

Designated Fund Program Description and Guidelines



INTRODUCTION

This document outlines the policies, procedures, and operating guidelines governing Designated Funds administered by iGiftFund. It is intended to provide donors, financial advisors, and other partners with a clear understanding of how Funds are established, administered, and distributed.

All Designated Funds are subject to the policies described in this document, as well as applicable federal and state laws and regulations governing charitable organizations.

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OVERVIEW OF THE DESIGNATED FUND PROGRAM

A Designated Fund is a simple and tax-efficient way to provide ongoing support to one or more qualified charitable organizations. Contributions are made to iGiftFund, a public charity, and grants are distributed to the charitable organization(s) designated when the Fund is established.

All contributions to iGiftFund are irrevocable charitable gifts. iGiftFund retains full legal control and discretion over all assets held within each Fund.

Unlike a Donor Advised Fund, a Designated Fund is established with permanent charitable beneficiaries and predetermined distribution instructions. The charitable organization(s) and distribution instructions are established when the Fund is established and cannot be modified thereafter.

Grants are administered by iGiftFund in accordance with those instructions, subject to review and approval by iGiftFund and in accordance with applicable IRS regulations.

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ESTABLISHING A FUND

Designated Funds may be established by individuals, families, corporations, trusts, estates, or other entities. A Fund is established when:

- a completed Designated Fund application is received and approved by iGiftFund
- the required minimum contribution is received

2.1 Donor Advisors

Each Fund will have a designated Donor Primary Advisor (DPA) and may also include a Donor Joint Advisor (JA). Donor Advisors must identify up to five charitable organizations that will receive grants from the Fund and establish the Fund's distribution instructions, subject to review and approval by iGiftFund.

2.2 Fund Name

When establishing a Fund, donors may select a name for the Fund. Funds are commonly named after individuals, families, or charitable purposes. iGiftFund reserves the right to approve or modify Fund names as appropriate.

2.3 Designated Charities & Distribution Instructions

When establishing a Fund, donors must identify the charitable organization(s) that will receive grants from the Fund and establish the Fund's distribution instructions.

Distribution instructions may include:

- recurring grants based on a percentage of the Fund balance
- fixed dollar distributions
- another distribution method approved by iGiftFund

The charitable organization(s) and distribution instructions established when the Fund is established are permanent and cannot be modified thereafter. All grants from the Fund will be administered by iGiftFund in accordance with those distribution instructions, subject to review and approval by iGiftFund and applicable IRS regulations.

If a designated charitable organization ceases to exist, loses its tax-exempt status, or is otherwise unable to fulfill its charitable purpose, iGiftFund's Board of Directors may, in its sole discretion, direct future distributions to a qualified charitable organization whose mission most closely reflects the donor's original charitable intent.

2.4 Financial Advisor

Each Fund must have an associated financial advisor responsible for managing the Fund's investment account at the selected custodian.

The term **financial advisor** refers to the investment professional responsible for managing the Fund's investment account. Financial advisors may include Registered Investment Advisors (RIA) or registered representatives of broker-dealer firms.

When establishing a Fund, donors may recommend a financial advisor to serve in this role. The financial advisor is responsible for providing investment management services for the Fund's assets.

Financial advisors are subject to review and approval by iGiftFund.

Changes to the financial advisor may be made by submitting the appropriate form available through iGiftFund.

iGiftFund retains ultimate authority over all investment accounts and activities associated with Designated Funds.

3**CONTRIBUTIONS****3.1****Types of Contributions**

Funds may be established with a variety of assets, including:

- Cash
- Publicly traded securities
- Closely held securities
- Real estate
- Life insurance
- Interests in privately held businesses
- Other complex assets approved by iGiftFund

In addition to traditional charitable contributions, Designated Funds may receive contributions through Qualified Charitable Distributions (QCDs) from Individual Retirement Accounts (IRAs), subject to applicable IRS rules. For eligible donors, Qualified Charitable Distributions may satisfy all or a portion of their Required Minimum Distribution (RMD) while supporting the charitable organization(s) designated when the Fund is established.

All contributions are subject to review and acceptance by iGiftFund.

Certain contributed assets may require additional review or specialized liquidation procedures. iGiftFund may work with donors and their advisors to facilitate the sale or management of such assets, and certain assets may be held in kind when appropriate.

All contributions are irrevocable and may be eligible for charitable income tax deductions to the fullest extent permitted by law.

Once accepted, contributions become the property of iGiftFund, which retains exclusive legal control over all contributed assets. Donors may not impose material restrictions or conditions on their gifts, and all assets are used exclusively for charitable purposes.

iGiftFund reserves the right to accept or decline any proposed contribution.

3.2**Deferred and Testamentary Gifts**

A Fund may be designated as the beneficiary of certain estate planning vehicles. Contributions may be made through:

- a bequest under a will or trust
- retirement plans such as an IRA or 401(k)
- life insurance policies
- brokerage accounts or other accounts that permit beneficiary designations
- charitable remainder trusts or charitable lead trusts

A Fund may be established in advance to receive assets through a future estate or beneficiary designation.

Donors should consult their financial, tax, or legal advisors when establishing any testamentary gift or deferred giving arrangement.

3.3 Third-Party Contributions

iGiftFund may accept contributions from individuals or entities other than the Donor Advisors, subject to review and acceptance by iGiftFund.

Third-party contributors may include family members, related entities, corporations, trusts, estates, or other charitable organizations.

Third-party contributions must generally be \$1,000 or greater, unless otherwise approved by iGiftFund.

Third-party contributors receive the charitable tax acknowledgment for their contribution but do not receive advisory privileges.

iGiftFund reserves the right to review or decline any proposed contribution.

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TAX INFORMATION

4.1 General Tax Considerations

iGiftFund is a public charity recognized under Section 501(c)(3) of the Internal Revenue Code. Contributions to iGiftFund may be eligible for charitable income tax deductions to the fullest extent permitted by law.

Designated Funds may also serve as an effective charitable giving solution for eligible donors who wish to make Qualified Charitable Distributions (QCDs) from their Individual Retirement Accounts (IRAs). Subject to applicable IRS rules, Qualified Charitable Distributions may satisfy all or a portion of a donor's Required Minimum Distribution (RMD) while providing ongoing support to the charitable organization(s) designated when the Fund is established.

Donors should consult their tax or legal advisors regarding the tax consequences of charitable contributions.

4.2 Deductibility of Contributions

Contributions to iGiftFund may be eligible for charitable income tax deductions to the fullest extent permitted by law. Donors who itemize deductions may be able to claim a charitable income tax deduction, subject to applicable IRS rules and limitations.

The amount and timing of any deduction will depend on the type of asset contributed and the donor's individual financial circumstances.

Under current federal tax law, contributions to public charities are generally deductible subject to the following adjusted gross income (AGI) limits:

- Cash contributions – up to 60% of AGI
- Contributions of appreciated assets – up to 30% of AGI

Unused deductions may generally be carried forward for up to five additional tax years.

Qualified Charitable Distributions are treated differently from deductible charitable contributions. A donor generally does not claim a separate charitable income tax deduction for a QCD. Donors should consult their tax advisors regarding eligibility, reporting, and applicable limitations.

4.3 Appreciated Assets

Donors may contribute appreciated assets, such as publicly traded securities, to their Designated Fund. In many cases, donors may receive a charitable deduction for the fair market value of the asset while avoiding capital gains tax on the appreciation.

4.4 Estate and Investment Considerations

Assets contributed to a Designated Fund are removed from the donor's taxable estate and may reduce potential estate tax liability.

Assets held in Designated Funds may grow through investment returns, and such growth is generally not subject to income tax.

4.5 Valuation of Contributions

The value of a charitable contribution is determined in accordance with applicable IRS rules.

Examples include:

- Cash contributions: value equals the amount contributed
- Publicly traded securities: generally valued at the closing market price on the date of contribution
- Mutual fund shares: generally valued at the closing price on the date of contribution
- Non-publicly traded assets: typically require a qualified independent appraisal to determine fair market value

Donors are responsible for determining the value of any charitable deduction claimed on their tax return.

4.6 Gift Acknowledgment

iGiftFund provides written acknowledgment of charitable contributions for tax reporting purposes.

Donors may be required to complete additional IRS forms, including IRS Form 8283, for certain non-cash contributions. Donors should consult their tax advisor regarding applicable reporting requirements.

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FUNDRAISING

Designated Funds may not be used for fundraising purposes or to solicit contributions from the general public.

Contributions from third parties may be accepted at the discretion of iGiftFund but may not be conditioned on the distribution of grants to any specific organization beyond those designated when the Fund was established.

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FUND BALANCE AND ACCOUNT CLOSURE

Each Fund consists of two components:

- an investment account maintained at the selected custodian and managed by the Fund's financial advisor; and
- a liquidity account maintained at iGiftFund.

The majority of a Fund's assets are typically held in the investment account at the selected custodian. A small portion of the Fund's assets, generally approximately 1%, is maintained in the liquidity account. The liquidity account is invested in a competitive money market account and is used to:

- facilitate the timely processing of smaller grants
- cover administrative fees charged to the Fund

Maintaining this liquidity helps minimize transfers between accounts and supports efficient grant administration.

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INVESTMENTS

Each Fund must have a financial advisor responsible for managing the Fund's investment account. Donors may recommend their financial advisor to serve in this role.

Investment assets are typically maintained in an investment account managed by the Fund's financial advisor at a selected custodian. iGiftFund works with a variety of custodians and investment platforms.

Donor Advisors may work with their financial advisor to recommend an investment strategy for the assets held in their Fund, subject to the policies and guidelines established in the iGiftFund

Statement of Investment Objectives and Guidelines.

iGiftFund's Board of Directors retains final responsibility and oversight for all investments held within Designated Funds.

If an investment strategy has not been specified, contributions will be held in the Fund's liquidity account until further direction is provided.

Financial advisors managing assets of Designated Funds must comply with the iGiftFund Statement of Investment Objectives and Guidelines and execute the Investment Advisor Acknowledgment & Agreement prior to providing investment management services.

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GRANTMAKING

Assets held in a Designated Fund are available only for charitable purposes. Grants are distributed only to the charitable organization(s) designated when the Fund is established and in accordance with the Fund's approved distribution instructions.

Because the charitable organization(s) and distribution instructions become permanent upon establishment of the Fund, iGiftFund administers grants solely in accordance with those instructions.

8.1

Eligible Grant Recipients

Grants may be distributed only to organizations recognized as tax-exempt public charities under Section 501(c)(3) of the Internal Revenue Code and classified as public charities under Section 509(a)(1), (2), or (3). Grants may also be made to private operating foundations and to governmental entities described in Section 170(c).

Eligible recipient organizations commonly include:

- Religious organizations and places of worship
- Schools and educational institutions
- Museums and arts organizations
- Environmental organizations
- Hospitals and healthcare organizations
- Scientific and medical research institutes
- Other IRS-recognized charitable organizations established for charitable purposes

8.2 Ineligible Grant Recipients and Uses

Under IRS regulations, iGiftFund cannot approve grants for:

- Individuals
- Private non-operating foundations
- Non-functionally integrated Type III supporting organizations
- Political campaigns or candidates, or activities intended to influence legislation
- Fulfillment of legally binding pledges or obligations
- Dues, membership fees, tuition, admission tickets, auction purchases, or similar payments that provide a personal benefit
- Bifurcated gifts where a donor pays the non-deductible portion and the deductible portion is distributed from the Fund
- Goods or services provided by the recipient charity, unless the items are of nominal value

8.3 Grant Administration

iGiftFund administers grants in accordance with the distribution instructions established for the Fund.

Prior to each scheduled distribution, iGiftFund confirms that each designated charitable organization continues to qualify as an eligible recipient under applicable IRS regulations and iGiftFund policies.

If a designated charitable organization ceases to exist, loses its tax-exempt status, or is otherwise unable to fulfill its charitable purpose, iGiftFund's Board of Directors may direct future distributions in accordance with Section 2.3 of these Guidelines.

Once approved, grants are typically processed and distributed within approximately 5–7 business days of the scheduled distribution date, although certain circumstances may require additional review or processing time.

The minimum grant amount is \$100.

8.4 International Grants

iGiftFund does not make grants directly to foreign organizations.

Donors wishing to support international charitable activities may designate U.S.-based charitable organizations that conduct charitable work internationally or sponsor foreign charitable programs.

8.5 Donor Recognition and Privacy

Donors may choose how they wish to be recognized for grants distributed from their Fund. Recognition options may include:

- Full recognition (donor name, address, and Fund name)
- Partial recognition (Fund name only)
- Anonymous

Donor recognition information associated with the Fund will be shared with the recipient organization in accordance with the donor's selected recognition preference. Donor contact information will not be shared unless the donor chooses to include it as part of the recognition.

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FEES AND EXPENSES

iGiftFund charges an administrative fee to support the operation and oversight of the Designated Fund program, including grant administration, compliance, reporting, and donor services.

Funds are subject to a minimum annual administrative fee of **\$600**, which is charged quarterly in advance.

Investment advisory or custodial fees may be charged by the financial advisor or custodian managing the Fund's assets and are separate from iGiftFund administrative fees.

Costs associated with the acceptance, holding, or liquidation of complex assets may be charged to the Fund.

A current administrative fee schedule is available at iGiftFund.org/fees.

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MINIMUM FUND BALANCE AND ACCOUNT CLOSURE

To support the ongoing administration of Designated Funds, iGiftFund generally expects Funds to maintain a balance sufficient to support ongoing fees and administration.

If a Fund balance becomes insufficient to reasonably support ongoing fees and administration, iGiftFund may contact the Donor Advisors to discuss options for maintaining the Fund or closing the Fund through final distributions in accordance with the Fund's distribution instructions.

Because Designated Funds are subject to a minimum annual administrative fee, smaller balances may continue to incur fees over time. Donors may wish to make an additional contribution to maintain the Fund or allow the remaining balance to be distributed in accordance with the Fund's distribution instructions.

Once the Fund's investment account has been closed and all remaining distributions have been completed in accordance with the Fund's distribution instructions, iGiftFund will complete the Fund closing process.

Residual Fund balances of less than \$100 remaining after final distributions and account reconciliation will be transferred to the iGiftFund Philanthropic Fund.

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PROGRAM CHANGES

iGiftFund reserves the right to modify, amend, or update these Program Description and Guidelines at any time to reflect operational, regulatory, or programmatic changes.

For questions regarding these Program Description and Guidelines, please contact iGiftFund.

Adopted: April 2017 | **Last Updated:** August 2026