The fees are however, an investment in ministry since they allow the Foundation to expand its efforts to raise more resources from Assemblies of God constituents across the United States for ministry purposes.
8. While the Assemblies of God Foundation welcomes an opportunity to consider this type of charitable fund at any level, experience suggests \$100,000 as a practical minimum for establishment of a donor-advised fund.

Conclusion

Donor-advised funds, held within the Assemblies of God Foundation, offer advantages to those making the gift as well as to ministry:

- The donor or the designated advisory board for their fund is an active participant in the grant-making process, able to recommend different recipients from year to year.
- The fund offers maximum flexibility to respond to changing ministry needs.
- Compared to a private foundation, a Donor Advised fund offers freedom from: excise taxes, minimum payout requirements, expenses of an annual audit and other legal and administrative expenses. In addition, greater tax deductions are allowed.
- All charitable distributions are made in the name of the donor, unless anonymity is desired.
- No funds will be distributed without giving the donor ninety days within which to make recommendations. If the donor fails to make such recommendations, the fund income shall be used for the Foundation's exempt purposes within the sole discretion of the Board.

Approved at A/G Foundation Executive Board Meeting, July 13, 1994
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