



# **PROGRAM GUIDELINES**



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### INTRODUCTION

Welcome to SDG Impact Fund. We strive to assist donors in maximizing the impact of their charitable gifts and hope that you'll make full use of the services we offer.

The purpose of the Donor Advised Fund program is to create an opportunity for people like you to give back to their communities in an informed and active way. This handbook is designed to explain the Fund's procedures and to answer some of the basic questions you may have about your Donor Advised Fund. It is a useful orientation for new donors and a handy refresher for those with established funds. Our goal is to make participation in the work of the Fund as rewarding as possible.

We are dedicated to meeting the diverse needs and interests of our donors. We attempt to personalize our donor services in a variety of ways. But most of all, we want to get to know your charitable interests so that we are better able to assist you in meeting your charitable giving goals.

SDG Impact Fund is a publicly-supported organization, created to assist donors in benefiting the charitable causes they support. SDG Impact Fund supports international, national, and local philanthropic efforts to meet the highest of needs and improve the quality of life for all.

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### MISSION

To be the pioneering Donor Advised Fund bringing donor centric philanthropy to the forefront of attaining the 17 SDGs through executing all we do at the highest levels of integrity, accountability and excellence.

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### CHARACTERISTICS OF DONOR ADVISED FUNDS

A Donor Advised Fund is a charitable fund established by a donor (an individual, family, trust or business) into which they contribute cash or assets, receive a tax deduction and continue to have the opportunity to be involved in its charitable use. A Donor Advised Fund offers



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active participation in the grant process by allowing you or your designee to recommend the grant recipients. It affords all the advantages of a private foundation with greater tax benefits and none of the administrative tasks.

A Donor Advised Fund can be created at SDG Impact Fund in a variety of ways—cash donations or appreciated securities, for example. It's a perfect vehicle for those who wish to participate actively in grant making and retain philanthropic flexibility.

A Donor Advised Fund is an irrevocable charitable gift of cash or securities from which you have the opportunity to recommend disbursements for charitable causes. Any recommendations regarding distributions from the Fund shall be advisory only. Such recommendations shall not be binding upon the Fund and the final decision regarding any distributions from the Fund is the decision of the Board of Directors of the Fund.

Funds established at SDG Impact Fund are component funds of the Fund, a not-for-profit corporation organized under the laws of the state of Georgia whose application to the IRS for recognition of its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code is pending. All contributions to the Fund are treated as gifts to a public charity.

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### **BENEFITS OF DONOR ADVISED FUNDS**

#### **Simplicity and Efficiency**

Through the Fund, you can centralize and streamline your philanthropy. For example, SDG Impact Fund Fund for the Arts allows you to recommend grants to many different nonprofit organizations without having to make separate contributions to each organization. Responsibility for the administrative work associated with charitable giving is transferred to the Fund and your anonymity can be protected if desired.



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### **Anonymity**

No other option for charitable giving enables complete anonymity on the part of the donor.

### **Reduced Costs**

Establishing a Donor Advised Fund is a relatively cost-effective way for donors to reap maximum tax benefits while supporting local and national causes. Because SDG Impact Fund is a Donor Advised Fund sponsoring public charity, account holders have few administrative responsibilities. SDG Impact Fund allow donors to simply recommend grants through our online web portal, which also provides consolidated reporting and record keeping, all in one convenient location. SDG Impact Fund donors are not required to file 990's, keep track of gift receipts or hire tax/legal professionals.

### **Flexibility**

You receive a charitable tax deduction in the full amount you give to a Donor Advised Fund in the year of your contribution, but you can make decisions regarding distribution for many years thereafter. Your fund continues to be invested and grows tax-free in a well-diversified, professionally-managed portfolio.

### **Maximum Tax Deductions**

Donors who contribute long-term appreciated securities to the Fund get a double federal tax benefit. Gifts of appreciated securities are deductible at their full market value if they were owned longer than twelve months. The capital gains tax on the stock's appreciation (the difference between the stock's cost and its current fair market value) is completely avoided. Every individual's tax situation is unique and we suggest that individuals consult their tax advisor with respect to maximizing tax benefits.

### **Expertise**

Your partnership with the Fund is an opportunity to learn about philanthropy from experienced, professional grant makers. Philanthropic Advisors are available to review



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requests and make recommendations. If you wish, we will bring your attention to organizations working in areas of your charitable interest.

### **Personalization**

As part of the Donor Advised Fund opening process, you will be asked to name your fund. The fund may be named for yourself, your family, your company, a relative, a friend or in memory of a loved one (e.g., "The Smith Family Charitable Fund"). Another option is to choose a name that reflects your particular charitable interest such as "The Smith Educational Fund".

### **Attractive Alternative to a Private Foundation**

A private foundation can be an appropriate vehicle in the right circumstances. However, the disadvantages of private foundations, including costs, administration, annual tax filings to the IRS and lesser tax benefits, cause many people to seek a better alternative. A Donor Advised Fund may be that better alternative. Private foundations can be terminated and the assets easily transferred to a Donor Advised Fund with SDG Impact Fund.

### **Donate Now, Decide Later**

Even if you are unsure how you want to allocate your charitable contributions, you can create a fund now and reap the tax benefits in the current calendar year. At a later date, you can provide your specific recommendations regarding charities, amounts and timing of grants.

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## **SETTING UP A DONOR ADVISED FUND**

To create a Donor Advised Fund, you sign a Giving Fund Agreement—a document that conveys your gift to SDG Impact Fund—as well as a Giving Fund Application—a document that specifies grant recommendation authority and fund investment options. A donor is the person who establishes the fund and a donor advisor(s) is designated by the donor in the Giving Fund Application as the only person(s) who can recommend disbursements from the fund. In the application, you may name yourself as an advisor, either to act alone or with another individual (or individuals). It is recommended that if more than one person is listed as



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a donor advisor, that one person be specifically designated to act as the chairperson for the fund in submitting grant recommendations to the Fund.

### **Donors**

Gifts from individuals, trusts, estates, charitable remainder trusts, charitable lead trusts, corporations and other entities under the program will be accepted by SDG Impact Fund to establish a Donor Advised Fund.

### **Primary Advisor**

The Primary Advisor typically is the primary donor to the fund. The Primary Advisor has the authority to recommend grants and investment allocations, name and remove joint advisors, secondary advisors, successors and/or charitable beneficiaries to the fund. They will have online access to view all fund information, activity and statements. All fund correspondence will be sent to the Primary Advisor at the Primary Advisor's address of record.

### **Joint Advisors**

The Primary Advisor may name a Joint Advisor (typically a spouse, sibling, family member, etc.) to the fund. Each Joint Advisor will have full and equal privileges to recommend grants, to recommend changes to investment allocations, to name and remove secondary advisors (see below), successors and/or charitable beneficiaries to the fund and to name and remove additional advisors with the same privileges.

### **Secondary Advisors**

The Primary Advisor may name Secondary Advisors who may recommend grants from the fund. A Secondary Advisor is usually a child, relative or friend whom the donor believes will recommend grants from the fund that are consistent with the donor's areas of interest. A Secondary Advisor does not automatically become a Successor Advisor to the fund (see below). However, you can name Successor Advisors to assume responsibility for the fund after the death of all original donors.



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### **Agents**

The Donor(s), Primary Advisors and Successor Advisors (“Advisors”) may appoint an Agent or Agents who may be granted “read only” access rights to view the Advisor’s fund. The Advisor can also give such Agent the power to transmit grant and investment allocation recommendations on behalf of such Advisor. If granted the authority to transmit an Advisor’s grant and investment allocation recommendations, such Agent shall only act pursuant to the directions of the Advisor which directions shall be memorialized in writing.

### **Successor Advisors**

When a Donor Advised Fund is established, the Primary Advisor to the fund may select any person or persons to assume the privileges and responsibilities associated with the fund upon the death or incapacity of the Primary Advisor and Joint Advisor (if named) on the fund (“Successor Advisor”). Written notification and verification of the death or incapacity of the Primary Advisor and Joint Advisor(s) (if named) to the fund is required prior to becoming a Successor Advisor to the fund. Successor Advisors can be granted full privileges regarding grant recommendations and investment pool designation or may be granted limited privileges at the discretion of the donor. SDG Impact Fund will recognize recommendations from any single Successor Advisor unless otherwise specified in the Giving Fund Application.

### **Charitable Beneficiary**

If the Primary Advisor fails to designate Successor Advisors but has recommended a qualified charitable recipient or recipients for the fund’s assets upon the death of all original donors, the remaining fund balance will be distributed—as a designated percentage annually for the remaining term of the fund—to the recommended qualified charitable recipient or recipients subject to final approval by SDG Impact Fund’s Board of Directors. If the Primary Advisor fails to designate Successor Advisors or recommend a qualified charitable recipient or recipients for the fund’s assets upon the death of all original donors, the remaining fund balance will be distributed to a designated SDG Impact Fund Community Impact Fund, selected by SDG Impact Fund’s Board of Directors.



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### **VARIANCE POWER**

It is understood that all assets contributed to the Fund become irrevocable gifts to the Fund, and the ultimate authority and control of all property in the Fund rests with SDG Impact Fund. All funds established at the Fund are subject to the organization's variance power, as set forth in the Fund's bylaws. Variance power gives the Board of Directors of SDG Impact Fund the power, without the approval of any donor, trustee, custodian, agent or other person or entity, to modify any restriction or condition on the distribution or investment of funds for any specified charitable purpose or to any specified organization if, in the sole judgment of the Board of Directors, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served by the corporation or if, in the sole judgment of the Board of Directors, other circumstances warrant such modifications.

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### **MINIMUM VALUE**

SDG Impact Fund recommends a minimum of \$25,000 to start a Donor Advised Fund but we are eager to work with you to accomplish your charitable goals and discuss your individual circumstances. On a case-by-case basis, we will accept a \$5,000 contribution to start a fund. We will start a fund, with some limitations on grant-making.

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### **ADDITIONAL CONTRIBUTIONS**

Contributions such as cash and appreciated securities can be made at any time. Gifts of real estate and certain other tangible assets can only be accepted with prior approval, subject to review by the Board of Directors.





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Gifts to a public charity, unlike contributions to a private foundation, have the benefit of the maximum charitable deduction permitted under current laws. The charitable gift you make to establish a Donor Advised Fund, and any subsequent contributions to the fund, are fully deductible as gifts to a public charity. SDG Impact Fund is defined as a public charity under sections 501(c)(3) and 170(b)(1)(A) of the Internal Revenue Code. All gifts to the fund are acknowledged by gift receipt letter that may be used as evidence of the charitable contributions for tax purposes.

All checks should be made payable to SDG Impact Fund SDG Impact Fund with the specific fund identified either on the payee line ("SDG Impact Fund/Your Fund") or on the memo line. This ensures ready acceptance by banks and accountability by SDG Impact Fund.

Some Donor Advised Funds conduct fundraising events or solicitations to grow their fund. All solicitations on behalf of a fund at SDG Impact Fund must meet our fundraising activity guidelines in advance of fundraising or solicitation. Staff will provide these guidelines upon request.

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### DISTRIBUTIONS

The donor advisor(s) recognized in the Giving Fund Agreement may submit grant recommendations to one or more charities by accessing our Grant Recommendation Form online ([www.sdgimpactfund.org](http://www.sdgimpactfund.org)). Grants may only be made to publicly supported 501(c)(3) charities, schools or government entities. Minimum recommendations of \$250 are encouraged in order to make the most efficient use of SDG Impact Fund's resources. Grants may be for undesignated support or you may designate the grant be used for a particular purpose. If no designation is stated, we will assume that the grant is to be used for general support.

SDG Impact Fund will research and document the charitable status of the proposed recipient organizations and the charitable nature of their activities, when necessary. With the support of our grant-making staff, the Fund reviews the recommendations using criteria established by our Board of Directors in accordance with IRS guidelines.



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The Fund's primary interest is the support of and fulfillment of the 17 SDGs. As these are global goals, we recognize the tremendous effort it will take to fulfill these, and that initiatives and collaborations will span country borders. While grants to national nonprofit institutions throughout the U.S. are relatively straightforward, grants to international charitable organizations outside of this U.S. are possible, and we will work hand in hand with donors in fulfilling their advisements.

### **Restrictions on Distributions**

The IRS is specific about some limitations on the types of grants that can be made from a Donor Advised Fund. Distributions from the fund may not be used to fulfill any preexisting pledge or for any personal benefit for donor(s), fund advisor(s) or any related party, including personal grants, loans, compensation, reimbursements and other similar payments. Additional examples of a personal benefit include: memberships in a nonprofit organization, tickets to fundraising dinners or golf tournaments, and goods purchased at charitable auctions and other fundraising events. In addition, distributions may not be made to private foundations or individuals, used for political contributions, lobbying or to support political campaigns.

### **Minimum Fund Activity**

If your fund is dormant for three (3) years (no grant recommendations from the fund), SDG Impact Fund will make every effort to contact you, your advisor(s) and/or successor(s) to request that a grant recommendation be made. If you, your advisor(s) and/or successor(s) do not respond within 60 days, SDG Impact Fund will transfer 5% of your fund balance to a named SDG Impact Fund.



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### **COMMON GRANTS & REQUESTS**

Here is a list of the most common types of grants made to nonprofit organizations and what they typically mean to those organizations:

#### **Unrestricted**

An unrestricted grant allows the nonprofit to use the dollars to support the organization where most needed.

#### **Operating/General Support**

An operating grant provides for the day-to-day costs of running the nonprofit organization.

#### **Project/Program**

A project or program grant supports a specific activity.

#### **Capital or Campaign Endowment**

A capital grant provides support for the purchase of property, the construction of a facility, remodeling/expansion of a facility or purchase of equipment.

#### **Endowment or Restricted**

Some nonprofits have endowment funds. The endowment fund is a permanent annual source of income for the operating or program expenses of the organization.

#### **Challenge or Matching**

A challenge or matching grant helps a nonprofit organization leverage additional dollars through a fundraising campaign.



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### **MAINTAINING CONTACT WITH GRANT RECIPIENTS**

When the Fund makes a grant from a Donor Advised Fund, the charitable organization receiving the grant is informed by letter. A copy of the grant distribution letter is sent to you as confirmation. Unless you request otherwise, any distribution from a Donor Advised Fund shall identify the name of the fund and the name and address of the fund's primary contact person for acknowledgment purposes.

We make every effort to respond promptly to your grant recommendations. Checks to organizations previously known to the Fund will be issued in a timely manner – usually within five business days of receipt of the grant recommendation. Fund staff will gather basic data and follow through with appropriate actions as quickly as possible.

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### **ADDITIONAL WAYS TO SUPPORT SDG IMPACT FUND**

Each year, individuals, foundations and corporations contribute to the Fund. Gifts to any of SDG Impact Fund help to meet the needs of charitable organizations for years to come. You may request that a transfer be made from your Donor Advised Fund to any SDG Impact Fund or to any other named fund at any time.

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### **INVESTMENTS**

The funds of SDG Impact Fund are managed by professional investment managers under the supervision of the Investment Committee of our Board of Directors in accordance with our Investment Policy. Regular reviews are conducted to monitor investment performance and activity.



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### **RECORD KEEPING AND REPORTING**

#### **Confirmation of Contributions**

SDG Impact Fund will provide a letter confirming the receipt and approval of a contribution by the donor. Such letter will provide the date of the contribution and a description of the asset transferred. The confirmation letter is designed to fulfill the IRS requirement for substantiation of the contribution and should be maintained as part of the donor's tax records. As a courtesy to donors, the confirmation letter will reflect SDG Impact Fund's good faith estimate of the fair market value of securities as of the date of gift. Donors making contributions of assets other than cash or publicly traded securities are responsible for obtaining their own appraisal of value as required by law and nothing herein should be construed to mean that the donor may rely on any estimate of value provided by SDG Impact Fund's staff for purposes of the donor's tax deduction. SDG Impact Fund is not responsible for and neither renders any tax or legal advice regarding the value or deductibility of assets contributed to a Donor Advised Fund under the program.

#### **Donor Advised Fund Statement**

SDG Impact Fund will provide monthly statements that summarize contributions, grants and investment pool activity for each fund. Upon request, SDG Impact Fund will provide additional hard copies of statement, sent via United Postal Service.

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### **ADMINISTRATION FEES**

There is no initial charge to set up a fund. Once a fund is established, an Administrative Support Fee is assessed on a quarterly basis. Administrative Support Fees provide for the operation of the Fund, including documenting tax deductions for donors, check preparation, grant review and processing, fund reports, mailing, data processing, bookkeeping and obtaining an independent audit. These fees are assessed directly to the fund and do not require an additional payment by you.



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### **Short-Term Fund Fee**

If a donor recommends SDG Impact Fund to grant out more than 95% of the assets in a fund within 12 months of opening the fund, a one-time fee will be charged directly to the fund prior to making a grant from the fund that results in a balance of less than \$25,000. The fee will be equal to the greater of \$500 or five percent (5%) of the highest balance in the fund during the 12-month period.

### **Minimum Account Balance**

SDG Impact Fund will not fulfill a requested grant that would reduce the fund value to \$2,500 or less, unless the fund is to be closed immediately after the grant, or an additional contribution of not less than \$5,000 has been made to the fund.

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*SDG Impact Fund, Inc. (Tax ID# 46-2368538) is a public charity as described in the Internal Revenue Code Sections 501(c)(3), 509(a)(1), and 170(b)(1)(A)(vi), whose application to the IRS for a determination letter of its status is pending.*

### **Donor Advised Funds Are Not FDIC Insured • Are Not Bank Guaranteed • May Lose Value**

*All money and property transferred to SDG Impact Fund, Inc. shall be an irrevocable gift to the charity.*

*Always consult with your independent attorney, tax advisor, and investment manager for recommendations and before changing or implementing any financial, tax, or estate planning strategy*