



CREAM CITY FOUNDATION

Donor Advised Fund Guidelines

INTRODUCTION

Thank you for considering Cream City Foundation Donor Advised Fund Program. As a community foundation serving the Southeastern Wisconsin lesbian, gay, bisexual, and transgender (LGBT) communities, Cream City Foundation has established this program to support the philanthropic goals of individual donors and to increase the financial resources available to nonprofit organizations working to secure the rights, meet the needs, and celebrate the lives of LGBT people.

This document describes the Cream City Foundation Donor Advised Program and the benefits of opening a fund. In essence, the Cream City Foundation Donor Advised Program offers individuals the opportunity to make tax-deductible charitable gifts and have the flexibility to make grant recommendations now or in the future. Please consult your financial and tax advisor(s) to ensure the best use of this program in your personal tax situation.

By law, contributions to the Cream City Foundation Donor Advised Program are irrevocable, and are tax-deductible on the date the gift is made. The Cream City Foundation Donor Advised Program is subject to the terms and conditions of the Cream City Foundation's articles of incorporation, bylaws, investment and gift acceptance policies, and this document. Cream City Foundation's Board of Directors reserves the right to modify the Cream City Foundation Donor Advised Program at any time. Cream City Foundation assumes responsibility for investment of the assets in the Cream City Foundation Donor Advised Program, which grow tax-free and ultimately can result in greater gifts to charity.

BENEFITS OF A DONOR ADVISED FUND

Flexible Charitable Giving Vehicle: You make irrevocable charitable contributions of cash or appreciated securities to the Cream City Foundation Donor Advised Fund Program now and recommend grants to charity now or later.

Immediate Tax Benefits: You receive an immediate dollar-for-dollar charitable federal income tax deduction for the full fair market value, up to the maximum allowed by law, for contributions to a donor advised fund at Cream City Foundation, a tax-exempt public nonprofit. In addition, advised funds pay no annual excise taxes and are not governed by the burgeoning rules of regulations that govern private foundations.

Specialized Grantmaking Advice: Cream City Foundation staff can provide important expertise and up-to-date information about LGBT and other types of organizations doing LGBT work in Southeastern Wisconsin to help you manage your charitable giving.

LGBT Giving Community: By opening a fund at Cream City Foundation, you automatically become part of a community of givers who are seriously committed to supporting the LGBT communities. Cream City Foundation sponsors events and provides other opportunities for donor

advisors to share experiences, leverage funding, and learn about work being done in specific areas of interest.

Simplicity: Donors enjoy simple, comprehensive administration of their philanthropic planning. A single contribution to the Cream City Foundation Donor Advised Fund Program can benefit multiple nonprofits while requiring only one tax substantiation letter and no check-writing on your part.

Accountability and oversight: The Foundation is audited annually, and provides donors with regular reports showing the financial status of their funds.

ESTABLISHING A FUND

The process of establishing an advised fund is simple. A donor chooses a name for the fund, names the fund advisor(s), and determines an amount and type of gift. The paperwork can be completed quickly and easily by contacting the Cream City Foundation directly at 414.225.0244

FUND OPENING FACTS

Minimal Initial Contribution: \$10,000. Additional contributions may be made at any time.

CONTRIBUTIONS TO THE CREAM CITY FOUNDATION DONOR ADVISED FUND PROGRAM ARE IRREVOCABLE GIFTS MADE TO CREAM CITY FOUNDATION, A PUBLIC CHARITY. INDIVIDUALS CONSIDERING A CONTRIBUTION TO THE PROGRAM SHOULD CONSULT THEIR LEGAL AND TAX ADVISORS REGARDING DEDUCTIONS, BASED ON THEIR PERSONAL CONSIDERATIONS.

GRANTMAKING GUIDELINES

Donors may recommend grants to qualified charitable organizations. Requests for grants can be made by completing a Grant Recommendation form and sending it to the Cream City Foundation for processing. Upon receipt of a donor's recommendation, Cream City Foundation will verify that the charitable organization is eligible to receive the grant (see restrictions below).

CAPABILITY

- Donor may recommend grants of \$100 or more to eligible nonprofit organizations.
- Recommend an unlimited number of grants at any time during the year (not to exceed the amount in the fund).
- Address a broad range of charitable needs with your fund, consistent with the Foundation's mission to improve the quality of life for LGBT communities in the State of Wisconsin.
- Donors can designate that a grant be anonymous or be given in the name of another individual.
- Cream City Foundation verifies that the nonprofit organizations which receive grants do not discriminate on the basis of sexual orientation or gender identity or that they are currently working to procure such policies.

RESTRICTIONS

- Grant recommendations are not binding on the Foundation. Your recommendations will be independently reviewed and must be approved by the Foundation's Board of Directors. In practice, grant recommendations to organizations already certified can normally be approved within two weeks of receipt.
- Grants may only be made to nonprofit organizations exempt from Federal taxation under section 501(c)(3) of the Internal Revenue Code. They may not be made to individuals.
- Grants may only be made for programs and organizations affecting or supportive of LGBT communities in the State of Wisconsin.
- Grants awarded from your fund may not be used to pay for memberships, dues, your tickets to a fundraising event or anything that might be perceived as giving you a material benefit.
- Grants may not be used to satisfy a previously committed personal pledge to a charity.
- Donors are required to distribute a minimum of 5% of their fund balance in a calendar year to eligible nonprofit organizations.
- All funds managed by the Foundation are subject to the terms and conditions of the Foundation's governing instruments, as amended. As required by law, the governing instruments provide, among other things, that the Foundation has the power to modify and vary any donor director or restriction in the event they become unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the greater Milwaukee community. This ensures that your fund will never become obsolete and may avoid costly court proceedings.

GRANT DISTRIBUTION

Grants are made by check bearing the name of the Cream City Foundation within ten to fourteen business days, unless additional due diligence is required on the part of Cream City Foundation for a particular nonprofit organization.

A letter will accompany the check recognizing the fund name and the donor's name, unless the donor requests anonymity.

FEES AND EXPENSES

Each fund is subject to an investment expense. Cream City Foundation monitors fees and works to keep costs as low as possible to maximize the charitable intent of our donors. The Foundation charges 10% of donor contributions to help with its community and grant making programs. Cream City Foundation fees and expenses are subject to change.

Please note that Cream City Foundation offers this Donor Advised Fund Program as a service to donors and the community, and that the above fees do not cover the full cost of the program. Therefore, Cream City Foundation requests that donor advisors make a meaningful annual contribution to the foundation for operating purposes.

REPORTING

Donors will be provided by mail with quarterly and annual statements showing fund balances and activity.

Cream City Foundation will provide donors with a gift confirmation for each contribution showing an estimate of the fair market value of the publicly traded securities contributed. Any fair market value computation is a good faith estimate and donors should consult with a tax advisor to determine applicable deductibility. Cream City Foundation will provide donors with all other financial reports or information required by law.

FOUNDATION RESPONSIBILITIES

As a charitable giving partner, the Foundation will:

- Provide staff support to consult with donors about their charitable giving at the donor's request. Staff will help donors expedite grant recommendations and connect donors to all Foundation resources to support your giving.
- Verify the tax exempt status and sound fiscal condition of the organizations you recommend for funding, in full compliance with federal and state laws.
- Issue grants in the name of your fund (unless you request anonymity).
- Carry out all accounting, tax reports, investment oversight and grant processing related to your fund.
- Conduct an independent annual audit of the Foundation's financial records and practices.
- Feature your fund in our publications and our web site, unless anonymity is requested.

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