



How a St. Croix Foundation Donor-Advised Fund Can Work For *YOU*

What is the St. Croix Foundation (SCF), and How Do Donor-Advised Funds Work?

- SCF is a registered 501 (c) (3) public charity and our mission is to encourage greater philanthropic activity, to marshal resources, and to act as a catalyst to benefit the people of St. Croix. Contributions to SCF are tax-deductible to the maximum extent allowed by law.
- Individuals, families, corporations and private foundations may become SCF Donors.
- You set up a SCF **Donor Advised Fund** by making a contribution to SCF. Your contribution is used to create a SCF Donor Advised Fund that you name.
- You recommend grants to charities from your SCF fund.

Deduct Now – Decide on Grants Later

- You will get an immediate tax deduction when you make your contributions to SCF.
- You can make grant recommendations to SCF any time you want to – immediately or at any later date. Grants are made from your SCF fund **in your name**.

Avoid Capital Gains Taxes

By contributing stock or other appreciated assets to SCF, you can avoid paying any capital gains tax on the contributed assets that you have held for a sufficient period.

Maximum Flexibility for Charitable Giving

- No time limit on when grants can be recommended from your SCF Fund.
- No requirement to make any minimum number or dollar amount of grants.
- No charge for grants, no limit on the number or frequency of grants.
- Grants can be made in your name or anonymously, if desired.

Make Your Life Simpler

If you want to make contributions to multiple charities, especially if you are contributing stock, the paperwork can be a nightmare. With a SCF Fund, your life will be much simpler. You make a single contribution (cash, stock, or other property) to SCF and, no matter how many grants you recommend, all you will need for your tax records is the **one** tax substantiation letter you will get from SCF. Then, whenever, you like, you can recommend grants from your SCF fund to *any number of charities*. SCF does the rest.

In addition, a St. Croix Foundation Donor Advised Fund insulates you from frequent requests!!!



Setting up a Donor-Advised Fund is as simple as A-B-C.

You complete:

- **A - Donor Agreement:** Read and sign Donor Agreement. Then fill out donor application form.
- **B - Grant Recommendations:** Complete Grant Recommendations form and sign.
- **C - Contribution:** send a check or authorize your broker to transfer specified assets from your brokerage account. (Minimum contribution: \$10,000 for corporations; no restrictions on subsequent contributions or minimum balance requirement.) To contribute other forms of property contact SCF for transfer instructions.

Recommending Grants to Charities is Easy

SCF will send you a simple Grant Recommendation form. All you'll need to do is send the completed forms to SCF by fax or mail, and SCF staff will promptly process the grant requests.

Add Advisors/Recommend Final Grants

As part of your Agreement you must indicate who is authorized to make grant recommendation of SCF. You can name additional Advisor(s) for your Fund to serve with the donors, name successor Advisor(s), or make recommendations for the final distribution of your Fund by completing a Program Options form and sending it to SCF. Contact SCF to get this form.



Donor Advised Fund Agreement

Please note: This form has important legal consequences and the parties should consult legal and tax or other counsel before signing.

_____ ("The Donor (s)") wishes to create a donor advised fund with the St. Croix Foundation for Community Development, Incorporated ("the Foundation"), a U.S. Virgin Islands charitable agency as defined in Section 501(c)(3) of the Internal Revenue Code. This agreement is viewed as an opportunity to build a philanthropic partnership between the Foundation and the Donor. The minimum initial contribution to establish a Fund for a corporation is \$10,000, (\$2,500 for individuals) in the aggregate, in the form of cash and/or marketable securities. It is agreed that the Contribution will constitute an irrevocable gift to the Foundation for the creation of a Fund to be used exclusively for charitable purposes subject to the terms and conditions described hereinafter. Cash gifts may be added to the Fund at any time by anyone. The Board of the Foundation shall have complete discretion to accept or refuse any non-cash gift.

1. **Name of Fund.** The Contribution shall be held by the Foundation as a Fund, which shall be called the Fund _____ ("Name of Fund"). The Fund shall include the initial contribution, any additional cash, marketable securities or bequest, and, with the consent of the Foundation, any other property, which may hereafter be transferred to the Foundation as an additional contribution to the Fund.

2. **Purpose of Fund.** The Fund shall be distributed exclusively for charitable purposes including religious, child welfare, scientific, medical, literary, animal welfare, cultural, or educational purposes. The organization receiving grants from the Fund must be organized and operating for purposes that exclusively promote social welfare within the meaning of Section 501(c) (3) of the code. The Donor or Advisor may not benefit personally from the grants distributed.

3. **Advice to Board of Directors.**

(a). *Recommendations by Donor(s).* The Donor(s) is expressly given the right to submit recommendations for grants in writing from time to time to the Board with respect to distributions from the Fund. For the purposes of this Document, the term Donor encompasses and applies to the lifetime of that individual(s) who establishes the Fund and to the lifetime of that individual's named successor Advisor(s) to the Fund. Upon assuming the rights and responsibilities of the Fund, the named successor Advisor(s) may designate his/her own Advisor(s) to the Fund. The named Advisor(s) to the Fund is (are) listed below:

Print Name

Print Name

Signature

Signature

Address

Address

Email

Email



After the death of the original donors, if no contributions have been made to the Fund and no grants have been recommended from the Fund by the Advisors for a period of two years, and after the Advisors have been notified by the Foundation staff, the balance of the Fund will be placed into the Unrestricted Fund or a Field of Interest Endowed Fund of the Foundation. These funds will be used at the discretion of the Board of the Foundation for the purpose of improving the quality of life of the residents in the St. Croix community.

(b) Recommendations are Purely Advisory. Donor's recommendations to the Board shall be advisory only. The Foundation shall continuously monitor the community's charitable needs and gifting opportunities and provide the Donor with suggestions, information, and specific projects for which distributions from the Fund might be appropriate. Additionally, the Donor is encouraged to conduct its own research into charitable projects. The Board shall make an independent investigation or independent evaluation of all recommendations for distributions from the Fund based on the usual reasonable standards and guidelines applied by the Board to all proposals. Donor's advice to the Board shall not limit or restrict the powers of the Board. In its due diligence review of Donor's recommendations, the Board will seek to confirm and document the tax exempt status and fiscal integrity of proposed recipients. The Foundation shall inform the Donor with respect to each grant and distribution from the Fund. If the Donor(s) hereafter serves on the Board, Donor(s) shall be ineligible to vote on any distribution from the Fund.

(c) Regulations. The Board may adopt procedures from time to time that shall regulate the manner in which Donor(s) may make recommendations to the Board concerning distributions from the Fund. The Board is authorized to interpret or amend the provisions of this letter in order to conform to the provisions of applicable law or government regulations that are necessary or advisable to carry out the Donor's general charitable intent

4. **Fees and Costs.** An administrative fee of not more than 5% of the funds received will be charged. However, professional or project management fees, and any other out of pocket costs incurred by the Foundation may be charged against the Fund's balance. If the Donor prefers not to diminish the Fund by the payment therefrom of the administrative costs, the Foundation may instead be paid directly by the Donor.

5. **Component Fund.** The Fund's assets shall be the property of the Foundation to be held by it in its corporate capacity and shall not be deemed a trust fund held by it in a trustee capacity. It is intended that the Fund shall be a component fund within the Foundation and that nothing in this agreement shall affect the status of the Foundation as an organization described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code. This agreement shall be interpreted in a manner consistent with the foregoing intention so as to conform with any applicable requirements of the Internal Revenue and its regulations.

6. **Administration of Fund's assets.** The Foundation shall hold, manage, invest, and reinvest the assets of the Fund which may be commingled with the assets of other component funds within the Foundation; provided however, that the separate identity of the Fund shall be maintained and distributions from the Fund shall be clearly identified as such to the recipients. A separate account shall be established to report the Fund's earnings and distributions. The Foundation shall report annually to the Virgin Islands Bureau of Internal Revenue and the Internal Revenue Service regarding the Fund as a component fund within the Foundation.

7. **Foundation Governance.** All provisions of the Articles of Incorporation, Bylaws and other rules, regulations and procedures of the Foundation which are now in effect and which may be adopted or amended, or both, hereafter shall apply to the Fund.



8. **Variance Power.** It is understood and agreed that all assets held in the Fund established pursuant to this agreement shall be subject to the terms and conditions of the Articles of Incorporation, Bylaws, and other policies consistent therewith of the Foundation, as from time to time amended, including the power reserved by the Board of Directors to modify an condition or restriction on the distribution of funds, if in its sole judgment, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the area served by the Foundation.

9. **Indemnity.** In consideration of the Foundation's creating the Fund at the request of the Donor and for good and valuable consideration, the Donor hereby agrees to indemnify and hold harmless the Foundation against any liability, cost, or expense which the Foundation may incur by reason of its acting upon instructions or recommendations given to the Foundation by any of the authorized persons named.

10. **Termination of Fund.** In the event that the Donor wishes to terminate the Fund, the Foundation shall thereafter continue to hold the assets of the Fund in its general unrestricted fund and shall distribute the income and principal there from to such organization as the Board of the Foundation may select, with primary consideration being given to any advice offered by the Donor.

11. **Publicity.** Unless requested by the Donor not to publicize the Fund's name, the name of the Fund may be listed in the Foundation's news releases, newsletters, annual report or other Foundation informational venues.

12. **Foundation's Status.** Nothing in this Agreement shall affect the status of the Foundation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 as from time-to-time amended ("the Code"). This Agreement shall be interpreted in a manner consistent with the foregoing objectives and so as to conform to the requirements of the aforementioned provisions of the Code and any regulations issued pursuant thereto. In order to implement those objectives, the Foundation may amend the terms of this Agreement at any time or times to comply with the requirements of those provisions and the provisions of any other applicable law or government regulation.

13. **Amendments.** The terms of the Agreement regarding the administration of the Fund shall continue until such time as the terms of this Agreement are modified, waived, or terminated as set forth herein or by further signed agreement between the Donor and the Foundation, or by their respective heirs, successors, or assigns.

14. **Receipt and Acceptance.** Receipt and acceptance by the Donor(s) and the Foundation are hereby recognized.

Accepted this _____ day of _____, 2004.

Donor(s):

By: _____

By: _____

St. Croix Foundation for Community Development Incorporated:

By: _____



PROGRAM OPTIONS FOR CORPORATE DONOR ADVISED FUNDS

Instructions

These options may be chosen when a Donor Advised Fund is established, or at any future time.

Advisor(s) and Successor Advisor(s):

The corporation may designate up to two Advisors to serve at any one time for its Fund. Unless the Corporation specifies otherwise in writing (e.g., that recommendations must be made jointly), each Advisor shall have the equal and individual privilege to make investment and grant recommendations. The Corporation may designate successor Advisor(s) to serve after the death, termination or resignation of the named Advisor(s).

To Designate Advisor(s):

- Provide **all the identifying information** requested about each Advisor named.
- **Sign** the form.

NOTE: In order for SCF to accept grant and investment recommendations from an Advisor, we must have that Advisor's contact information and signature on file.

Final Disposition of Funds:

The Corporation may recommend that, at such time as there are no named Advisor(s) and the Corporation does not name successor Advisor(s), or upon the occurrence of another specified event, the balance in the Fund be used to create a named fund within the SCF General Endowment Fund, and/or may recommend charities to receive stated percentages of the principal or income of the Fund. If no recommendation for the final distribution of the SCF Fund and there are no further Advisor(s), the funds remaining will be placed in the General Endowment Funds of SCF, and may carry a name designated by the Corporation or, at the discretion of SCF, may be distributed to one or more previously recommended charities.

To recommend the final disposition of the Fund:

- **Indicate the choice** of a name fund, and /or
- **Recommend** charities to receive the principal or income of the Fund.
- **Sign** the form.



Grant Recommendation Form

Fund Name:

I recommend that grants in the following amounts be distributed to the charitable organizations below:

Organization:		Amount:	\$
Attention:		<i>(Helpful)</i> Tax ID#: Phone: Fax:	
Address:			
City:	State:		Zip Code:
Special Instructions:			

Organization:		Amount:	\$
Attention:		<i>(Helpful)</i> Tax ID#: Phone: Fax:	
Address:			
City:	State:		Zip Code:
Special Instructions:			

Please Remember: Grants CANNOT be used to pay; (1) the non-tax deductible portion of dinners or other benefit events or memberships; (2) to fulfill personal pledges of financial support or obligations or; (3) for any dues except to qualifying religious institutions.

DONOR/ADVISOR SIGNATURE: _____ DATE: _____

DONOR/ADVISOR NAME (Please Print): _____

DAYTIME TELEPHONE NUMBER: _____ EMAIL ADDRESS: _____