

# FREQUENTLY ASKED QUESTIONS

## Questions for Individuals Considering Opening an American Gift Fund Account :

### **What is a successor advisor?**

The appointment of a successor advisor is an additional right that an original donor receives when they create a donor advised fund. A successor advisor is named by the donor and receives the ability to recommend grants on the death or incapacitation of the original donor. The individual named is a person that is known to the donor and assumes the responsibility to carry out the charitable intent of the original donor advised fund. The successor advisor is not a financial advisor. If you have any questions regarding successor advisors please contact the American Gift Fund.

### **Is there a minimum or maximum amount for a grant that I recommend?**

The minimum grant is \$250 and the maximum is the value of your account minus any fees if you wish to close your account.

### **Can I arrange an annual grant to a charity?**

Yes, On the grant recommendation form you may indicate this is an annual gift until further notice. You may also indicate your wishes on the "Special Instructions" line of the Grant Recommendation Form.

### **Can I deduct from taxes each grant I make?**

No. The tax deduction for an American Gift Fund occurs when the account holder makes gifts to their accounts. Individual grants

made to charities from the account are not eligible for a tax deduction.

### **Can I change the investment objective of my account?**

Yes. American Gift Fund offers three types of investment accounts with specific investment objectives for accounts. Account holders can alter these accounts over time. Account holders are also encouraged to speak with their investment advisor regarding their investment objectives for American Gift Fund accounts.

### **How do I request that a grant be made?**

Making an American Gift Fund grant request is simple. A request can be made by completing the online Grant Request Form on the American Gift Fund website, [www.giftfund.org](http://www.giftfund.org). This is the quickest and most simple method to make grant requests. Grant request can also be emailed to [ranee.truman@cnb.com](mailto:ranee.truman@cnb.com), [michael.appley@cnb.com](mailto:michael.appley@cnb.com), faxed to 302-892-6982, or mail the completed form to P.O. Box 15627, Wilmington, DE 19850.

### **What type of assets can I contribute to a Donor Advised Fund?**

The fund can accept various types of assets, including appreciated securities. These assets would be valued at the time of contribution to a donor advised fund for tax deduction purposes. The value of a contributed asset, other than cash placed in a donor advised fund would be the value of the asset when converted to cash. These conversions are made in a timely manner by the American Gift Fund, but may reflect an increase or a decrease from the original gift tax deduction value. If you have questions about contributing assets other than cash, please contact the American Gift Fund.

## **Can I contribute assets from an IRA to a DAF?**

No. This is not permitted by the IRS.

## **Will I receive an acknowledgment for my grant contributions and account gifts to an American Gift Fund account?**

Yes. All American Gift Fund grant contributions and account gifts are acknowledged, with a copy of gift check and grant checks, to the account holder.

## **What are the account minimums and how often can I make contributions to my DAF?**

The minimum initial contribution is \$25,000. Subsequent gifts may be made as often as you would like for \$250 and above. There is no limit to the number of contributions you may make to your DAF.

## **How are capital gains treated for gifts of appreciated securities?**

Appreciated assets can be contributed to the fund. Subject to certain limits, the appreciated value is deductible for income, gift and estate tax purposes.

## **Can my company match a grant that I make from my DAF?**

Yes. However, some companies may not consider gifts from a DAF as donations you made to a qualified Charity. Always review your company's matching gift policy and procedure.

## **Can my financial advisor manage the assets?**

Yes, a financial advisor can manage funds contributed to a donor advised fund in most cases. This option should be discussed with your financial advisor and the American Gift Fund to determine applicability and fees.

## **What are the administration and investment management fees?**

Administrative and Financial management fees are established for each donor advised fund. Please contact the fund or your financial advisor to discuss the specific fees for your account objectives.

**Is there a time limit in which my account has to send out all of its funds?**

No. American Gift Fund account holders have no time limits on making grants from gifts made to their accounts. There is no annual granting requirement.

**Is a DAF account subject to the excise tax that is charged to some private foundations?**

No.

**Am I required to distribute 5% per year for my gift fund account?**

No. The American Gift Fund account holder is not subject to this Private Foundation requirement.

**How soon can an account issue grants after being created?**

Once the American Gift Fund account has been opened and funded, grant requests can be made immediately.

# **Questions for Individuals Recently Opening an American Gift Fund Account:**

## **Is there a minimum grant size?**

Yes, minimum grant size from an individual American Gift Fund accounts is \$250.00

## **Is there a minimum or maximum amount of grants that must be made annually from an American Gift Fund Account?**

There is no annual minimum or maximum amount of grants that must be made from an American Gift Fund account.

## **Who verifies that a grant made to a charity by an individual American Gift Fund is a 501(c)3 charity?**

All requested grants to a charity are verified by the American Gift Fund that the charity is an IRS approved 501(c)3 charity.

## **What is the normal time required to issue a grant after receiving a grant request?**

Grants can be requested simply filling out the American Gift Fund web site grant request form. All requested grants by an American Gift Fund are made directly to the charity in an expedited manner. Grants are made 7–10 days following approval of the grant. Grants are approved by the American Gift Fund Board twice a month.

## **What if I need a Rush Grant to be made?**

Normal American Gift Fund grant approval and issuing of grant checks is 7–10 days. If an issue arises where an expedited grant is required, please contact American Gift Fund with this issue