



Donor Advised Fund Policy

Donor advised funds provide donors and their families with the opportunity to play an active and personal role in charitable giving while relying upon the experience and resources of the Greater Alliance Foundation in fund management and grant making. Donor advised funds established with the Greater Alliance Foundation are component charitable funds of and property of the Greater Alliance Foundation. They are not deemed to be separate trusts held by the Greater Alliance Foundation in a fiduciary capacity. This structure allows donors to make tax deductible gifts and to provide for the making of charitable grants with the most favorable tax treatment possible under the Internal Revenue Code and regulations. It also requires that the Foundation's donor advised funds be properly administered in a manner that will maximize the benefits of charitable giving and strictly follows all of the rules and regulations applicable to donor advised funds.

The following policies have been adopted to protect the interests of both donors and the Greater Alliance Foundation. These policies are also designed to protect the integrity of donor advised funds established with the Greater Alliance Foundation.

1. **Grants and Distributions from Donor Advised Funds.** The advisors of a donor advised fund may from time to time make recommendation for grants to be made from such fund to qualified charitable organizations. Qualified organizations eligible for such grants and distributions will generally include those described in Section 501(c)(3) of the Internal Revenue Code and certain governmental entities. These include charitable, religious and educational organizations as well as park districts, school districts, public libraries and other units of government.
2. **Prohibited Distributions.** The Internal Revenue Code expressly prohibits certain types of distributions or grants from donor advised or other charitable funds. It is the express policy of the Greater Alliance Foundation that it will not make grants or distributions from any donor advised fund which are prohibited by federal law, including any of the following:
 - a) Grants to donors, fund advisors, or related parties
 - b) Direct or indirect grants to specific individuals, including grants or distributions made directly to any organization for the benefit of a specific individual. Donor advised funds of the Foundation

Greater Alliance Foundation, Inc.

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may not be used to make grants which might otherwise be permitted by charitable organizations such as scholarships, emergency hardship grants, or disaster relief grants.

- c) Grants for non-charitable purposes.
 - d) Grants to an organization that is not a public charity.
 - e) Grants to any non-functionally integrated Type III supporting organization.
 - f) Grants to a supporting organization that is controlled by the donor or advisor of the fund.
 - g) Grants or distributions to satisfy all or any part of any pledge or financial obligation of any donor, fund advisor, or any related party.
 - h) Grants or distributions which result in any donor, fund advisor, or any related party receiving goods or services or any material benefit (tickets to events, gifts, or memberships that carry more than a token value as defined by current IRS regulations).
 - i) Grants or distributions to private foundations.
 - j) Donors, fund advisors, or any related parties, may not receive grants or distributions, loans, compensation, expense reimbursement, or similar payments from a donor advised fund.
3. **Expenditure Responsibility.** It is the general policy of the Greater Alliance Foundation not to make grants from any donor advised fund if the Foundation is required by IRS rules to exercise “expenditure responsibility.” Because unique circumstances may occasionally warrant such a grant the Foundation may elect to vary from this policy provided that suitable procedures are established through which the Foundation may exercise expenditure responsibility in compliance with the law.
4. **Donor Recognition.** The Greater Alliance Foundation believes that the making of grants and distributions to charitable organizations for charitable purposes can represent “leadership by example” which in turn encourages others to support their community through their own charitable gifts. Accordingly, it is the general policy of the Greater Alliance Foundation, and it encourages its donors, to permit appropriate recognition of the donors whenever grants or distributions are made from charitable funds. Notwithstanding this general policy, it is the specific policy of the Greater Alliance Foundation to honor the request of any donor or fund advisors that the source of specific grants or distributions remains anonymous.

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