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## Policy & Procedures on Donor Advised Funds

*Hillsdale County Community Foundation*

*Revised November 2010*

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1. Every donor advised fund is the property of the Hillsdale County Community Foundation. The donor advised fund is subject to the Foundation's control and referenced procedures, as amended from time to time by the governing body of the Foundation. The donor advised fund may not be subject to any material restriction imposed by the donor that would interfere with the Foundation's use of the fund for the Foundation's charitable purposes.
2. The following guidelines have been set forth by the Board of Trustees of the Hillsdale County Community Foundation on specific charitable needs that may be addressed by the Donor, according to the purpose set forth in the written agreement of the donor advised fund. The following needs are those that directly or indirectly benefit the residents and communities in Hillsdale County. **The Donor's advice must be consistent with these guidelines and must be submitted in writing.**
  - a) Education/Scholarships
  - b) Health and Community Services
  - c) Environmental Concerns
  - d) Science
  - e) Fine Arts and Culture
  - f) Recreation
3. Hillsdale County Community Foundation promises to make every effort to follow the wishes of the Donor. However, should the Donor's recommendations be inconsistent with the above guidelines, the Foundation's Board of Trustees has the right to deny those recommendations for funding. **Donor recommendations are advisory in nature only, and will not be binding upon the Foundation.** Likewise, from time to time, the Foundation may make suggestions for recommendations to the Donor, who may accept or reject said suggestions at will.
4. As Donor recommendations must be consistent with the guidelines set forth in paragraph 1, so must Hillsdale County Community Foundation distribute funds, other than from the Donor's fund, to the same or similar types of charitable needs.
5. Hillsdale County Community Foundation will provide the Donor with the appropriate information necessary to make responsible recommendations for the advised fund.
6. Hillsdale County Community Foundation must keep the Donor informed of any and all activity with the fund and must notify the Donor annually of the income available for distribution from the fund.
7. Distribution from the fund will be made in accordance with the HCCF Spending Policy, following the UPMIFA laws and regulations.
8. Donors may make recommendations for distribution at any time, provided sufficient funds are available. If there are no recommendations made in a given year by the Donor, the spendable income will be left to accrue in the fund account for future distribution.
9. Decision with respect to the retention, investment or reinvestment of assets shall be made by the Board of Trustees. The Foundation will charge the Fund with the customary and usual administrative fee, which will be paid from the Fund as outlined in the Fee Schedule as set by the Board of Trustees.

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10. The Hillsdale County Community Foundation reserves the right to independently investigate any grant suggestion by the Donor in order to determine whether the Donor's advice is consistent with the Foundation's guidelines set forth in paragraph 1.
11. Distributions from the fund can not be used for the following purposes:
  - Donor, advisors or any related parties receiving an exchange of goods or services or any personal or material benefit that is not provided to the general public.
  - To satisfy all or a portion of a pre-existing personal pledge or other financial obligation of the donor, advisors or any related parties.
  - Provisions of the Pension Protection Act of 2006, prohibit Donor Advised Funds from making any grants to individuals such as scholarships, emergency hardship grants or disaster relief grants. This includes checks written directly to an individual or checks written to an entity for the benefit of a specified individual.
  - Donors, advisors or any related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from donor advised funds.
12. The Foundation may commingle the assets of the fund with the assets of other component funds held by the Foundation for investment purposes provided, however, separate records of the endowment fund will be maintained by the Foundation and all earnings and distributions from the fund will be clearly identified as such.
13. The Donor/originator or spouse of the fund may name one successor upon the death of both the Donor and his/her spouse. Said successor may also choose to name a successor that under the same conditions. Successors shall be limited to family members within one generation of the original Donor, and shall be limited to four successors after the original Donor. Each successor is required to sign a written continuation contract, at the time of being named as such, agreeing to serve in a reliable and competent manner until such time that their successor is named. It is the responsibility of the original Donor and each successor, thereafter, to name a continuing successor. If at any time a successor has not been named, has not signed the continuation contract upon the death of the previous successor, or the last allowable successor has become incapacitated or died, the Board of Trustees of the Hillsdale County Community Foundation will automatically become the advisor of the fund.
14. It is understood and agreed that all assets of the fund will be subject to the Articles of Incorporation and By-Laws of the Foundation, including the power contained therein for the governing board to modify any restrictions or conditions on the distribution of funds if, in its sole judgement, those restrictions become, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the area served by the Foundation. Should this occur, the fund may be transferred to the general endowment fund or another fund of the Foundation that most nearly approximates, in the good faith opinion of the Foundation, the original purpose of the Fund. Thereafter, distribution from the fund will be subject to the Foundation's unrestricted use unless the written agreement establishing the fund designates the charitable purpose for which the principal shall be held by the Foundation following termination of the fund.

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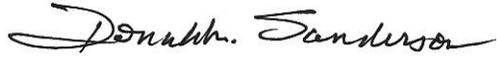
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Adopted by the Board of Directors: May 5, 2015



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Board Secretary