



Jewish Communal Fund
Policies & Procedures

Updated April 2021

Welcome to the Jewish Communal Fund

We invite you to use our Donor Advised Funds to make charitable giving ...

Easy

JCF handles the administrative work. No more worries about tracking receipts for donations to charities; you receive a single letter for tax filing

Organized

You can easily recommend and track grants on our secure website

Efficient

When you make a contribution, you are eligible for an immediate tax deduction

Flexible

You have the flexibility to set the timetable for recommending grants to your favorite IRS-qualified public charities

Confidential

JCF reports its grant-making in the aggregate, and does not report grant-making on a fund-by-fund basis

Strategic

You can recommend an investment allocation for your fund and the assets may grow tax-free

Multigenerational

Funds may be created for families, and special low-balance funds are available for minors and people ages 30 and under

Perpetual

JCF does not limit succession on our donor advised funds.

Jewish Communal Fund (JCF) is an independent, tax-exempt public charity as defined in Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code. JCF is governed by an independent Board of Trustees, and is subject to an annual independent audit.

JCF sponsors and administers donor advised funds, tax-efficient charitable giving vehicles, and is the oldest and largest sponsoring organization of donor advised funds serving the Jewish community. JCF provides funders with the tools, resources, and support to maximize their charitable impact. Contributions to JCF are irrevocable and qualify for an immediate tax deduction to the fullest extent allowed by law.

The following pages explain the procedure to establish a JCF fund and our policies. The Board of Trustees may modify the terms of the program, policies, and procedures at any time. Failure to comply with these policies and procedures may result in the termination of a fund.

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JCF Streamlines Your Charitable Giving

4 SIMPLE STEPS TO ESTABLISH A JCF FUND

1

Review Policies and Procedures and speak with a JCF representative

2

Complete Application online, email, mail or fax to JCF

3

Make an Initial Contribution with cash, securities, bonds, or mutual fund shares

4

Complete Investment Recommendation Form indicating how you would like the assets in your fund invested

Definition of Participants on a JCF Fund

Before you complete the application, please review the definitions of various participants on a JCF donor advised fund.

I. PRIMARY PARTICIPANTS

FUNDHOLDERS

Fundholders are individuals ages 18 and older who act as heads of the fund and have all of the following privileges (whether they are contributors to the fund or not):

1. Naming the fund
2. Recommending grants to IRS-qualified charities
3. Recommending an asset allocation from JCF's menu of investment options
4. Appointing (or removing) people to participate on the fund as Fundholders or Authorized Parties*
5. Naming Successors to assume the privileges as Fundholders on the fund

*Any changes to the participants on the fund must be approved by all Fundholders.

Fundholders act independently. To request an alternate structure for your fund, call JCF at (212) 752-8277.

II. ADDITIONAL PARTICIPANTS IN YOUR LIFETIME

AUTHORIZED PARTIES¹

Fundholders may authorize relatives, employees or professional advisors as Authorized Parties who may obtain confidential information about the fund including fund balance, investment allocation, and grant history via online access or over the phone. To add an Authorized Party to a fund, Fundholders must complete and sign the Authorized Party Form and mail, fax or email it to JCF.

¹ We no longer use the terms "Interested Parties" or "Recommenders." Interested Parties are now known as Authorized Parties. Recommenders are equivalent to Authorized Parties who can recommend grants in their own name. Individuals previously designated as Recommenders will only succeed you on your fund if they are listed as Successors.

Fundholders may grant Authorized Parties the following **additional privileges:**

- Sign investment recommendations on the Fundholder's behalf
- Sign grant recommendations on the Fundholder's behalf
- Recommend grants in their own name

III. SUCCESSION

SUCCESSORS—INDIVIDUALS

Successors are individuals named by the Fundholders to succeed them on their fund. After the death of all Fundholders, Successors assume all privileges held by the Fundholders including making grant and investment recommendations, and naming their own Successors. A Successor does not have to be of majority age (18) when appointed; a temporary "successor" may be named to act until the primary successor is of majority age.

SUCCESSORS—CHARITIES

Successor charities are charities that receive grants from residual assets after the death of the last Fundholder on an account.

PLEASE REFER TO "PLANNING YOUR CHARITABLE LEGACY" ON PAGE 13 FOR MORE INFORMATION.

Types of Funds

GENERAL CHARITABLE FUNDS

This is JCF's flagship donor advised fund, which can be established with an initial irrevocable gift of \$5,000 or more. Contributors will receive an acknowledgement for tax purposes.* This is the most popular and flexible type of JCF donor advised fund. It is appropriate for an individual or family. This fund may also be established by an authorized representative of a trust, estate, or private foundation. Fundholders (up to four) have the privilege of recommending investment allocations and grants, adding or removing participants on the fund, and naming successors on the fund.

PRIVATE CLIENT FUNDS

Similar in structure to a General Charitable Fund, a Private Client Fund adds additional customization, a designated senior staff liaison and special services. Private Client Funds are established with a minimum irrevocable gift of \$1 million. A balance of \$1 million provides the fund with access to the alternatives investment program, and to receive specialized client services. Some of the services provided to Private Clients include semi-annual complimentary meetings with JCF's investment advisor, three hours of complimentary philanthropic advising, educational resources, fees waived on international grant-making, and private consultation for legacy and succession planning. In addition, Private Client Fundholders may recommend for consideration investment managers not currently on JCF's platform. Fundholders have the privilege of recommending investment allocations and grants, adding or removing participants on the fund, and naming successors on the fund. Contributors will receive an acknowledgement for tax purposes.*

LIFE CYCLE FUNDS

Children's Funds (minors under 18). Children's Funds may be established for minors under the age of 18 as a way of transmitting the mitzvah of *tzedakah* (charitable giving) to children. Family members and friends may make an irrevocable gift in any amount of at least \$36 and each contributor will receive an acknowledgement for tax purposes.* When contributions total a minimum of \$1,800, the fund will be activated and available for grant-making. The fund will be named for the child (under age 18) and grant letters will only acknowledge the child. All funds for minors are custodial, and there must be a minimum of one adult on the fund (Head) who will act on behalf of the child. Funds may be established to celebrate a **Bar or Bat Mitzvah**. When the child reaches the age of 18, the fund will convert to a NextGen Fund once the child fills out the Donor Update Form.

Next Gen Funds (adults 18-30). Next Gen Funds may be established for or by individuals between the ages of 18 and 30, with a minimum irrevocable gift of \$1,800 to help young people get started with their charitable giving. Contributors will receive an acknowledgement for tax purposes.* Fundholders have the privilege of recommending investment allocations and grants, adding or removing participants on the fund, and naming successors on the fund.

Wedding Fund. A Wedding Fund infuses a celebration with added meaning. Fundholders and their guests may make irrevocable gifts of \$36 or more to establish this fund, and each contributor will receive an acknowledgement for tax purposes.* When total contributions reach a minimum of \$1,800 (for those under 30) and \$5,000 (for those 30 and older), the fund will be activated and available to the couple for grant-making. The couple has the privilege of recommending investment allocations and grants, adding or removing participants on the fund, and naming successors on the fund.

Memorial Fund. A Memorial Fund can be created in tribute to a loved one's memory. When total contributions reach a minimum of \$5,000, the fund will be activated and available for grant-making. You, your family, and friends may make irrevocable contributions to the fund in any amount of at least \$36 and each contributor will receive an acknowledgement for tax purposes.* Only the family members (or friends) who are designated as Fundholders have the privilege of recommending investment allocations and grants. Fundholders may not represent to contributors that the fund is established to support specific charities unless the Memorial Fund is created as a restricted fund in which the Fundholders relinquish the privilege of choosing additional charities to support. If the Memorial Fund is established to support a particular cause and anticipate a need to fundraise, please see restrictions and requirements on the next page.

**Acknowledgement letters will be provided for contributions of \$250 and above.*

All funds must be funded within one year. If the minimum is not reached within a year, Fundholders will be required to recommend a grant encompassing the entire fund balance less fees to the approved charity of their choice.

GROUP/GIVING CIRCLE FUNDS

Group Funds provide a way for people to demonstrate their generosity as a community and are appropriate for groups such as giving circles and clubs, when many people will be making contributions to a fund on an ongoing basis. These funds may receive irrevocable contributions from third parties and contributors will receive an acknowledgement for tax purposes.* Contributions should be made payable to JCF, with the specific fund name and/or number notated in the memo field of the check. Fundholders (no more than four) may recommend investment allocations and grants, add or remove participants on the fund, and name successors on the fund. Additional people may be added as Authorized Parties on the fund.

CORPORATE FUNDS

A Corporate Fund may be established with a minimum irrevocable gift of \$10,000. This fund is appropriate for professional associations, synagogues, and businesses that seek an efficient way to manage their charitable giving. The corporation will receive an acknowledgement for tax purposes. JCF requires a Corporate Resolution signed by two officers stating that the board has agreed to a) the establishment of the JCF fund, and b) the appointment of representatives (one of which must be an officer) empowered to act on behalf of the organization. The Fundholder is the corporation. A minimum of two of the designated representatives must act jointly as Authorized Parties on behalf of the organization. The Authorized Parties will have the privilege of recommending investment allocations and signing grant recommendations. The Authorized Parties may be removed and replaced by a corporate resolution.

DESIGNATED FUNDS

A Designated Fund operates for the sole benefit of a 501(c)(3) public charity, meaning that all assets in the designated fund are granted only to the charitable organization for which it was established. This fund can be used by synagogues, schools, and charitable organizations to segregate funds for a special purpose. The Designated Fund is established with a minimum gift of \$50,000 and may receive contributions from third parties. All contributors will receive an acknowledgement for tax purposes.* The charity must provide a Corporate Resolution signed by two officers stating that the board has agreed to a) the establishment of the JCF fund, and b) the appointment of representatives (one of whom must be an officer) empowered to act on behalf of the organization as Authorized Parties. The Authorized Parties will have the privilege of choosing from JCF's investment platform to recommend an allocation for the fund's charitable assets. These Authorized Parties also have the privilege of signing grant recommendations to the designated charity. It is recommended that at least two of the Authorized Parties act jointly.

DEFERRED FUNDS: A Deferred Fund is a fund established upon your death. We recommend submitting a Deferred Fund Application, which allows you to express your wishes regarding the administration of the assets that will be transferred to the Jewish Communal Fund. You may request to have individuals serve as Fundholders or Authorized Parties on the fund, or you may specify qualified charitable organizations that you recommend receive grant distributions from the fund in your memory. You can attach additional, detailed instructions in a succession letter. If all assets are to be distributed to charities immediately upon receipt by JCF, the fund will be charged the minimum administrative fee covering a 12-month period.

Jewish Communal Fund's EIN is: 23-7174183.

FUNDRAISING RESTRICTIONS FOR DONOR ADVISED FUNDS:

The IRS rules that govern the deductibility for gifts to charitable vehicles like donor advised funds reduce the value of a deduction by any return benefits. Therefore, funds **may not engage in any fundraising activity where there is an exchange of goods or services** for a contribution. This includes but is not limited to concerts, dinners, raffles, and auctions. **You may not promote any Fund as a separate charitable entity from JCF. In addition, no expenses related to any fundraising activity may be paid from the donor advised fund.** Fundholders may not represent to contributors that the fund is established to support specific charities unless the Fund is created as a designated fund and the Fundholders relinquish the privilege of choosing additional charities to support. If these guidelines are not followed, JCF reserves the right to suspend fund activity or to close a fund.

Funds may not engage in fundraising, whether online or through another public medium without the **prior approval** of JCF. Please be advised that when using a donor advised fund, many forms of fundraising are prohibited or restricted by law. You must contact JCF to inquire about the availability of an online fundraising option that is approved by JCF. If there is an approved online fundraising site for your fund, JCF must have access to it as an administrator. JCF reserves the right to review and edit all content (online or hard-copy) that pertains to funds managed by JCF. If you anticipate a need to fundraise, please call JCF to discuss prior to sending in an application form.

**Acknowledgement letters will be provided for contributions of \$250 and above.*

Contributions to Your Funds

CONTRIBUTORS

Contributors are individuals who make an irrevocable tax-deductible contribution to a JCF fund. Contributors do not have the privilege to act on a fund, nor may they receive confidential information unless they are authorized as Fundholders or Authorized Parties.

CONTRIBUTIONS MAY BE MADE BY:

- **Check**
- **Cash wire**
- **Credit Cards¹**
- **Publicly traded long-term² securities**
- **Bonds**
- **Mutual funds**
- **Complex Assets and Real Property**
(on a case-by-case basis)

In addition to the assets listed above, JCF accepts assets from most trusts including Charitable Lead Trusts and Charitable Remainder Trusts, and from Private Foundations.

Once we receive and accept your initial contribution, we will send you a letter of acknowledgement for your tax records.³ In general, publicly traded securities will be sold promptly by JCF and the net proceeds will be added to your fund. After receipt of the application and the assets by JCF, you will receive a Welcome Kit with the information you need to begin using your JCF donor advised fund.

After you establish a donor advised fund, you (or anyone else) may make contributions to your fund at any time, in amounts of \$18 or more. Each contribution made to JCF entitles the contributor to receive all of the tax benefits allowed by law. Written acknowledgements will be provided for gifts of \$250 or more. Once JCF accepts a contribution, it is irrevocable.

¹ Credit card payments must only be made through the JCF website, jcfny.org/creditcard (additional fees apply).

² Long-term denotes securities that have been held for 366 days. Publicly-traded securities held for less than a year will not entitle Fundholders to the fair market valuation.

³ Availability of certain federal income tax deductions may depend on whether you itemize deductions. Rules and regulations regarding deductions for charitable giving vary at the state level, and laws of a specific state or laws relevant to a particular situation may affect applicability, accuracy, or completeness of information provided.

Additional and different rules or limitations may apply to the tax treatment of your contributions to a donor advised fund depending upon your specific circumstances. Please consult with your tax or legal advisor.

WAYS TO CONTRIBUTE

JCF accepts many types of assets. Information about contributing these assets and the associated tax benefits described herein are the general rules that apply to contributions made to a donor advised fund (public charity). JCF is not responsible for the accuracy of any position taken by contributors on their tax returns. Contributors should consult with their tax or legal advisor to review their personal situation.

PROCESSING TIME FOR CONTRIBUTIONS

Processing times vary for different asset types. Generally speaking, JCF will liquidate contributions as quickly as possible after all of the required paperwork has been received and processed. Contribution acknowledgements are usually sent within 5 business days after the contributions have been credited to your fund. During high-volume periods, the processing time for contributions may be longer, but will not affect the date of the gift.

CASH

You may contribute cash by sending a check payable to the Jewish Communal Fund, using a credit card, or wiring funds to our bank account. Please call us or visit our website (www.jcfny.org) for wiring instructions. Currency or other cash-like monetary instruments may not be contributed.

Tax Benefits

Generally, cash contributions are deductible in the amount contributed up to 60 percent of the Donor's Adjusted Gross Income (AGI) in the tax year in which the contribution is made. Any excess amount may be carried forward and deducted up to the 60 percent limit in the five-year period after the year of contribution.

BONDS OR MUTUAL FUND SHARES

To arrange the transfer of bonds or mutual fund shares, please call JCF for instructions.

PUBLICLY TRADED SECURITIES

You may contribute long-term appreciated publicly traded securities by authorizing your broker to transfer the shares to our account via DTC (Depository Trust & Clearing Corporation). Please call JCF or visit our website at www.jcfny.org for our DTC instructions. Importantly, consult with your financial institution for their preferred/required transfer forms. If you have stock certificates, please call our office for instructions.

It is important to notify JCF when you have authorized a transfer of shares by completing the Securities Transfer Instruction form (please either call the office or download the form from our website, www.jcfny.org). We will liquidate the contributed shares as quickly as possible and credit the proceeds to your fund. During high volume periods, JCF's processing time for contributions of publicly traded securities it receives may be longer.

Tax Benefits

For contributions of long-term appreciated publicly traded securities (i.e., securities that you have owned for more than one year), a Fundholder may claim a fair market value deduction on the contribution day which is determined by averaging the highest and the lowest quoted selling prices of that date. The Fundholder is not subject to a capital gains tax on the appreciated portion of the contribution. The deduction for donated securities that a Fundholder has owned for one year or less is limited to the cost basis or current market value (whichever is lower).

Contributions of appreciated securities may be deducted up to 30 percent of Adjusted Gross Income in the tax year in which the contribution is made. Any excess amount may be carried forward and deducted up to the 30 percent limit in the five-year period after the year of contribution.

PRIVATE OR RESTRICTED STOCK, REAL ESTATE, OTHER ASSETS

In the case of restricted, closely held or Rule 144 stock, real estate, art, or other unusual assets, JCF maintains a policy governing the terms and circumstances by which we may accept such contributions. Our policy is to review the proposed contribution with our legal counsel and to ensure, among other things, that JCF does not assume any obligations or liabilities as a general matter and that the contributed asset can be liquidated within an appropriate period of time. Acceptance of such contributions is at the discretion of the JCF Board of Trustees and may be subject to conditions and/or legal and accounting fees. Please call us to discuss your proposed contribution.

TRANSACTION COSTS

When you contribute securities or other non-cash assets, your fund will be credited with the net proceeds from the sale of the contributed asset, reduced by transaction costs, such as brokerage commissions and any necessary legal fees. As a result, the amount credited to your fund may differ from the value of your charitable deduction.

MATCHING GIFT PROGRAMS

Certain companies will match a contribution to a donor advised fund or a grant issued from the fund as part of their corporate matching gift program. Please check with your employer to determine if contributions to your donor advised fund or grants made from the fund qualify for a matching gift.

THIRD-PARTY CONTRIBUTIONS

Relatives, friends, and/or business associates may make contributions to your donor advised fund in amounts of \$18 or more. The following rules apply:

- Third-party contributors may make contributions to your fund and receive a letter of acknowledgement (on minimum gifts of \$250) from JCF, but do not have any privileges with respect to the fund.
- You may not guarantee that specific grant recommendations will be honored in exchange for contributions made by third parties to your fund, nor may you solicit third-party contributions on behalf of a specific organization (unless the fund is a Designated Fund).
- Third-party contributors may not receive any goods or services in exchange for their contribution.
- For third-party contributions greater than \$5,000, the contributors will need to complete and sign a form confirming adherence to the rules above before JCF will accept the contribution.

Administrative Services & Fees

ONLINE ACCESS TO YOUR FUND

Visit our website at jcfny.donorfirst.org to view fund balances, contributions, grant activity, and asset allocations; recommend grants; and download the forms you need to make contributions, recommend a reallocation of assets, change fund participants, or create a new succession plan.

CONTRIBUTION RECEIPT

Upon accepting your contribution, JCF will send you a letter acknowledging your contribution. This letter serves as a receipt for tax purposes as required by the IRS. Please note that this letter does not supply a contribution value for noncash contributions. Valuation of contributions and the appropriate level of deductibility of contributions are the responsibility of the contributor. Pursuant to federal tax regulations relating to certain non-cash contributions in excess of certain amounts, the contributor may be required to obtain and attach an appraisal to his or her tax return. You should consult your tax or legal advisor for more information.

PROCEEDS NOTIFICATION

Each time you make a non-cash contribution to your fund (e.g., securities, bonds, mutual fund shares), you will be notified as to the net proceeds credited to your fund (i.e., sale proceeds less brokerage commissions). This amount does not represent the value of the charitable deduction to which you may be entitled.

QUARTERLY STATEMENTS

Each quarter JCF produces a complete report of all transactions in your fund. These statements are available on our private donor website.

GRANT STATEMENTS

Grant history is accessible at all times on the private donor website.

ANNUAL REPORT

The Jewish Communal Fund issues an Annual Report to Fundholders at the end of each fiscal year. The Annual Report is accessible on the JCF website.

ADMINISTRATIVE FEES

The annual administrative fee charged is calculated based on the average daily balance of your fund and deducted monthly as follows:

Balances less than \$5 million

0.75% (75 basis points) or **\$150***, whichever is greater.

Next \$15 million

0.50% (50 basis points)

Next \$20 million

0.10% (10 basis points)

Any amounts above \$40 million

0.05% (5 basis points)

Designated Fund Fees 0.40% (40 basis points)

Children's Giving Fund Fees: Children's Giving Funds with an average daily balance below \$5,000 will be charged a reduced fee of \$3 monthly, based on an annual fee of \$36. Fees and expenses may change at any time.

INVESTMENT MANAGEMENT EXPENSES

Investment management expenses are deducted directly from the total return of each investment alternative in your fund. To inquire about current investment management expenses associated with each investment, please see the Performance Comparisons of Investment Alternatives at www.jcfny.org.

OTHER FEES

Fees such as brokerage commissions or legal fees incurred in connection with the sale of contributed property and some complex assets may be charged to your fund. JCF reserves the right to deduct from a donor advised fund any legal fees or expenses that JCF incurs as a result of any judicial or regulatory action or inquiry (including an IRS audit), or any third-party claim, in each case related to grant recommendations and/or contributions the Fundholder or other permitted parties have made in respect of the fund. In addition, Fundholders may request philanthropic and/or investment advisory services from a list of consultants that JCF provides. The fees for these services may be charged to the Fundholder's fund.

**Any fund with an average daily balance below \$20,000 will be charged \$12.50 monthly, based on an annual minimum fee of \$150.*

Investments

MAKING YOUR ASSET ALLOCATION

Fundholders or certain Authorized Parties will be asked to complete a Contribution/Fund Investment Recommendation form. The first \$5,000 of the proceeds must be invested in one or both of JCF's primary investments: a money market fund or short-term fixed income fund. Fundholders may recommend that proceeds in excess of the first \$5,000 be invested in one or more of the choices on our investment platform, subject to the minimums required for each investment option. In addition, Fundholders may recommend allocation among pre-set portfolios. Fundholders may request to have the assets in their fund rebalanced monthly to maintain a fixed allocation or, alternatively, they may submit an investment recommendation for each contribution they make to their fund. If no investment recommendation is made, all contributions will be invested in the primary money market fund. Fundholders may recommend changes to their investment allocation up to four times per year. Fundholders agree to hold JCF and its officers and trustees harmless in connection with the performance of the investments recommended.

INVESTMENT OPTIONS

Your contributions to JCF are placed in your recommended approved investment options,* consisting of:

- a money market fund
- short-term fixed income fund
- bond funds
- managed equity and equity-indexed mutual funds
- privately managed investment accounts
- approved alternative investments (minimum \$500,000)
- impact investments

Or, Fundholders may recommend one of JCF's pre-set portfolios. Please visit the JCF website for more information.

JCF regularly reviews the performance of all its investments, has full discretion over the investment of account balances, and reserves the right to change or revoke the current investment program and procedures at any time, with or without notice.

Investments are subject to risk. You may wish to speak with your financial advisor about a strategy for recommending the investment of the assets in your fund. Generally speaking, equity and high-yield funds are subject to market fluctuations and may be more appropriate for Fundholders who seek long-term growth of capital to maximize the amount available for grant-making over time.

Market fluctuations may cause the value of investments held to be worth more or less than the value of the original contribution. Funds that focus on specific sectors may involve greater risk than other funds that provide greater diversification. International stocks may be subject to additional risks, including foreign exchange risk and foreign regulations. Past performance of investments does not guarantee future results.

Any income that accrues to the fund is not subject to tax, and charitable deductions may not be claimed with respect to that income. The income may be distributed to qualified charitable organizations at your recommendation.

A Contribution/Fund Investment Recommendation form must be submitted to recommend an asset allocation for your fund. You may recommend a reallocation up to four times per calendar year. After receipt of your form, if your recommendation is accepted, JCF will implement such change as soon as it is practical.

When you complete the Contribution/Fund Investment Recommendation form, you should indicate whether you wish all future contributions to be invested in accordance with a fixed asset allocation (and rebalanced monthly) or whether you would like to submit an investment recommendation for each contribution that you make to your fund. If you choose the latter, you will need to submit a Contribution/Fund Investment Recommendation form within 10 days of the date of any contribution. If you do not request an allocation for your contribution, your contribution will be invested in our primary investments.

**Private Clients (fund balances over \$1,000,000) may recommend particular investment options not currently offered. Such requests will be reviewed by JCF on a case-by-case basis. Please call JCF for additional information and to obtain a list of approved investment options.*

Grants

GRANT RECOMMENDATIONS

Fundholders and certain Authorized Parties have the privilege of recommending grants to IRS-qualified sectarian and nonsectarian charitable organizations. All grant recommendations are nonbinding and are subject to JCF's review. You may recommend as many grants as you wish at no extra charge, although the amount of each grant must not be less than the minimum* established by JCF. You must maintain a minimum balance of \$500 in your fund to continue recommending grants.

Both realized income and principal are available for grant distribution. Please remember that grants made from your donor advised fund do not entitle you to an additional charitable deduction. Your charitable deduction was available at the time you contributed assets to your fund.

GRANT-MAKING PROCEDURES

The following procedures are designed to streamline the administration of your grant recommendations and ensure compliance with the laws governing donor advised funds. The failure of a Fundholder to comply with these procedures may result in JCF closing the fund and transferring the assets to the JCF Special Gifts Fund.

LANGUAGE OF RECOMMENDATION

You may recommend grants from your fund by logging onto our website or by completing a signed Grant Recommendation Form. All grant recommendations include the following language:

“By signing this form, I hereby certify that neither I nor anyone else will receive any impermissible benefit from a recommended grant to this charitable organization. This includes, for example, admission to charitable events, memberships that have a non-deductible portion, tuition, raffle tickets, and goods or services bought at a charitable auction. In addition, this grant recommendation is not made for lobbying purposes or to support a political campaign. I understand and acknowledge that I cannot claim a charitable deduction for grants made by JCF.”

Additional certifications may be required, particularly with respect to grants to supporting organizations.

**The grant minimum is \$36 for online grant recommendations to charities that do not require research. If you mail or fax a grant recommendation form to JCF, the minimum grant amount is \$100. All Children's Giving Funds and NextGen Giving Funds have a minimum grant amount of \$36. Minimum grant amounts are subject to change.*

QUALIFIED CHARITABLE ORGANIZATIONS

Each organization recommended by the Fundholder or Authorized Party is reviewed by our staff to verify its tax-exempt status and official mailing address. All grants issued by JCF must be made to organizations that qualify as tax-exempt under Section 501(c)(3) of the Internal Revenue Code and that are classified as either public charities as described in Sections 509(a)(1), (a)(2), or (a)(3) of the Code or private operating foundations as described in Section 4942(j)(3) of the Code. We do not make grants to individuals, private non-operating foundations, "controlled" Type 1 or Type II supporting organizations, or Type III supporting organizations that are not functionally integrated.

JCF may decline to make a recommended grant to a charitable organization if such a grant is inconsistent with its policies and procedures or with the laws and regulations governing public charities and donor advised funds.

INTERNATIONAL GRANT-MAKING

To recommend a grant to a charity in Israel, JCF utilizes the services of several intermediary organizations that perform due diligence and other ongoing monitoring on the Israeli charities at no cost to the Fundholder. When recommending grants to any of these intermediaries, Fundholders must specify the specific charitable organization in Israel they are recommending receive the grant. Please contact JCF for additional information.

To recommend a grant to a charity outside the United States (other than grants to Israel through one of the intermediaries), JCF utilizes the services of NGOsource (a project of the Council on Foundations and TechSoup Global) to conduct the due diligence. Depending on the country and the due diligence necessary, the international grant-making process may take several weeks.

The grant minimum for utilizing NGOsource is \$10,000. The fee charged by NGOsource for the due diligence may total up to \$2,000 and will be charged to the Fundholder's fund. The fee will be waived for funds with balances over \$1 million.

SUPPORTING ORGANIZATIONS

The Pension Protection Act (PPA) of 2006 imposed requirements on grants to *supporting organizations* from donor advised funds. Generally, a supporting organization is a 501(c)(3) public charity that operates to support another related public charity. Common examples include alumni associations and hospital foundations. In cases where a grant is recommended to a supporting organization, JCF must obtain additional information and documentation as part of our due diligence before approving the grant. Under the PPA, we are not permitted to make grants to an organization that is a non-functionally

integrated Type III supporting organization. If an organization is a Type I, Type II or functionally integrated Type III supporting organization, the Fundholder will be required to sign an additional certification and the grantee will be asked for additional documentation.

Please be advised that grants to all supporting organizations necessitate an increase in research and due diligence in order to ensure compliance under the PPA and therefore will increase the processing time.

CHARITABLE PURPOSE

JCF makes grants exclusively for charitable purposes and reserves the right to conduct due diligence and to decline grant recommendations. Grants may not be earmarked for the benefit of particular individuals or families. In the case of a scholarship, a grant may be recommended to name and/or support a general scholarship fund of a public charity where the recipient is selected by the grantee organization through a process that is not controlled by the Fundholder or related parties. If a Fundholder recommends that a grant be used by the grantee organization for a particular approved purpose, JCF assumes no responsibility for enforcing compliance by the organization with respect to the recommended purpose. In the absence of a recommended purpose, the grant will be unrestricted for general purposes.

JCF cannot make grants that provide an impermissible benefit to the Fundholder or any third party. This includes, for example, admission to charitable events, memberships that have a non-deductible portion, tuition, raffle tickets, and goods or services bought at a charitable auction. If a Fundholder wishes to accept tickets to a charitable event or receive more than incidental membership benefits associated with a charitable donation, they may not use their donor advised fund. If a Fundholder recommends a grant with the intention of receiving such a benefit or providing such a benefit to a third party, they may be subject to a penalty excise tax. However, Fundholders may use their fund if they decline tickets or more than incidental benefits associated with the recommended grant.

Additionally, grants cannot be made for lobbying purposes or to support political campaigns.

OTHER DONOR ADVISED FUNDS

JCF's mission is to facilitate the distribution of philanthropic dollars to charitable organizations for charitable purposes. Grant recommendations to other donor advised funds will be reviewed on a case-by-case basis.

MINIMUM GRANT ACTIVITY

JCF provides resources to engage its Fundholders and encourage annual grant-making. Historically, JCF has distributed more than 20% of its average net total assets

to charities each year. JCF's policy requires that annual grant-making, in the aggregate, be greater than 5% of JCF's average net assets on a fiscal five-year rolling basis. If this minimum is not met in a fiscal year, JCF will identify each fund that has granted less than 5% of its average net assets over the same five-year period and contact Fundholders of these funds to request that they recommend grants that will bring the total amount distributed over that five-year period up to 5% of their fund's average net assets.

If these Fundholders do not meet this minimum grant requirement within 90 days, JCF reserves the right to transfer the required amount from their fund to the JCF Special Gifts Fund. The JCF Special Gifts Fund is a board-designated fund that provides support for select projects in the Jewish community at the recommendation of UJA-Federation of NY. Distributions from the JCF Special Gifts Fund are made at the discretion of the JCF Board of Trustees.

MINIMUM FUND ACTIVITY

If a fund has not made any grants for a three-year period, JCF will make every effort to contact the Fundholders to encourage them to recommend a grant. If Fundholders do not respond within 90 days, JCF reserves the right to make a grant from the fund to the JCF Special Gifts Fund to support projects in the Jewish community.

MINIMUM FUND BALANCE

Fundholders are required to maintain a minimum fund balance of \$500. Should the balance fall below \$500, grant activity will be suspended until an additional contribution is made or the Fundholder notifies JCF that the fund will be closed and recommends grants for the remaining assets. It is recommended that Fundholders replenish the fund with assets sufficient to cover their grant-making in addition to maintaining a balance above \$500. Please be advised that even if a fund is inactive, fees will continue to be deducted. If the fund balance falls below \$100, it will automatically close. Once a fund has been closed, a minimum contribution of \$5,000 is needed to reactivate the fund (\$10,000 minimum for Corporate Funds).

Processing Grant Recommendations

REVIEW PROCESS

Grant recommendations are processed by staff members who verify that all of the above criteria have been met. Grant checks are mailed to qualified grantee organizations typically within 3-5 business days of receipt of a Fundholder's recommendations, although during high volume periods processing may take slightly longer. Grant processing may require more time in the event additional review is required to determine a recommended organization's tax-exempt status or classification or if clarification is needed with respect to the recommended

purpose. Situations that often prompt a call to the Fundholder, or to the recommended organization, before a grant recommendation can be approved include: reference to an event, membership, or individual without clarifying language (e.g., "no tickets," "not attending," "declining benefits," "in honor of").

To determine the tax-exempt status and classification of a recommended organization, JCF must verify certain information and will contact the organization to obtain the information. If the organization cannot be reached within 45 days, or if it does not provide the necessary information within 45 days, the grant recommendation may be denied. If the information is provided at a later date, the Fundholder will be informed so that they may make a new grant recommendation.

HOW GRANTS ARE PAID

All grants are made from the primary investments (institutional money market and/or short duration bond fund). If there are insufficient funds in the primary investments to cover grants and other expenses, we will liquidate the fund's holdings in the investment portfolios, restore the required minimum balance in the primary investments, and notify the Fundholder of the transaction. Sales of the assets in the investment portfolios are made on a proportional basis, unless JCF's Investment Committee authorizes such sales to be made in a different order.

GRANT LETTER

When a check is sent, it is accompanied by a letter recognizing the donor advised fund from which the grant was made, and advising the grantee organization of the name and address of the Fundholder or Authorized Party to be thanked for the recommendation. Remember that Fundholders are not entitled to an additional deduction when a grant is made from their donor advised fund. The check itself bears the name of the Jewish Communal Fund, as well as the name of the donor advised fund. If Fundholders or Authorized Parties prefer a grant to be sent anonymously, please alert us in the grant recommendation and we will refrain from mentioning their name, address and fund name in our correspondence to the grantee organization.

Fundholders and Authorized Parties with online access can log into our secure website to see when a grant recommendation was received and when the check was printed.

Planning Your Charitable Legacy

Planning Your Legacy

JCF affords you the opportunity to create a long-lasting legacy of charitable giving. There is no limit to succession on JCF funds, as long as there are still assets in the fund. Each subsequent generation may name their own successors. Successor election(s) can be changed by Fundholders at any time prior to the death of the last remaining Fundholder. You may leave assets to JCF through your will; however, you may not establish a succession plan for an existing donor advised fund through your will. All succession plans must be submitted in writing and approved by JCF during your lifetime.

There are three options for creating your legacy:

- 1. Individuals:** Designate your heirs or other loved ones as Successors
- 2. Charities:** Recommend that the assets in your fund to go to one or more IRS-qualified public charities
- 3. Both:** Divide the remaining assets in the fund between options 1 and 2 above

Designate individuals as Successors

You may indicate in your succession plan whether successors are to act independently on one fund, or if the assets should be divided equally to establish separate funds for each Successor (minimum balance of \$5,000 required per Successor to establish new funds). JCF reserves the right to limit the number of Successors who will participate on a single fund. If Successors fail to respond to the request to complete and submit a Successor Transition Form within one year of receiving the request, JCF reserves the right to transfer the fund balance to the JCF Special Gifts Fund to make grants in memory of the former Fundholders.

Successor Charities may be named in lieu of individuals.

You may recommend that the remaining assets in the fund be distributed upon your death to IRS-qualified public charities. The named organizations are subject to JCF's review and approval. If a named organization is no longer approved by JCF, we will make grants to the alternate charities if you have provided this information

and these charities are still qualified. If not, we will transfer the income and principal remaining in the fund to the JCF Special Gifts Fund. JCF reserves the right to limit the number of Successor charities based on fund balance.

In addition to the list of charities, you must provide JCF a timetable for making grant distributions and indicate the amount or percentage for each charity, and recommendations for the asset allocation. JCF can act as the fund's administrator, or you may name an Authorized Party with the authority to make recommendations for investment allocations and sign grant recommendations based on the guidance provided in the succession plan. Authorized parties may not change the succession plan. Funds for successor charities with balances of \$500,000 and above may be structured like an endowment where only the income is distributed, or you may distribute both the principal and the income.

If there are no Successors or successor charitable organization on file, then upon receiving notification of the death of the last Fundholder, JCF will transfer any remaining assets in your fund to the JCF Special Gifts Fund.

If you would like assistance developing a more complex and customized succession plan for your fund that meets your long-term philanthropic objectives, please call us at (212) 752-8277 for a consultation.

Once you have completed your succession plan, consider how you will fund your charitable legacy.

BEQUESTS TO YOUR FUND

You may designate the Jewish Communal Fund (and specify your fund, or the JCF Special Gifts Fund) as the charitable beneficiary of a will,* an IRA, a 401(k) plan, a charitable remainder trust, or life insurance policy. You may terminate a Private Foundation by granting all remaining assets to your JCF fund (check with your attorney for termination requirements and filing instructions). **Jewish Communal Fund's EIN is: 23-7174183.**

**Complex assets will be reviewed on a case-by-case basis.*

IMPACT

JCF's Commitment to Support the Jewish Community

Each year, the JCF Board of Trustees awards a significant community gift to the Annual Campaign of UJA-Federation of New York. In addition to this gift, JCF supports initiatives in the community with grants from the JCF Special Gifts Fund, a board-designated gift fund. Since 1999, the JCF Special Gifts Fund has distributed nearly \$15 million to dozens of worthy causes supporting the Jewish community throughout the greater metropolitan area and Israel.



JCF is the donor advised fund of the Jewish community.

Since 1972, the Jewish Communal Fund (JCF) has been helping people achieve their philanthropic and tax-saving goals simply and efficiently, with flexibility, full confidentiality, convenience, and personal service from a dedicated professional staff. JCF has grown to be one of the largest and most generous networks of Jewish philanthropists in the world.

