Welcome

Welcome! Thank you for establishing a donor advised fund with The Community Foundation of Western North Carolina.

As your partner in philanthropy, The Community Foundation of Western North Carolina invites you to take advantage of our services for donors, detailed in this handbook.
We encourage you to work with us to:

- Connect with causes you care about
- Give wisely and well as your needs and interests change
- Become part of our community of philanthropy

This binder is designed to serve as your how-to guide and your fund management organizer – providing one convenient place to store quarterly fund statements, newsletters and more. As you read through these materials, you may wish to refer to the *Glossary* at the end of this handbook. From time to time, we may send you additional sections and updated pages.

We look forward to working with you. Please contact us with any questions about the enclosed materials or your giving and grantmaking needs. We are available by phone, fax and email or for face-to-face meetings. Information and downloadable forms are also available online at www.cfwnc.org. You've chosen to make the most of your charitable intentions by opening a fund with The Community Foundation. We're here to help you.

The Community Foundation
of Western North Carolina

Promoting Philanthropy.
Building Mountain Communities.

Updated 2/2/12

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About Us

Our Mission
The Community Foundation promotes and expands regional philanthropy and develops local funds that address changing needs and opportunities in the 18 counties of Western North Carolina.

Our History

The Community Foundation is a nonprofit organization established in 1978 to create a permanent pool of charitable capital that will always be available for the 18 counties of Western North Carolina. We work with individuals, families and businesses to create and manage charitable funds and then make grants to nonprofits or public agencies in our mountain region. The Foundation is now a collection of more than 950 individual funds, each with a specific charitable purpose as determined by the donor who created it. These funds total more than $165 million in assets earmarked for pressing needs and promising opportunities in Western North Carolina. During the past 30 years, The Community Foundation has distributed more than $100 million in grants and scholarships.

In North Carolina there are 18 community foundations. The largest is the Foundation for the Carolinas in Charlotte; the oldest is the Winston-Salem Foundation that was established in 1919.

WNC Region/Counties We Serve
Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania and Yancey.

What We Do
- Work with donors to create charitable funds according to their specific interests
- Inform donors about critical needs and match them with giving opportunities
- Responsibly manage charitable assets
- Make grants and provide support to nonprofit organizations to improve life in our region
- Encourage and participate in community initiatives and partnerships
- Build awareness of the importance of philanthropy

Board of Directors

2011-2012

Officers

Chairman	Marla Adams
Vice-Chairman	Ernest Ferguson
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John G. Kelso	Laurence Weiss

Staff Directory

The staff of The Community Foundation may be reached by calling (828) 254-4960 and using the extension indicated or by email at the addresses listed below.

Name	Title	Phone Extension	Email address
Elizabeth Brazas	President	Ext. 106	brazas@cfwnc.org
Sheryl Aikman	VP, Development	Ext. 101	aikman@cfwnc.org
Graham Keever	VP, Finance & Administration	Ext. 107	keever@cfwnc.org
Spencer Butler	Donor Services Associate	Ext. 104	butler@cfwnc.org
Diane Crisp	Program Administrator	Ext. 112	crisp@cfwnc.org
Becky Davis	Development Officer	Ext. 120	bdavis@cfwnc.org
Naomi Davis	Accounting Associate	Ext. 108	davis@cfwnc.org
Virginia Dollar	Program Officer	Ext. 123	dollar@cfwnc.org
Lindsay Hearn	Communications Director	Ext. 109	hearn@cfwnc.org
Maria Juarez	Scholarship Officer	Ext. 114	juarez@cfwnc.org
Lezette Parks	Development Admin. Asst.	Ext. 115	parks@cfwnc.org
Beth Maczka	Senior Program Officer	Ext. 116	maczka@cfwnc.org
Tim Richards	Senior Program Officer	Ext. 117	trichards@cfwnc.org
Tara Scholtz	Affiliate & Development Officer	Ext. 103	scholtz@cfwnc.org
Beth Semadeni	Receptionist	Ext. 100	semadeni@cfwnc.org
Janet Sharp	Staff Accountant	Ext. 118	sharp@cfwnc.org
Sally Weldon	Director of Information Technology	Ext. 127	weldon@cfwnc.org

Essential Fund Information

The Community Foundation offers several types of funds to help you best accomplish your charitable goals. The type of fund you establish should fit your current patterns of giving, the assets you plan to contribute and your future plans. Your personalized fund agreement indicates the type of fund you have established. If your needs change, please contact the Foundation. It may help to understand the different types of funds available with The Community Foundation. Your fund type is listed on the first page of your Fund Agreement.

Important characteristics of each fund type:

Flexible Endowment Fund

- Fund's charitable purpose continues in perpetuity according to the donor's recommendations.
- The fund must maintain a balance of at least $10,000 (you may choose a higher minimum balance).
- The fund earns investment returns.
- Any amount above the minimum balance may be distributed in grants.
- Fund may be converted to a traditional endowment.

Traditional Endowment Fund

- The fund's charitable purpose continues in perpetuity according to the donor's recommendations.
- Contributions to the fund create permanent fund principal.
- Spendable income (typically 4% of market value of the fund over the trailing 16 quarters) is calculated annually and made available for grants.
- The fund earns investment returns.

Fund fees

Administrative fees support the cost of the Foundation's services and grantmaking. Fees are listed on an annual basis but are deducted from your fund quarterly. Fees may change from time to time; you will be given notice of any change in the fee structure.

Flexible and Traditional Endowment Funds	1st $500K	1.20%
	2nd $500K	1.00%
	$1M - $3M	0.75%
	Over $3M	0.60%

- Minimum fee is $250 ($62.50 per calendar quarter)
- Investment returns net of direct costs of investment management accrue to invested funds.

Scholarship Funds 2% to 3%, based on services provided

- Charges for special services are based on cost.

Legal Issues

Definitions
The Community Foundation of Western North Carolina, Inc., is defined as a public charity under sections 501(c)(3) and 170(b)(1)(A) of the Internal Revenue Code. Named funds are classified as "component funds" of the Foundation. Contributions to the Foundation are irrevocable.

Charitable Deductions
The charitable gift made to establish your fund and any subsequent contributions are fully deductible as gifts to a public charity, subject to the general limitations described below. Your deduction depends, in part, on the type of asset you contribute. For advice about your personal situation, please consult your legal or tax advisor.

Itemized Deductions
• <u>Cash</u> - Your deduction is the amount of your cash contribution.

• <u>Publicly traded securities</u> - For publicly traded securities held for more than one year, your deduction is the mean of the high and low prices on the date the contribution is made. For mutual fund shares held for more than one year, your deduction is the closing price on the date the contribution is made. For securities or mutual fund shares held for less than one year, your deduction is limited to your cost basis or the fair market value, whichever is lower.

• <u>Other assets</u> - For securities that are not publicly traded, such as real estate and personal property, additional reporting requirements may apply. The IRS requires you to provide a qualified appraisal for any contributed property for which you will claim a deduction of more than $5,000.

Deduction limitations
Generally, you are eligible for an itemized deduction for cash contributions of up to 50% of your adjusted gross income ("AGI") in the tax year in which your contribution is made. Contributions of long-term capital gain property are deductible at full fair market value up to 30% of AGI. Any excess amount may be carried forward and deducted in the five-year period after the year of the contribution. Your deductions may be subject to other limitations. Please consult with your tax advisor to determine what deductions you may claim.

Gift acknowledgement
Each time you make a contribution to your fund, The Community Foundation will provide an acknowledgement that serves as your receipt for tax purposes. Grants from your fund to individual charities are not deductible.

Control

Your fund is a component fund of The Community Foundation and as such, must be free from material restrictions imposed by donors[1] . In order to comply with IRS regulations:

- The staff of The Community Foundation must conduct independent investigations to determine if grant recommendations from donors are consistent with the charitable purposes of the Foundation.
- The Community Foundation must show that it makes grants from other funds to organizations of the same type as those recommended by donors.
- The Community Foundation is not bound by the advice given by donors.
- The donor, his or her family or other agents may not retain control of investments, including control of the retention or sale of any asset contributed. The Foundation will adjust investments in its discretion and with due regard to market conditions, the planned grants program and other factors.

1 Treasury Regulations, Section 1.507-2, 12. U.S.C. 1234 (2006).

Pledges

IRS regulations do not permit The Community Foundation to pay pledges from your fund.

Pledges made to capital campaigns are particularly critical. Such pledges may become legally binding because a nonprofit organization may rely on the pledge. If you would like your fund to support a capital campaign with a pledge, please call The Community Foundation before discussing your intention with the organization. We will be happy to help you with an expression of your commitment to the organization or project that does not violate IRS regulations.

EXAMPLE

Each year, John receives a solicitation from his church that asks for pledge support. To make the church aware of his intention and use his charitable fund to make the gift, John should write on the solicitation:

"This is not a pledge. I will be recommending that a gift of $______ be made from the _____________ Fund at The Community Foundation of Western North Carolina."

John may then recommend a contribution as a grant from his CFWNC charitable fund using Donor Central, our online fund access, or the "Donor Advised Grant Recommendation Form" located in this handbook (under Forms & Information*) and downloadable from our website.*

If you have any questions about pledges and the use of your fund, please call The Community Foundation at (828) 254-4960. We are happy to assist you.

Memberships, Special Events and Benefits

Due to IRS restrictions on material benefits, you may not receive anything of value (either goods or services) in exchange for a grant recommended from your fund. Any *quid pro quo* benefit is strictly prohibited, including tickets to fundraisers or benefit dinners, memberships (when membership conveys a tangible benefit to the member), or other gifts. Substantial penalties will be imposed by the IRS on both the donor and The Community Foundation if a donor, advisor or related party receives a benefit as a result of a gift from a donor advised fund.

Memberships or events where the cost represents both a charitable and non-charitable portion cannot be paid by your fund. If you will receive a tangible benefit from your contribution – such as tickets for a special event – you should make your gift directly to the organization.

Other grants

The Community Foundation is unable to make grants to individuals, in support of political campaigns, or for lobbying purposes.

Donor advised funds may not reimburse individuals for expenses.

Investment Options

When a donor makes a gift to The Community Foundation of Western North Carolina, the Foundation becomes the legal owner of the assets and directs investment strategy. The Community Foundation's assets are managed by experienced professionals, with direct oversight by the Foundation's Investment Committee and independent investment counsel. Donors who establish flexible or traditional endowment funds at The Community Foundation may recommend one of the following investment options:

1) **Multi-Manager Fund** – The Foundation's largest portfolio is an actively managed combination of equities, fixed income, and alternative investments that benefits from significant investment strategy and manager diversification. The equity exposure of up to 70% of the total portfolio is managed by multiple managers. The fully diversified approach provides the dedicated allocations to styles of growth and value across all capitalization levels.

2) **Socially Responsible Portfolio** – Donors have the option of participating in a diversified, balanced portfolio that applies social screens for nuclear energy production, tobacco manufacturing and sales, weapons manufacturing, and environmental issues. Equity managers are selected within these parameters that provide the appropriate level of manager and style diversification.

3) **Conservative Allocation** – Donors with lower tolerance for risk have access to a portfolio that has an allocation to equities in the range of 25%-30%, with the remainder of the portfolio dedicated to fixed income securities.

4) **American Funds Portfolio** – This portfolio's asset allocation is a diversified, balanced approach that utilizes mutual funds in the American Funds family.

5) **Passive Portfolio** – A portfolio is available that utilizes lower cost investment vehicles such as index funds and exchange-traded funds. The portfolio receives the benefit of the Foundation's strategic asset allocation models.

6) **Institutional Relationships** – The Community Foundation values its long-standing relationships with multiple local and national investment firms. Firms that currently manage balanced portfolios for the Foundation include:

- Altamont
- Altavista Wealth Management
- Bank of America
- Boys Arnold & Co.
- Colton Groome
- Merrill Lynch
- Parsec Financial Management
- Raymond James

Statements

You will receive a statement detailing the activity in your fund and a letter from the President with the latest news from The Community Foundation after the close of each calendar quarter. Please retain these statements for income tax purposes; the pocket folder at the end of this handbook is reserved for storing your fund statements. A sample fund statement is included on the following page. Definitions of terms used in the statement can be found in the *Glossary* at the end of this handbook.

Traditional and flexible endowment statements are provided about five weeks after the end of the quarter. They will include a box detailing investment performance for the portfolio in which your fund is invested and the relevant market benchmark.

If you take advantage of donor central, your statements will be available online within the same time frame.

Charitable Fund Statement
From April 01, 2011 to June 30, 2011

Fund Name: John Doe Charitable Fund

Section I: Activity Summary	**Quarter Ended** **June 30, 2011**
Beginning Balance	$31,321.94
Contributions	1,500.00
Income Earned	0.00
Capital Gains (Losses)	0.00
Other Income	0.00
Distributions	(1,000.00)
Interfund Transfers	0.00
Community Support	(62.50)
Ending Balance	31,759.44

Section II: Itemized Contributions

Date	**Description**	**Amount**
05/09/201	Mrs. Jane Doe-Smith	1,500
	Total Contributions	1,500

Section III: Itemized Distributions

Date	**Description**	**Amount**
06/07/2011	American Red Cross	1,000

Investment performance information for all CFWNC portfolios can be seen at www.cfwnc.org. If you have any questions regarding your statement, please contact Naomi Davis or Janet Sharp at The Community Foundation.

Making Gifts to Your Fund

Adding to Your Fund

You may add to your fund at any time and in any amount. The Foundation accepts most assets as gifts, including cash, securities and real estate. We will provide an acknowledgement of your gift for tax purposes, and additions will be reflected on your quarterly statement.

Asset Transfer Information

Gifts by cash or check

Gifts of cash should be delivered in person to The Community Foundation's offices.

Checks may be mailed or hand-delivered and should be made payable to "CFWNC" with the name of your fund noted on the memo line or in accompanying correspondence.

Stocks and bonds

When making a gift of appreciated securities to The Community Foundation, you must transfer the stock shares or bonds to The Community Foundation in order to receive the maximum tax advantage of your gift. Do not sell the stock shares or bonds yourself. The Community Foundation sells all gifts of marketable securities as promptly as possible and adds the net proceeds to your fund. When you transfer the stock shares or bonds, please immediately notify The Community Foundation of the name of the stock or bonds and the number of shares transferred.

If securities are held at a brokerage firm:

The easiest way to transfer stocks or bonds to the Foundation is to transfer the asset to our brokerage account via electronic transfer or "DTC." Sample instructions for your broker to make electronic transfers are in the *Forms & Information* section of this handbook. For account numbers or more information on how to transfer stocks and bonds this way, please call The Community Foundation.

If you hold physical certificates:
If you are giving stock or bond certificates registered in your name(s), a letter and "stock power form" must be signed by all owners listed on the certificates, exactly as they are registered. Signatures on the stock power must be guaranteed with Medallion guarantee and seal; most banks can perform this service for you. Sample forms are in the *Forms & Information* section of this handbook.

Physical certificates should be <u>personally delivered</u> to The Community Foundation of Western North Carolina. If the stock will be mailed, the certificate(s) should be mailed in an envelope separate from the stock powers. <u>Do not sign the back of a physical certificate.</u> A sample letter of authorization for physical transfer of the stock or bond certificates can be found in *Forms & Information*.

For all stock gifts, please inform a member of our Finance and Administration staff that the gift is in progress. This allows us to monitor the brokerage account to make certain that the gift is appropriately transferred. A gift acknowledgement is sent once the gift proceeds have been received and credited to your fund.

Mutual Fund shares
We also accept gifts of mutual fund shares. As with gifts of stocks and bonds, in order for you to receive the maximum tax advantage of a gift of appreciated mutual fund shares, <u>you must transfer the mutual fund shares to The Community Foundation</u> (do not sell them yourself). The Community Foundation sells all gifts of marketable securities as promptly as possible and adds the net proceeds to your fund.

The contribution of mutual fund shares requires more steps and time than a contribution of stocks or bonds. Please contact your mutual fund company and request instructions for charitable contributions of mutual fund shares. Each fund has a different process, and most require written correspondence from you. Mutual fund transactions may take up to six weeks to complete.

Gifts of other assets
The Community Foundation accepts other types of assets as charitable contributions, including real estate, closely-held securities and personal property. These gifts are subject to prior review by The Community Foundation's Executive Committee. Please call a member of the development staff for more information.

Matching gifts
Your employer (or former employer) may have a program to match gifts to charitable organizations. To maximize your contributions, please obtain a matching gift form from your employer, complete the appropriate donor section and provide it to us for completion. We will forward the form and other information to the company for processing.

The Community Foundation may not fit every company's guidelines for matching gifts. If you have questions, please send us your matching form and we'll be glad to research your company's specific requirements.

Fundraising
You may wish to raise money for your fund. The Community Foundation can help you with fundraising, but you must comply with our Donor Initiated Fundraising Policy. This policy is designed to ensure fundraising activities comply with relevant laws. Please discuss your plans with The Community Foundation at least 60 days before the event or solicitation. The Foundation must also give prior approval for all written or spoken materials related to solicitations to promote a fund. Failure to comply with this policy may prevent us from accepting a gift generated by your fundraising efforts. For further details, please see the Donor Initiated Fundraising Policy in *Forms & Information*.

Making Grants from Your Fund

Having a donor advised fund with The Community Foundation makes charitable giving easy and efficient. Each step is detailed below. Our staff will be happy to answer any questions you have.

Should you desire, Foundation staff will gladly help you find suitable organizations working on issues you care about. More information is available under *Grantmaking Services* in this section.

How to recommend a grant from your fund

1. Submit your recommendation:

   - You may recommend a grant online through Donor Central at www.cfwnc.org. See *Donor Central* on the next page; or

   - Complete the Donor Advised Grant Recommendation Form included in the *Forms & Information* section of this handbook. If you need additional copies, you can:
     - photocopy a form
     - request a copy by calling our office at (828) 254-4960
     - on the Fundholder Services section of our website

   We must have a written record of your grant recommendation and cannot take recommendations by phone. Please send your information to CFWNC by:

Mail	Fax	Email
P.O. Box 1888 Asheville, NC 28802	828/251-2258	butler@cfwnc.org

2. Upon receiving your grant recommendation (via Donor Central or by submitting a Donor Advised Grant Recommendation Form, a copy of which is available under *Forms & Information*), our staff will verify that the recommended organization is a public charity registered under section 501(c)(3) of the Internal Revenue Code with a 50% deductible limitation. For organizations to which we have not previously made a grant, it will occasionally take longer to verify 501(c)(3) status and review the organization's information. You will be notified if a recommendation is delayed longer than a month or cannot be

made. The Community Foundation's Distribution Committee generally reviews and approves recommendations on a weekly basis.

3. Once the grant has been approved, the funds will be disbursed to the organization you recommended. Recommendations received by 5 p.m. on Friday will be mailed to recipient organizations by the following Friday. Grant payments are accompanied by a letter to the grantee indicating the name of your fund and the name and address of the donor, unless you request anonymity. The Community Foundation delivers all checks directly to the grantee; on the advice of legal counsel, we are unable to send checks from donor-advised funds to donors for delivery to grantees.

4. Grant activity is reported on your quarterly fund statement. You may also see the most current list of grants made from your fund on Donor Central.

Donor Central

Donor Central is an online program that makes managing your fund easy and convenient. With Donor Central you'll get the following benefits:

- Recommend and track your grants online
- View your fund summary, including
  - Gift history (contributions to your fund)
  - Grants paid and pending grants
  - Spendable income
  - Current fund balance
- Research charitable organizations
- Download forms
- 24-hour access to fund information
  - Fund information is updated daily
  - Investment earnings and fees are posted monthly
- Password-protected secure web access
- Quarterly statement

Registering with Donor Central is easy. You'll find the registration agreement in *Forms & Information*. Simply mail or fax it to us, and we'll send you a username and password that allows you to access the site. Or, you can register online by clicking on *donor central* button on our homepage.

Once you've registered, you may access Donor Central at any time. A tour of Donor Central is available at www.cfwnc.org if you'd like to view the website before or after registering. The site is easy to use and secure. While you're always welcome to contact the staff at The Community Foundation, Donor Central is available for you to manage your fund at your convenience. For more information, contact The Community Foundation or visit our website.

Guidelines for Grants

What kinds of organizations may receive a grant from my fund?
Only charitable organizations may receive a grant from your fund. This includes public charities classified by the IRS as a 501(c)(3) and with a 50% deductible limitation. Religious organizations, schools, municipalities, and government programs that may not have a 501(c)(3) classification are also eligible. Certain supporting organizations are restricted from receiving grants from donor advised funds. All grant recommendations are subject to the Foundation's due diligence process before approval.

What can grants support?
Grants may pay for operating support, a specific project, or a program or capital campaign. Grants cannot pay for memberships, benefit tickets, auction items or other instances where you receive a personal benefit from your contribution.

Can I give to my church or to my children's school from my fund?
Yes. The IRS recognizes most places of worship and educational institutions (primary or secondary school, college, professional or trade school) as charitable organizations. Grants to municipalities and government-supported institutions such as libraries, universities and hospitals are also possible.

Grants cannot be used to pay tuition.

How often may I recommend grants from my fund?
You may make a grant from your fund at any time, as frequently as you wish.

How quickly are my grants sent out?
Recommendations are processed every week. During December – our busiest period for donor advised grants – we ask that your recommendation be received no later than the 5th of the month for distribution by December 31st.

What is the minimum grant size?
$100. You may recommend as many grants as you wish. Please note, effective July 1, 2012 the minimum grant recommendation will be $250 per organization.

How much is available to distribute from my fund?
You may always check your available balance on Donor Central. Quarterly fund statements will also provide this information. The amount available depends on the type of fund you have established:

For flexible endowment funds, your balance, less $10,000 (or the amount you have chosen to permanently endow), is available for distribution at any time.

For traditional endowment funds, you will receive a spendable income statement in May of each year that provides the amount available for distribution. This amount is calculated according to the spendable income policies of the Foundation and typically represents 4% of the fund's market value.

May I make a contribution from my fund to another fund at The Community Foundation?
Yes. The Foundation holds over 950 funds, including the *Fund for Western North Carolina* (an unrestricted grantmaking fund), geographic affiliate and field of interest funds, more than 100 nonprofit endowments and numerous scholarship funds. You can learn more under *Grantmaking Services* in this section. Please use the grant recommendation form or Donor Central to make a contribution from your fund to another fund. The distribution from your fund will be noted as an "interfund transfer" on your statement.

Can I pay pledges from my fund?
No. IRS regulations do not allow pledges to be paid from donor advised funds. Please see p. 15 of this handbook for more information. If you wish to commit your support to an organization, please consult a member of the staff. We'll be glad to help you make the organization aware of your intentions without compromising the tax deductibility of your gifts to your fund.

May I recommend grants to organizations outside Western North Carolina?

Yes. Although The Community Foundation's focus is Western North Carolina, grants can be made to organizations throughout the United States. If you wish to support an organization outside the U.S., please contact the Foundation.

May I make an anonymous grant?

Yes. Please indicate on the grant recommendation form which grants you wish to make anonymously. If you would like all grants from your fund to be anonymous, please contact The Community Foundation.

May I make a recommendation for a memorial or honorary gift?

Yes. Complete the memorial/honor section on the grant recommendation form. A letter will be sent to the person(s) that you indicate informing them of the gift.

Grantmaking Services

You'd like to donate to services for children, but don't know which organizations are addressing these needs effectively. You support a few organizations, but a new solicitation comes in the mail every day. You wonder what's out there that you haven't thought of. You'd like to join with others to make a bigger impact on the issues you care about.

Donors who give through The Community Foundation of Western North Carolina have access to grantmaking services drawing on our long experience with grantmaking and grantees. Whatever your interests or needs, The Community Foundation staff is here to help you.

Foundation staff is available to meet with you to discuss your charitable interests as well as grantmaking strategies and options. Consultation can be done in person, by phone or via e-mail.

Services include:

- Helping you formulate a giving plan that is right for you
- Developing your grantmaking strategies
- Researching local nonprofits at your request
- Recommending specific organizations according to your areas of interest
- Advising on types of support, from funding a capital project to endowing a program
- Connecting you to experts in the field

Grantmaking Opportunities

The Community Foundation can provide you with a variety of grantmaking opportunities. Some donors prefer to recommend grants to one or more familiar organizations. Other donors want to direct funds to a particular field of interest. You might like to support one of The Community Foundation's special initiatives, direct your support to a particular geographic area, or fund a particular program. At The Community Foundation, you decide how and when to provide support. We'll provide the opportunity to achieve your goals.

Below you'll find details about some of the programs that we offer to support your grantmaking. Please let us know if you'd like to be involved in any of these programs, or if there are other grantmaking opportunities you want to see. You may also wish to refer to the next section, *Strategic Giving*, for information regarding some of The Community Foundation's special initiatives designed to promote your interests and charitable goals.

Affiliate Funds

Many donors wish to support causes in their community. You can direct your fund to support grantmaking in Black Mountain-Swannanoa, Cashiers, Haywood County, Highlands, McDowell County, Mitchell County, Rutherford County, Transylvania County, or Yancey County. If you're interested in one of these opportunities, please contact a member of the Development staff.

The Women's Fund

The Women's Fund is a permanent endowment created to support the unmet needs of women and girls in our mountains. A gift from your fund – of any amount – provides support to effective programs that are addressing some of the most pressing issues facing women in Western North Carolina, including domestic violence, homelessness, health care and more.

Field of Interest Funds

If you're interested in supporting a particular cause, you may wish to establish a field of interest fund or make a grant from your fund to one of the following funds that address your particular areas of interest:

- The Fund for the Arts
- The Fund for Education
- The Fund for the Environment
- The Fund for Health
- The Fund for People in Need
- The Fund for Scholarships
- The Fund for Strong Communities

Scholarship Funds

Many donors wish to support a student in obtaining higher education. Please contact a Development staff member if you're interested in establishing a scholarship.

CFWNC Administrative Endowment

Donors may support the work of The Community Foundation by contributing to an endowment that supports Foundation operations. Gifts to this fund enable the Foundation to manage programs for the benefit of Western North Carolina.

Strategic Giving

One of the Foundation's goals is to inform donors about community needs and actively engage them in philanthropy. Through activities, events, and our Partner-in-Giving program, we provide ways to become involved and informed about community needs, trends in philanthropy and other giving interests.

Donors may learn about specific organizations that fit their grantmaking needs on their own or with assistance from the Foundation. If you'd prefer to research organizations on your own, you can use Donor Central to look up nonprofits that you might like to support. If you know what cause you want to support but aren't sure which organization best suits your charitable goals, contact The Community Foundation to help you.

The Community Foundation's goal is to help you give strategically. We want to provide the tools and information you need to meet your financial and philanthropic goals. To that end, we'll provide opportunities for you to learn about specific charitable organizations and issues, either in donor education sessions or online. The Community Foundation can also help you develop your legacy, meet other donors, or learn more about our community. We offer events to fit every donor's interest. Of course, you're never obligated to participate in any event, and you can always remain anonymous if that's your preference.

The Community Foundation will mail event invitations to you. You can also check the calendar of upcoming activities in our quarterly newsletter and on our website at www.cfwnc.org/events.html. If you prefer not to receive these invitations, please contact us.

Donor Issue Sessions

Informal seminars are offered periodically for donors, friends and interested community members. Topics vary; recent programs have included: *Hunger Hits Home; Recession Response: Challenges and Opportunities in our Region; African-American Philanthropy in Asheville;* and *Supporting the Arts in Tough Times*. Upcoming donor education sessions will be published in our newsletter and on our website. Please contact The Community Foundation for more information about donor education sessions.

Hust Society

Donors who establish a flexible or traditional endowed fund are invited to join the Hust Society, named after Raymond A. Hust, founder of The Community Foundation of Western North Carolina. Hust Society members are recognized on our website.

Legacy Society

Donors who have arranged for a future gift to The Community Foundation are invited to join the Legacy Society. These gifts may be bequests, charitable remainder trusts, charitable gift annuities, retirement assets, life insurance policies, life estates or other deferred contributions. This designation honors those whose planning benefits future generations. Members of the Legacy Society are recognized on our website.

Newsletter

The Community Foundation's newsletter, *Good Works,* contains profiles of donors and grantees, news about Foundation grantmaking and community leadership, giving opportunities and tax issues, and notice of upcoming events.

Women for Women

Women for Women is an exciting initiative for women to engage in collective philanthropy to support the unmet needs of women and girls in Western North Carolina. More information about *Women for Women* is available under *Special Initiatives* in this section. *Women for Women* encourages its members to be as engaged as they wish. Members can attend semiannual membership meetings and serve on a variety of committees. Members are also active in making grants and other important decisions. Alternatively, members may choose not to participate in the work of *Women for Women*. Whatever their choice, every member has a voice and a vote in *Women for Women*.

Volunteer Opportunities

The Foundation can connect you with volunteer opportunities at nonprofits in your areas of interest. We also actively seek volunteers to serve on our affiliate boards (promoting philanthropy in Black Mountain-Swannanoa, Cashiers, Haywood County, Highlands, McDowell County, Mitchell County, Rutherford County, Transylvania County and Yancey County). The Foundation occasionally has spaces on scholarship award committees. Please let us know if you would like to be more involved.

Other Resources

The Community Foundation is proud to support a cooperating collection of the Foundation Center Library, housed at the Pack Memorial Library in downtown Asheville. While the collection is focused on resources for nonprofits, we can direct you to information about grantmaking and giving.

Check www.cfwnc.org/donors/fundholderservices.com for links to more information resources.

Partners-in-Giving

You want to be involved in your grantmaking, but you need more information. You'd like to know what nonprofit organizations can do with your financial support.

Like many donors, you may have identified particular areas of interest for your charitable giving. In addition to making gifts to organizations you know well, you may also wish to learn more about the needs in a particular field, geographic location or focus area.

Partners-in-Giving receive information about projects that match their areas of interest. You may choose to fund all or part of these proposals, but you are under no obligation to recommend a grant.

Becoming a Partner-in-Giving means you'll have access to detailed information about charitable programs and organizations. For more information, call The Community Foundation, or complete and return the Partners-in-Giving Form in the *Forms & Information* section of the handbook.

Future Planning

We thank you for establishing your new fund with us. From time to time, you may have additional charitable needs. As you plan for the future – both during your lifetime and the legacy you leave behind – please allow us to help you with your future planning.

Successor advisors

There may come a time when you cannot advise The Community Foundation to make grants from your fund. You can plan for that time by naming a successor advisor or advisors to your fund to succeed you. Please note that granting someone power of attorney over your affairs does not make that person a successor advisor. A successor advisor must be named in your fund agreement. Successor advisors may be your children, grandchildren or other individuals. You should always talk with proposed successor advisors before naming them in your fund. If more than one successor advisor is named, the Foundation will ask one advisor to serve as the primary contact for the fund. Please contact the Foundation if you wish to name a successor advisor.

Converting your donor advised fund or establishing additional funds

While a donor advised fund allows you the greatest involvement in grantmaking during your lifetime, The Community Foundation offers other fund options to help meet or continue your philanthropic goals. If you would like to convert your donor advised fund to another type of fund, or are interested in establishing additional funds, please contact a member of the development staff.

Unrestricted Fund

An unrestricted fund addresses a broad range of local needs – including future needs that often cannot be anticipated at the time your gift is made. We evaluate all aspects of community well-being: arts and culture, economic development, education, environment, health and human services, and more. Grants are approved by the Board prior to distribution. The flexibility of your unrestricted fund enables our Board and staff to respond to the community's most pressing needs, today and tomorrow.

You can direct your unrestricted fund's support toward a particular geographic area in our region if you wish.

<u>Field of Interest Fund</u>
A field of interest fund targets your gift to address needs in an important area of community life such as assisting people in need, improving education, promoting the arts or health, building community and economic development, or preserving the environment. Our Board awards grants to community organizations and programs that are making a difference in the areas you select. Your gift stays flexible enough to meet community needs in your interest area – even as they change over time.

<u>Designated Fund</u>
A designated fund allows you to support the good work of one or more of your favorite charities. If the beneficiary organization ceases to exist, loses its charitable status or changes its mission, The Community Foundation of Western North Carolina redirects support to a similar organization.

Changing the name of your fund
The Community Foundation will gladly consider a name change for your fund upon receiving your written request suggesting the name change.

Changing the advisors to your fund
If you would like to change the advisors to your fund, add successor advisors, or have the Foundation begin working with the successor advisors already named in your fund agreement, please let us know. We'll be glad to help.

Closing your fund
Contributions to your fund are irrevocable. The assets of the fund must be held for or used for charitable purposes. A non-endowed fund may be closed by recommending that the entire balance be disbursed for grants. Traditional endowed and hybrid funds are established in perpetuity according to the donor's instructions at the time of the fund's creation.

Inactive funds

If a fund has received no gifts and made no grants for two years, the Foundation will contact the fund advisor to determine a course of action.

Planned Giving

We offer a variety of ways to add to your fund or to create a new fund through planned gifts, including bequests, charitable gift annuities, charitable remainder trusts, and charitable lead trusts. The Community Foundation honors donors who have arranged for a future gift by inviting them to be part of the Legacy Society and listing their names in our annual report. The Community Foundation will gladly work in partnership with your professional advisors as you make financial and estate plans. Please contact a member of the development staff for more information about planned giving opportunities.

Bequest by Will - Including a charitable bequest in your will is a simple way to make a lasting gift to your community. When you make this gift through The Community Foundation, your fund benefits the community forever and becomes your personal legacy of giving.

How it works

- You decide what assets to leave to The Community Foundation – you can designate a specific amount, a particular asset or the remainder of your estate after other distributions are made.
- We can provide your attorney with the recommended language for your will.
- Your gift can be added to an existing fund or create a new one. If your gift will create a new fund, we draft a fund agreement that explains your charitable wishes.
- When assets are received from your estate, they are added to your fund.
- We handle all the administrative details after the assets are received and, following your instructions as spelled out in the agreement, issue grant awards to charities in the name of your fund. If you prefer, grants can be made anonymously.

Charitable Gift Annuity - Giving through a charitable gift annuity allows you to arrange a generous gift to your community, while providing yourself annuity payments you can count on for the rest of your life.

How it works

- You make a gift to The Community Foundation - you can give cash, appreciated stocks, or other assets.
- We set up a contract with you that combines annuity payments with a deferred charitable gift.
- You receive regular payments that are fixed, regardless of market conditions.
- You also receive an immediate tax deduction for the charitable portion of your gift.
- Upon your death, we set up a new fund or add the assets to your existing fund.
- We handle all the administrative details – issuing annuity payments to you during your lifetime and, afterward, issuing grant awards to charities in the name of your fund. If you prefer, grants can be made anonymously.

Charitable Remainder Trust – Giving through a charitable remainder trust allows you to receive income for the rest of your life, knowing whatever remains will benefit your community.

How it works

- You transfer cash, appreciated stocks, real estate or other assets into an irrevocable charitable trust.
- You receive an immediate charitable tax deduction for the charitable portion of your trust.
- The trust pays you or a beneficiary you designate regular income payments.
- Upon the beneficiary's death or after a defined period of years, the remaining assets in the trust transfer to your fund at The Community Foundation.
- We handle all the administrative details, issuing grant awards to charities in the name of your fund. If you prefer, grants can be made anonymously.

Charitable Lead Trust – A charitable lead trust helps you build a charitable fund with The Community Foundation during the trust's term. When the trust terminates, the remaining assets are transferred to you or your heirs, often with significant transfer-tax savings.

How it works

- You transfer cash, appreciated stocks, real estate or other assets into an irrevocable charitable trust.
- We set up a fund in your name, in the name of your family or business, or in honor of any person or organization you choose.
- Your charitable lead trust pays The Community Foundation an annual amount to build a charitable fund. You designate the trust to exist for a specific number of years or until your death.
- You also designate your family or anyone you choose as the final beneficiary of your trust.
- If you choose, you can stay involved in the good works your gift makes possible – working with our professional program staff to support the causes and agencies you care about most.
- We handle all the administrative details, issuing grant awards to charities in the name of the fund you establish. If you prefer, grants can be made anonymously.

The Community Foundation of Western North Carolina is glad to help you integrate your charitable giving with your financial and estate planning through consultation with your legal, tax and financial advisors. For more information about making a gift through one of the vehicles described above or with life insurance, retirement plan assets, closely-held stock, or real estate, please call a member of the development staff.

Forms & Information

- *Women for Women* Brochure [see pocket 2]
- Donor Advised Fund Terms and Conditions
- Donor Initiated Fundraising Policy
- Donor Advised Grant Recommendation Form
- Partners-in-Giving Interest Form
- Donor Central Registration Agreement
- Sample Letter to Broker for Electronic Transfer of Stocks and Bonds
- Sample Letter of Authorization for Physical Transfer of Stock and Bond Certificates
- Stock Power

Please feel free to copy any of these pages for your use
or call The Community Foundation for a copy: (828) 254-4960.

THE COMMUNITY FOUNDATION OF WESTERN NORTH CAROLINA

Donor Advised Fund Terms and Conditions

Legal status of funds. Donor funds established at The Community Foundation of Western North Carolina (the "Foundation"), a Section 501(c)3 public charity, are component funds of the Foundation. Accordingly, all contributions to the Foundation's donor funds are treated for tax purposes as gifts to a Section 501(c)3 public charity and generally are tax deductible, subject to individual income tax limitations.

Endowment funds (or any endowed portion of a fund) are subject to the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as now enacted or hereafter amended in the State of North Carolina.

Establishment of funds. A donor advised fund ("fund") may be established by the donation or transfer of money or property ("contribution") to and acceptance by the Foundation, by any person or persons ("donor(s)") , whether by contribution, gift, bequest, or devise or by transfer from a charitable or other organization to further the purposes of the Foundation set forth in its Articles of Incorporation. Ownership of each fund is vested in the Foundation and the Foundation has ultimate authority and control of all property and income in the fund for the charitable purposes of the Foundation. Specific terms and conditions for the type of fund established are stated in the fund agreement executed between the donor(s) and the Foundation.

Fund minimums. The Board may establish minimum amounts for the establishment, addition to, balance of or disbursement from funds. Minimum gifts to establish a fund and minimum fund balances are noted on the Foundation's current fee schedule. Minimum amounts for additional gifts and/or fund distributions are noted in the current donor handbook.

Acceptance of contributions. Foundation employees authorized by the Board may accept, on behalf of the Foundation, a contribution to establish or add to a fund. A donor may not impose any material restriction or condition that prevents the Foundation from freely and effectively employing contributed assets, or income derived from assets, for the charitable purposes of the Foundation.

Spending from funds. The amount available from any fund for grantmaking is determined according to the spending rule applicable to the type of fund established.

In determining spendable income from traditional endowment funds, the Foundation's board of directors will consider the long and short-term needs of the communities served by the Foundation, the expected and reasonable total return on the investments of funds held by the Foundation, reasonable costs of investing and administering the fund, desirability of maintaining the future purchasing power of the Foundation's funds, and any other factors it deems relevant. Funds available for distribution on an annual basis for each fiscal year (July 1 through June 30) are determined by calculating 4% of the average market value of the fund over a 16 quarter period. In the event that endowment funds have declined in value below the historic gift value of the fund, available spending will be determined by calculating 2% of the average market value of the fund over a 16 quarter period.

Donors or fund advisors may request that spendable income be added to and become a part of the principal rather than being distributed.

Investment of assets. The Board of Directors of the Foundation shall have absolute authority and discretion as to the investment and reinvestment of the assets of the fund. The Foundation may commingle the assets in the fund with other assets held by the Foundation, but the Foundation shall maintain detailed accounting records specifically identifying the portion of the investments and income of the Foundation which are properly allocable to the fund. The Board may elect from time to time to delegate investment decisions to the trust department of a state or federally regulated banking institution or to an investment management firm. In such event, neither the Foundation nor its Board shall be responsible for investment decisions made by such manager.

The Community Foundation may offer the donor the opportunity to recommend an investment option at the time of contribution, from among investment programs established by the Foundation and under the Foundation's control.

Upon approval of the Foundation's Board, assets may be managed by an independent trustee, custodian, investment advisor or other fiduciary (an "outside investment manager") apart from the pooled assets of the Foundation, provided that all such assets are managed in accordance with The Community Foundation of Western North Carolina's investment policy. Minimum fund values are required for investment by an outside investment manager. The Foundation reserves the right to replace any outside investment manager in its sole discretion.

Investments are subject to market and interest rate fluctuation risks. Gains and losses generated by the investment of the fund are credited or charged to the fund.

Fees. Funds are subject to administrative and applicable investment fees. The Foundation reserves the right to change its fee structure at any time.

Advisors. Donors shall name an advisor(s) to the fund in their fund agreement. The advisor may recommend eligible charitable recipients for grants from the fund. These recommendations are solely advisory and must be consistent with the Foundation's charitable purposes. The Foundation is never bound by any recommendation. Wherever the context requires, the term "advisor" shall include all advisors and/or successor advisors named in the fund agreement or in writing by the donor.

The advisory role shall terminate upon:

a) the death of all advisors named in the fund agreement
b) written notice to the Foundation advising that an advisor is no longer capable of or no longer wishes to act in this capacity.

The charitable disposition of donor advised fund assets is determined by the terms of the fund agreement. If no such terms are indicated, the fund's assets will be added to the Foundation's *Fund for Western North Carolina*.

Successor advisors. Successor advisors may be named for donor advised funds administered as flexible or traditional endowments. All requests to appoint additional advisors and successor advisors to an advised fund must be submitted to the Foundation in writing by the donor(s) establishing the fund. If more than one successor advisor is named, the Foundation may require that one person be designated to act for all advisors in submitting recommendations to the Foundation.

Donor advised funds established by organizations rather than individuals may be advised by an appointed committee with a process for selecting new members. Successor advisors must be named in writing by an officer of the organization.

Grant recommendations. Donor recommendations are considered only if submitted in writing (including by fax or email) by the advisor or successor advisor, as designated in the fund agreement.

For grants from donor advised funds, the Foundation staff investigates all prospective grant recipients to ensure that they are organized and operated for charitable purposes within the meaning of Section 501(c)3 of the Internal Revenue Code and that the purpose of the grant is consistent with the Foundation's charitable purposes. The extent of staff investigation will depend on the nature of the grantee, the size of the grant and any other consideration determined necessary by the Foundation's board or staff.

Donor advised funds may not make scholarship awards or any other distribution to an individual. Grants may not be made to certain charitable organizations classified as Type 3 supporting organizations or to private non-operating foundations.

All grant recommendations are solely advisory and subject to approval by the Board (or Distributions Committee of the Board).

Limitations on grants from funds. Grants will not be made for memberships, pledges, sponsorships, tickets, expense reimbursement or any purpose that provides more than an "incidental" benefit to the donor recommending the distribution{the term donor and donor advisor includes any person appointed or designated by the donor that reasonably expects to have advisory privileges with respect to the distribution or investment of the fund. These terms also include family members and certain corporate, partnership and trust entities ("35% controlled entities)}. Distributions are not made to individuals or to organizations that are not qualified Section 501(c)3 public charities or for political campaigns, lobbying, or legislative activities.

The Foundation may set and alter minimum amounts for distributions from funds; these amounts are noted in the current donor handbook.

Donor initiated fundraising. All efforts to solicit gifts or to conduct fundraising events on behalf of component funds must be conducted in compliance with CFWNC's *Donor Initiated Fundraising Policy*. "Solicit" refers to any time people are asked, verbally, in writing, or by electronic means, to contribute to a fund. The term "fundraising events" includes but is not limited to receptions, dinners and parties; sports or entertainment events; and/or auctions and other similar activities. CFWNC reserves the right to refuse any assets that have been raised in violation of this policy.

Inactive funds. Non-endowed funds which have been inactive for two years (no gifts or grants) and whose balance falls below the Foundation's minimum fund size will revert to the Foundation's *Fund for Western North Carolina*, unless otherwise advised by the donors/advisors to the fund. Prior to action, the fund advisor will be contacted to determine a course of action. In the event that the advisor does not respond, the balance of the fund will be added to the Foundation's *Fund for Western North Carolina*.

Variance power. All donor funds established at the Foundation are subject to the Foundation's "variance power," as set forth in Article Two, Section 1 of the by-laws of the Corporation. The variance power gives the Foundation the authority to modify any donor recommendation or condition on distributions from a fund for any specified charitable purpose or to any specified charitable organization if, in the sole judgment of the Foundation, such recommendation or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community.

Conflict of terms. In the event of an inconsistency between these Terms and Conditions, and any terms and conditions appearing elsewhere in connection with any component fund, these Terms and Conditions as interpreted by the Foundation shall govern, and the Foundation reserves the right to take any actions at any time which, in its discretion, it deems reasonably necessary or desirable for the proper administration of any fund or the Foundation.

The Community Foundation of Western North Carolina

DONOR INITIATED FUNDRAISING POLICY

Thank you for your interest in raising money for a fund established at The Community Foundation of Western North Carolina ("CFWNC"). We are pleased you wish to hold an event or otherwise solicit money for the fund and further your good work through The Community Foundation. In addition to raising contributions, these events may commemorate a person, event or idea, and can be a means to engage a broader group of individuals in the fund's charitable mission.

We have developed the policy below to ensure that your fundraising efforts (1) comply with IRS and other governmental regulations, (2) ensure donors receive the appropriate acknowledgement, and (3) protect the brand identity of CFWNC, including its logo. This policy is very important, and we are happy to assist you in ensuring your event complies with the guidelines stated here. We reserve the right to refuse any assets raised in violation of this policy.

When we refer to "solicitations" in this policy, it refers to any time people are asked, verbally, in writing, or by electronic means, to contribute to your fund. The term "fundraising events" includes but is not limited to receptions, dinners and parties; sports or entertainment events; and/or auctions and other similar activities. Please feel free to contact CFWNC whenever you have questions about our fundraising policy. Thank you for your cooperation and for your fundraising efforts.

REQUIRED STEPS

If you are considering a fundraising event, solicitation or project for a fund of The Community Foundation of Western North Carolina, **the following two steps are required prior to the Foundation's receipt of contributions to your fund.**

1) Discuss your plans in advance with a Foundation staff member. You can call, send a letter or email, or arrange a meeting at your convenience. We recommend that you conduct this meeting at least 60 days in advance of your event or solicitation.

2) **Get approval for any materials that mention CFWNC**. The Foundation must approve, in advance of printing or production, all written or spoken materials (including letterhead, brochures, website content and radio and television announcements) related to solicitations to promote a Fund. All materials must clearly state the Fund's name as "*Name of Fund* of The Community Foundation of Western North Carolina."

GUIDELINES

These guidelines cover the following fundraising scenarios:

1) Direct, tax-deductible gifts to a fund at CFWNC
2) Event/solicitation sponsored by a 501(c)(3) organization
3) Proceeds from an event/solicitation for which donors were not offered a tax deduction

1) Direct, tax-deductible gifts to a fund with CFWNC

You may promote a fund through various forms of passive marketing including brochures, posters, information sessions, or a request of money through an appeal letter to friends and associates.

In response to those marketing efforts, a donor may make a gift directly to the Fund. In that case, he/she should make their check payable to the *Name of Fund/CFWNC*, and send it directly to the Foundation (gifts of appreciated assets made directly to the Foundation are also acceptable). He/she will receive a gift acknowledgement letter

from CFWNC indicating that the gift is tax deductible. As fund holder, you will be notified upon receipt of the gift.

2) *Event or solicitation sponsored by a 501(c)(3) organization with proceeds to benefit a fund at CFWNC*

You may make a gift of the proceeds from an event or solicitation that is sponsored by a 501(c)(3) organization which has a fund at the Foundation for the benefit of that organization.

Organizations with their own 501(c)(3) status may sponsor a fundraising event or solicitation promoting their organization and deposit the net proceeds into the organization's fund at CFWNC. The organization will issue its own acknowledgment letters to donors. If you are publicly stating the proceeds will be deposited into a Fund at the Foundation, all printed and spoken material must clearly state the Fund's name as "*Name of Fund* of The Community Foundation of Western North Carolina."

Organizations should ensure their compliance with all applicable IRS and State of North Carolina laws (including Charitable Solicitations Act, N.C. Gen. Stat. Art. 131F, if applicable). and regulations regarding solicitation, acknowledgment and tax deductibility of gifts.

3) *Proceeds from an event/solicitation for which donors were not offered a tax deduction*

You may make a gift to the Fund from the proceeds of an event/solicitation for which donors were not offered a charitable tax deduction.

Fundraising may be conducted by an individual, a group of people, or an organization for the benefit of a fund. Generally, the person or group that plans and executes the fundraiser (for example: dinners; golf tournaments; walk-a-thons; auctions; sales of products or services; requests for money from individuals or organizations through mailings, advertisements, or oral solicitations) makes one lump sum donation (net of expenses) to the fund. Unless the event is sponsored by a qualified charitable organization which accepts and acknowledges the contributions, the donor *may not* take a charitable tax deduction for the contribution.

CFWNC will not acknowledge the individual contributors of the dollars, and no one will receive a charitable deduction for participating in the event. A receipt for the net amount received is sent to the organizing group. Any published materials related to the fundraising event should have the following wording**:** **"**The net proceeds of this event will be contributed to the *Name of Fund* of The Community Foundation of Western North Carolina."

Guidelines applicable to non-tax-deductible fundraising

1. An individual or group that plans and executes a fundraising event may state that the net proceeds will benefit the general purpose of the Fund. If publicly stating the proceeds will be deposited into a fund at the Foundation, all printed and spoken material must clearly state the Fund's name as "*Name of Fund* of The Community Foundation of Western North Carolina."

2. The individual or group *may not* use the Foundation's tax exempt number in connection with the event. Contributions made as a result of an event/solicitation will not qualify as a tax deductible charitable gift to the Foundation.

3. Event organizers are responsible for obtaining and paying for any necessary insurance, permits, licenses, approvals, etc. Events or activities that include raffles or other games of chance are regulated by state and local governments and must be specifically reviewed and authorized by the appropriate branch of government.

4. Fundraising events often require certificates of insurance or signed contracts. When events are sponsored independently of the Foundation, the name of the Foundation or the Fund must not appear on any contract or agreement.

5. Individual participants in the event (ticket purchasers, sponsors, golf players, etc.) make their payments to the organizing individual or group, not to The Community Foundation or the Fund. The organizers may record the contributors' names and addresses and provide a courtesy acknowledgement. The acknowledgement letter *may not* include any language stating that the letter serves as an official receipt for

IRS purposes or include any reference to tax deductibility. Letters may state that "The net proceeds of this event will benefit the *Name of Fund* of The Community Foundation of Western North Carolina."

6. The planning group pays all expenses and sends the net proceeds of the fundraiser to CFWNC for addition to the Fund. The Foundation records the gift as coming from unnamed third-party donors. Please note that CFWNC is prohibited by law from reimbursing the planning group for its expenses, therefore the group must deduct its expenses before sending the net proceeds to CFWNC.

Thank you for your interest in supporting your fund.
If you have questions about this policy, please contact CFWNC at (828) 254-4960.

Approved/revised: 10/26/06

The Community Foundation
of Western North Carolina

Donor Advised Grant Recommendation Form

I (we) recommend the following grants to the Board of Directors. I (we) understand that the final judgment rests with the Board, whose charge it is to see that all grants are within the charitable purposes of The Community Foundation of Western North Carolina. I attest that this recommendation does not represent payment of a pledge or other personal financial obligations on behalf of the fund representative(s), family members or businesses they control and that no tangible benefit, goods or services, such as dinners, tickets, etc were or will be received by any individual or entities connected with the Fund (as described above).

Signature of Advisor(s) ____(REQUIRED)

PLEASE PRINT LEGIBLY to ensure accurate and timely processing of your recommendations. Return form by mail to: P.O. Box 1888, Asheville, NC 28802 or fax: (828) 251-2258. For information or more forms, please call (828) 254-4960.

Date: ____________ **Name of Donor Advised Fund:** ____

Address: ____

Phone: ________________________________ **E-mail:** ______________________________________

Name and Address of Recommended Organizations	**Gift Amount***	**Purpose/Special Instructions** [No pledges or contributions may result in a tangible benefit to the donor, advisors or related parties]
1.__________________________	___________	______________________________________
__________________________		______________________________________
__________________________		______________________________________
2.__________________________	___________	______________________________________
__________________________		______________________________________
__________________________		______________________________________
3.__________________________	___________	______________________________________
__________________________		______________________________________
__________________________		______________________________________

In Memory of (Gift #____)

Name of Deceased ________________________

Survivor to be Notified _____________________

*Relationship to Deceased*________________________

*Address*___________________________________

*Address*___________________________________

In Honor of (Gift #____)

Honored Person __________________________

*Occasion*________________________________

Address ________________________________

*Address*________________________________

(*$100 grant minimum until July1, 2012 - it will increase to $250 per organization)

The Community Foundation
of Western North Carolina

CFWNC Partners-in-Giving Interest Form

To learn more about becoming a Partner-in-Giving, complete the information below.

My broad giving interests are in these areas:

___ Advancing the Arts

___ Assisting Children, Families and the Elderly in Need

___ Promoting Access to Quality Health Care

___ Women's Issues

___ Enhancing Our Natural Environment

___ Improving Educational Opportunities

___ Building Community and Economic Vitality

___ Other (please specify)

____

Comments on areas of interest (If there's a particular aspect of any issue listed above that you would like to learn more about, we'd like to know):

A member of The Community Foundation staff will contact you to discuss your philanthropic interests and how the Partner-In-Giving program can help you achieve your goals.

Name____

Email address _________________________ ***Phone*** _________________________

Please return this form to The Community Foundation by mail or fax.
Address: CFWNC, P.O. Box 1888, Asheville, NC 28802 Fax: (828) 251-2258

The Community Foundation
of Western North Carolina

Donor Central Registration Agreement

I am an advisor for the fund or funds (the "fund(s)") of The Community Foundation of Western North Carolina, Inc. ("the Foundation") listed below. I wish to use the services the Foundation is making available online through the Donor Central web site owned and operated by Microedge.

By signing below, I grant permission for the Foundation and Microedge to make data regarding the fund(s) accessible to me and to communicate electronically with me regarding the fund(s).

I also agree to the following terms:

1. The Foundation and Microedge will use the user identification code and password assigned to my fund to make the data accessible to me. I promise not to disclose my fund user identification code and fund password to anyone who is not an advisor to my fund.

2. The Foundation will provide to Microedge all information relating to grant recommendations and activities of the fund(s) for purposes of processing any online recommendations I (or any other advisor to the fund(s)) make and allowing me to access such information through Donor Central. This information may include some or all of the following: the names of all donors and advisors to the fund(s); donations by particular donors to the fund(s) on particular dates; information about specific grants recommended and/or made from the fund(s) (including the amounts of such grants, the grantee(s), as well as the names of advisor(s) who recommended such grants), and fund balances (including descriptions of investment products and managers).

   The Foundation is unable to ensure that the data or Donor Central shall be uninterrupted, error-free, or free from viruses or other harmful components. The Foundation disclaims any warranties regarding the use of data provided through the Microedge site or that the content of the Microedge site shall be accurate, reliable or correct.

3. Microedge has informed the Foundation that it will implement and maintain security procedures reasonably sufficient to ensure all of the Foundation's confidential information, including information relating to the fund(s), is secured and adequately maintained and protected from theft or improper access and prevented from disclosure to any third parties or Microedge personnel not directly involved with the Foundation.

4. The terms and conditions of use and privacy policies of Microedge, which may change from time to time, shall govern the security measures and privacy protections applicable to any information relating to the fund(s). NPO's terms and conditions of use and privacy policy may be found at www.edonorcentral.com/faq_terms_conditions.htm. In using the Microedge site, I must comply with any terms and conditions that Microedge may post on Microedge's web site. I understand it is my duty to keep myself apprised of the most recent iteration of Microedge's terms and conditions of use and privacy policy.

5. I understand the Foundation web site is operated separately from Donor Central. In using the Foundation web site, I must comply with any terms and conditions that the Foundation may post on the Foundation web site. I understand it is my duty to keep myself apprised of the most recent iteration of the Foundation's terms and conditions of use and privacy policy.

6. I understand the Foundation is not obligated to act on any recommendations I (or any other advisors to the fund(s)) make regarding the fund(s) and all decisions made by the Foundation regarding online recommendations for donor advised fund(s) shall be made in substantially the same manner as decisions made by the Foundation regarding other donor recommendations.

7. I agree the Foundation is not liable on account of any use or misuse of the Foundation's web site, Donor Central or the Microedge site, including data. This limitation of liability shall apply to prevent recovery of direct, special, incidental, consequential, exemplary, and punitive damages (even if the Foundation has been advised of the possibility of such damages).

   I further agree the Foundation is not liable for any failure of performance, error, omission, interruption, defect, delay in operation or transmission, computer virus, or line failure arising out of any use of the data provided through the Foundation's web site, Donor Central or the Microedge site.

8. I understand use of Donor Central is restricted to those advisors who are persons age 13 and older.

   I have read and agree to this Agreement and its terms and conditions.

Name of Fund(s):____

____

______________________________	______________________________
Print Name of Fund Advisor	Print Name of Fund Advisor
______________________________	______________________________
Signature & Date	Signature & Date
______________________________	______________________________
Print Email Address	Print Email Address

- ❑ **I would like my user ID and password e-mailed to me at the address above.**
- ❑ **I would like my user ID and password sent by U.S. mail.**

Sample Letter to Broker for Electronic Transfer of Stocks and Bonds

Date: ____

Your Broker's Name: ____

Firm: ____

Address: ____

____

RE: Gift of Stock to The Community Foundation of Western North Carolina

Dear ____,
Your Broker's Name

This letter constitutes my direction to you to transfer the following shares of stock from my account number ____ to

The Community Foundation of Western North Carolina's ______________________________
Brokerage Name

______________________________ via DTC number ________________________.
Account number

Number of shares	Company
__________	______________________________
__________	______________________________

I intend this transfer to be a gift to The Community Foundation of Western North Carolina. Please expedite this transfer and advise me when it is complete. **Please advise The Community Foundation when the transfer has been made** by calling Naomi Davis at (828) 254-4960.

Sincerely,

____
(signature)

____
(print name)

Sample Letter of Authorization for Physical Transfer of Stock and Bond Certificates

Date: ______________________

I am making an irrevocable gift to The Community Foundation of Western North Carolina, Inc. of the following securities:

# Shares	Name	Certificate

I intend this transfer to be a gift to The Community Foundation of Western North Carolina. I hereby relinquish all right, title and interest in these securities and I do hereby finally and irrevocably release and discharge The Community Foundation of Western North Carolina of any claims by me or my legal representatives with reference thereto, including the proceeds of the sale and disposition thereof.

Please place the proceeds in the ____Fund.

Sincerely,

____

Signature

To: _______________________

Acct #: ____________________

The above named donor wishes to contribute the above named securities to The Community Foundation of Western North Carolina. This is a written authorization for you to sell the securities on behalf of The Community Foundation of Western North Carolina, Inc. and to issue a check for the net proceeds to the Foundation at P.O. Box 1888, Asheville, NC 28802.

Sincerely,

Elizabeth Brazas
President

ASSIGNMENT SEPARATE FROM CERTIFICATE

For Value Received, the undersigned does (do) hereby sell, assign and transfer to

IF STOCK, COMPLETE THIS PORTION

__________ shares of the ____________ stock of ________________________________

represented by Certificate No ____,

standing in the name of the undersigned on the books of said Company.

IF BOND, COMPLETE THIS PORTION

one bond of the ____

in the principal amount of $________________, No ____________________________,

standing in the name of the undersigned on the books of said Company.

The undersigned does (do) hereby irrevocably constitute and appoint

________________attorney to transfer the said stock or bond, as the case may be, on the books of said Company, with full power of substitution in the premises.

OFFICE	ACCOUNT NO.	A.E.

Signed X ____________________________________

Dated ____________________________

Signed X ____________________________________

Glossary

501(c)(3) – A section of the Internal Revenue Code that designates an organization as charitable and tax exempt.

Adjusted Gross Income – The total amount of income used in the calculation of an individual's tax liability after certain adjustments are made, but before standardized and itemized deductions and personal exemptions are made.

Advisor – The fundholder who recommends grants from his or her fund; alternatively, a person designated by the fund donor to recommend grants from a fund. See also ***Donor*** and ***Fundholder***.

Affiliate or Affiliate Fund – A fund that benefits a particular community. Affiliate funds are not independent from The Community Foundation. The Community Foundation's affiliate funds are: Black Mountain Community Endowment Fund, Cashiers Community Fund, The Fund for Haywood County, Highlands Community Foundation, The McDowell Foundation, Foundation for Mitchell County, Rutherford County Foundation, Transylvania Endowment, and Yancey Foundation.

Beginning Balance – In reviewing a fund statement, the beginning balance refers to the value of your fund as of the close of the last business day of the previous quarter.

Capital Campaign – An organized drive to accumulate funds to finance the major needs of an organization, such as a building project.

Capital Gains (Losses) – Gain or loss from investment transactions. This includes both realized and unrealized changes in market value.

Community Support – Administrative fees deducted from your fund. Administrative fees cover The Community Foundation's services, including:

- Fund design
- Charitable gift and estate planning assistance
- Investment oversight
- Grantmaking and evaluation services
- Gift acknowledgement
- Learning opportunities

There is no fee for establishing your fund, new contributions to your fund, grants to charities, or other routine staff services.

Community Foundations – A public charity established to raise resources from the public to support charitable activities in a community or geographic area.

Contributions – Total charitable gifts made to your fund during the quarter. Details of each contribution are itemized in Section II of the fund statement.

Distributions – Charitable grants made from a fund during the quarter. Details of each grant are itemized in Section III of the fund statement.

Donor – People like you who have make a charitable grant or contribution. See also ***Advisor*** and ***Fundholder***.

Donor-Advised Fund – A fund held by a community foundation where the donor, or advisor(s) appointed by the donor, may recommend charitable recipients for grants from the fund. The Community Foundation's governing body may accept or reject the recommendations.

Endowment or ***Endowed fund*** – A fund in which the principal is kept intact, and only the income is available for grantmaking.

Ending Balance – The value of your fund as of the close of the last business day of the current quarter.

Field of Interest Fund – A fund held by a community foundation that is used for a specific charitable purpose. The Community Foundation of Western North Carolina has eight field of interest funds: Advancing the Arts, Assisting People in Need, Building Community and Economic Vitality, Improving Educational Opportunities, Enhancing the Environment, Promoting Quality Health, Addressing the Unmet Needs of Women and Girls, and Supporting Scholarship Awards for Students.

Fund – An ***endowed*** or ***non-endowed*** account given to a community foundation, sometimes with restrictions in how it is distributed.

Fundholder – A person who has created a fund with The Community Foundation. See also ***Advisor*** and ***Donor***.

Grant – An award from a fund to an organization to undertake charitable activities. The Community Foundation may only make grants to 501(c)(3) organizations.

Grantee – A charitable organization that receives a grant from a fund.

Income Earned – Interest and dividend income from investments.

Interfund Transfers – Transfers made from your fund to another fund held at The Community Foundation. For example, you might transfer $1,000 from your fund to The Fund for Education as an interfund transfer.

Non-Endowed Fund – Monies received and distributed with little or no dollars remaining with a community foundation.

Other Income – Unusual earnings that cannot be classified in a fund statement as contribution or investment income. Donor advised funds rarely have this type of income.

Spendable Income – In traditional endowments, the amount available to make grants. At present, this amount is calculated annually at 4% of market value of the fund averaged over the trailing 16 quarters.