

**Restatement of Jewish Federation of St. Louis  
Policies and Procedures for Operation of Donor Advised Funds**

**Approved by the Board of Directors of  
Jewish Federation of St. Louis on January 18, 2018**

**Section 1. Establishment and Purpose**

1.1 Authorization

Jewish Federation of St. Louis (“Federation”) has authorized the establishment of Donor Advised Funds (formerly called “Philanthropic Funds”) as authorized by the Internal Revenue Service, as a component of the endowment funds of Federation and has authorized the Donor Advised Fund Committee of Federation (the “DAF Committee”) (formerly the “Philanthropic Fund Committee”) to provide all needed rules and policies for the establishment and administration of such Donor Advised Funds, subject to the ultimate authority of the Board of Directors of Federation (the “Board of Directors”). These policies are prescribed by the DAF Committee, with the approval of the Board of Directors, and shall apply to Donor Advised Funds established before, on or after the effective date of these policies unless otherwise provided herein.

1.2 Establishment of Funds

Donor Advised Funds may be established by the donation or transfer by a person or corporation (“the donor”) to, and acceptance by, Federation of money or property, whether by contribution, gift, bequest, or devise or by transfer from a charitable or other organization (“contribution”), to further or carry out the purposes of Federation, as set forth in its Articles of Incorporation. Donor Advised Funds are and shall be administered as part of the endowment funds of Federation.

1.2.1 Purpose

The policies set forth herein are provided in recognition of a particular purpose of Donor Advised Funds, which is to develop support of, and participation and involvement in, the philanthropic interest and activities of Federation by a wide range of living donors. Thus, the establishment of Donor Advised Funds is designed as a means of broadening the base of endowment support, encouraging meaningful interchange of ideas by the donors in Federation’s philanthropic interest and providing funds to supplement and extend the programs and interests of Federation in serving its charitable, education, cultural, and religious purposes (which purposes are hereinafter referred to as “Charitable Purpose” or “Charitable Purposes” and shall encompass only charitable purposes as defined in Sections 170(c)(1) or 170(c)(2)(B) of the Internal Revenue Code of 1986, as amended (“Code”)).

### 1.2.2 Minimum Gift and Minimum Balance

Except specifically provided otherwise in this Section 1.2.2, a minimum gift of Two Thousand Five Hundred Dollars (\$2,500) is required to establish a Donor Advised Fund. At any time the value of any Donor Advised Fund falls below One Thousand Dollars (\$1,000) and remains below such amount for twelve (12) consecutive months, the Board of Directors may terminate the Donor Advised Fund and distribute the remaining balance to Federation's unrestricted endowment fund.

1.2.2.1 Donors aged 20 years old to 35 years old may establish a Donor Advised Fund with a minimum gift of One Thousand Dollars (\$1,000). At any time the value of any such Donor Advised Fund falls below Five Hundred Dollars (\$500) and remains below such amount for twelve (12) consecutive months, the Board of Directors may terminate the Donor Advised Fund and distribute the remaining balance to Federation's unrestricted endowment fund. Upon the donor reaching the age of 36 donor's Donor Advised Fund shall then be governed by Section 1.2.2.

1.2.2.2 Donors aged 13 years old to 19 years old, with a parent or guardian co-signature, may establish a Donor Advised Fund with a minimum gift of Three Hundred Dollars (\$300). At any time the value of any such Donor Advised Fund falls below One Hundred Dollars (\$100) and remains below such amount for twelve (12) consecutive months, the Board of Directors may terminate the Donor Advised Fund and distribute the remaining balance to Federation's unrestricted endowment fund. Upon the donor reaching the age of 20 donor's Donor Advised Fund shall then be governed by Section 1.2.2.1.

### 1.2.3 Use and Control

Each Donor Advised Fund shall be the property of Federation held in its normal corporate capacity. It shall not be deemed a trust fund held by it in a trustee capacity. Federation, in its normal corporate capacity, shall have the ultimate authority and control of all property in every Donor Advised Fund, and the income derived therefrom, for the Charitable Purposes of Federation.

### 1.2.4 Naming and Recording

Each Donor Advised Fund shall be recorded on the books and records of Federation as an identifiable or separate fund and may be given a name or other designation as requested by the donor.

## **Section 2. Fees**

Unless otherwise agreed upon with a donor and an individual authorized to accept a gift to a DAF as described in Section 3.1, all Donor Advised Funds are subject to a one percent (1%) per year administrative fee to cover the cost of reports, checks, and investment advisory and investment management fees. The administrative fee may be increased or decreased from time to time by the Board of Directors consistent with the fluctuation in such costs and investment management fees.

## **Section 3. Acceptance of Funds**

### **3.1 Authorization**

The Chief Executive Officer (“CEO”) and the Chief Philanthropy Officer (“CPO”) of Federation (each an “Officer” and together the “Officers”) shall have the authority to accept, on behalf of Federation, contributions to establish or add to a Donor Advised Fund.

### **3.2 Type of Assets**

If any assets proposed to be contributed are not readily marketable or are subject to liabilities, Federation’s Gift Acceptance Committee shall have authority to accept or reject the assets proposed to be included in a Donor Advised Fund. Before so acting, they may consult with Federation’s legal counsel. Assets which might be determined to be not readily marketable include restricted stock, securities of closely held corporations, partnership interests, limited liability company interests, real estate and mortgage notes.

### **3.3 Donor Restrictions**

A donor may not impose any material restriction or condition that prevents Federation from freely and effectively employing the contributed assets, or the income derived therefrom, in furtherance of the Charitable Purposes of Federation.

### **3.4 Property Value**

Federation will not certify to a donor the value of a contribution of property.

## **Section 4. Investment of Donor Advised Fund Assets**

### **4.1 Responsibility**

Federation has the responsibility and authority for the investment of the assets of each Donor Advised Fund. The assets of any Donor Advised Fund may be commingled with those of other Donor Advised Funds, or with other Federation endowment funds, or may be invested in units of a common investment fund which may be established or utilized by Federation. However, Federation shall have no obligation to commingle the assets for investment purposes and may, in its discretion, retain any assets received or hold the assets of a Donor Advised Fund as a separate

unit for investment purposes. Any investment or reinvestment of assets shall be made only in such investments as are appropriate for a prudent fiduciary.

#### 4.2 Investment Committee

Decisions with respect to the retention, investment, or reinvestment of assets and with respect to commingling of assets shall be made by the Investment Committee of Federation.

### **Section 5. Distributions and Minimum Balance**

#### 5.1 In General

##### 5.1.1 Board's Power to Direct Distributions

The Board of Directors of Federation has the right to direct all distributions of income and principal from Donor Advised Funds.

##### 5.1.2 Charitable Needs

The DAF Committee shall enumerate specific charitable needs and/or charitable organizations it deems are most deserving of support from the Donor Advised Funds. The DAF Committee may modify the list from time to time and at any time. At the time of the approval of these policies, such specific charitable needs are (a) Federation and its constituent and beneficiary agencies, (b) other organizations in the United States of America primarily serving Jewish charitable purposes, (c) charitable organizations primarily serving the Metropolitan St. Louis area generally in the fields of education, inter-group relations, culture, health service and social service, and (d) charitable organizations in the United States of America outside of the Metropolitan St. Louis area which Federation determines provide an identifiable benefit for the welfare of the Metropolitan St. Louis community.

#### 5.2 Advisory Recommendations Permitted

The donor of a Donor Advised Fund and other individuals, as provided in Section 5.4 in the case of an individual donor, may after the contribution of money or property to the donor's Donor Advised Fund recommend to Federation the making of distributions from the fund which are consistent with the Charitable Purposes of Federation. Federation shall consider and evaluate all such recommendations, but such recommendations will be solely advisory and Federation is not bound by such recommendations.

#### 5.3 Corporate Donors

A corporate donor, or its officers or directors acting on behalf of such corporation in their capacity as such, which establishes a Donor Advised Fund will have the privilege of making recommendations as described in Section 5.2. Such corporation or those acting on its behalf,

shall designate one person (and may designate successors to such person) to submit the recommendations of the corporation to Federation.

#### 5.4 Individual Donors: Individuals Who May Make Recommendations

##### 5.4.1 During the Donor's Lifetime

5.4.1.1 During the lifetime of an individual donor, the privilege of making recommendations (as described in Section 5.2 above) may be extended to the following individuals if the donor, in the written instrument of gift which establishes the Donor Advised Fund or in any other written instrument which is signed and dated by the donor and delivered to Federation, specifically elects to extend the privilege beyond the donor: the donor's spouse and additional individuals equal in number to the greater of three (3) or the number of the donor's children living from time to time.

5.4.1.2 Subject to the limitations in Section 5.4.1.1, the donor may, from time to time and at any time, add and/or remove individuals (other than donor) from the group of individuals who are given the privilege of making recommendations by written instrument, signed and dated by the donor and delivered to Federation and all the individuals being so added or removed.

5.4.1.3 The privilege of making recommendations will be continuous with the existence of the Donor Advised Fund until the death of the donor, at which time the provisions of Section 5.4.2 shall apply.

5.4.1.4 If an individual other than the donor is granted the privilege of making such recommendations, then, unless the instrument of gift that establishes the Donor Advised Fund provides otherwise and/or any written instrument described in Section 5.4.1.2 provides otherwise, the donor and each such other individual may independently of the others of them make such recommendations. Federation shall have no obligation to notify the donor or such other individuals of any of the recommendations made by other such individuals with respect to the fund.

##### 5.4.2 After the Donor's Death

Subject to the provisions of Section 7.2, after the death of a donor, the privilege of making recommendations (as described in Section 5.2 above) may be extended to any one or more of the following individuals if in the written instrument of gift which establishes the Donor Advised Fund the donor specifically elects to extend the privilege to other individuals after the donor's death: the donor's spouse and additional individuals equal in number to the greater of three (3) or the number of the donor's children living at the time of the donor's death. The provisions of Section 7.2 shall apply to the division of a Donor Advised Fund after the donor's death if more than one individual is granted the privilege of making recommendations after the donor's death.

#### 5.5 Incapacity

Unless otherwise provided in the written instrument of gift which establishes a Donor Advised Fund:

#### 5.5.1 Donor

The court appointed conservator of the donor's estate and/or any attorney-in-fact appointed by the donor under a general durable power of attorney (unless otherwise provided in the durable power of attorney) may exercise the donor's right to make advisory recommendations as provided in Section 5.2 above but may not exercise any other power granted the donor under these policies unless the donor specifically describes and grants such power in the donor's written durable power of attorney.

#### 5.5.2 Individual Other Than the Donor

Any individual other than the donor who is given the right to make advisory recommendations as provided in Section 5.4 above, whether during the donor's lifetime or after the donor's death, may not make such recommendations at any time during which there exists a determination that such individual does not have the capacity to do so by a licensed medical doctor attending the individual and/or a conservator or guardian has been appointed for such individual by a court and is serving as such. Advisory recommendations may not be made by the conservator, guardian or attorney-in-fact of any individual (other than the donor) who is given the right to make advisory recommendations as provided in Section 5.4 above, whether during the donor's lifetime or after the donor's death.

#### 5.6 Limitations

The following limitations apply to all distributions from Donor Advised Funds.

##### 5.6.1 Minimum

Except as specified herein, the minimum amount of any request for distribution(s) from a Donor Advised Fund shall be \$100, unless the DAF Committee sets a higher limitation. For funds governed by Section 1.2.2.1 the minimum amount of any request for distribution(s) from a Donor Advised Fund shall be \$50, unless the DAF Committee sets a higher limitation. For funds governed by Section 1.2.2.2 the minimum amount of any request for distribution(s) from a Donor Advised Fund shall be \$18, unless the DAF Committee sets a higher limitation.

##### 5.6.2 Only for Charitable Purposes

Federation, as a public charity, will not make any distribution from a Donor Advised Fund except as a distribution for a Charitable Purpose, and no such distribution may be made:

- (i) to any individual,
- (ii) to discharge or satisfy a legally enforceable pledge or obligation of any person, including the donor of a Donor Advised Fund;
- (iii) that will result in the distribution being a “taxable distribution” within the meaning of Section 4966 of the Code (e.g., grants, loans, compensation or other payments to any donor or other advisor for a Donor Advised Fund or family member or an entity controlled by a donor or other advisor);
- (iv) that will confer more than an incidental benefit as described in Section 4967(a) of the Code to any donor or other advisor to the Donor Advised Fund, or a family member of a donor or other advisor, or an entity controlled by a donor or other advisor, all within the meaning of Section 4947 of the Code.

## 5.7 Procedures

### 5.7.1 Recommendations by the Donors

An individual having the privilege of making recommendations with respect to distributions from a Donor Advised Fund may do so only in writing, addressed to Federation. A writing may be sent by email or other similar electronic transmission. A writing other than an email or other electronic transmission must include the written signature of the donor. The DAF Committee may amend the provisions of this Section 5.7.1 by written notice to all donors of Donor Advised Funds and to Federation’s Board of Directors.

### 5.7.2 Staff Investigation and Report

With respect to each recommendation by a donor or other individual, the staff of the DAF Committee will prepare a report of its determination whether the recommendation is consistent with Federation’s Charitable Purposes and whether the proposed recipient is an organization to which Federation may make distributions. The staff’s report and all recommendations of the staff for allocation from Donor Advised Funds for distributions for Charitable Purposes shall be presented to the DAF Committee, acting on behalf of the Board of Directors, for action by the Board. The degree of formality employed by the staff in making an evaluation will depend upon the nature and category of the grantee organization and the information already available to the staff with respect to the grantee and the purposes of the grant. Where necessary for its evaluation, the staff may request a grantee organization to submit appropriate information. If the staff determines that the recommendation is not consistent with Federation’s Charitable Purposes and/or that Federation may not make distributions to such organization, the staff will include such unfavorable determination in its report to the Board of Directors (or the DAF Committee acting for it) and advise the individual who made the recommendation of the unfavorable determination.

### 5.7.3 Board of Directors Report

Actions on recommended allocations from Donor Advised Funds shall be reported to the Board of Directors.

### 5.8 Notification to Grantee as to Source of Distribution

Any distribution from a Donor Advised Fund, unless otherwise requested by the individual who requested the distribution, if any, shall identify to the grantee organization the name of the Donor Advised Fund from which the distribution is made.

### 5.9 Requirement of Current Distributions/Undistributed Amounts

It is the general policy of Federation that during each calendar year at least the income (e.g., interest and dividends) earned in each individual Donor Advised Fund during such calendar year shall be distributed. If this requirement is not met by a fund, Federation may notify the donor of the fund of the amount, if any, which, unless otherwise distributed, will be allocated and distributed to such agencies or institutions as the Board of Directors may designate from time to time, or absent any such designation, to Federation's unrestricted endowment fund. If a donor is so notified and Federation does not receive sufficient recommendations within ninety (90) days of the date of such notice, such income will be so allocated and distributed.

## **Section 6. Reports**

Reports of the operation of Donor Advised Funds may be made as prescribed by the DAF Committee.

## **Section 7. Continuity of Funds**

### 7.1 Termination of Fund

If the donor does not designate in the written instrument of gift which established the donor's Donor Advised Fund any individuals who survive the donor who may continue to have the recommendation privileges described in Sections 5.2 and 5.4.2 after the donor's death, then upon the death of the donor the donor's Donor Advised Fund shall terminate and the entire balance of the fund shall be distributed to Federation's unrestricted endowment fund.

### 7.2 Continuation of Fund and Creation of New Separate Funds

If the donor designates in the written instrument of gift one or more individuals who survive the donor who shall continue to have the recommendation privileges described in Section 5.2 and 5.4.2 after the donor's death, then upon the death of the donor, the donor's Donor Advised Fund is to be divided and distributed as follows:

- (a) Twenty-five Percent (25%) of such Fund shall be paid to Federation's unrestricted endowment fund; and



- (b) The remainder of the Fund is to be divided into equal shares so that there is one new separate and distinct Donor Advised Fund for each such individual who survives the donor and has such recommendation privileges. Each such individual's separate Donor Advised Fund shall continue until the death of such individual at which time such separate Donor Advised Fund shall terminate and the entire balance of the Fund shall be distributed to Federation's unrestricted endowment fund. Each such individual may direct Federation to rename the individual's respective Donor Advised Fund to include the individual's name.

7.3 The provisions of this Section 7 shall apply to Donor Advised Funds established on or after May 16, 2007.