



**SOUTHERN ILLINOIS
COMMUNITY FOUNDATION**

FOR GOOD, FOREVER, FOR SOUTHERN ILLINOIS

DONOR OPPORTUNITY GUIDE

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SECTION A – SUMMARY OF FUND OPPORTUNITIES

The Southern Illinois Community Foundation (SICF) encourages the establishment of charitable funds by individuals, businesses, and nonprofit organizations for the benefit of the Southern Illinois Region.

Establishment of a fund with the Southern Illinois Community Foundation is simple. You may establish a

Donor Advised Fund

You, or someone you designate, can create a fund, which enables you to make suggestions about grant distributions from time to time. While IRS restrictions require that ultimate decision-making authority reside with the Foundation, the donor's recommendations are given the highest consideration by the SICF Board of Directors. Grants from a Donor Advised Fund cannot result in the donor, advisors or any related parties receiving an exchange of goods or services or any personal or material benefits including tickets, memberships, meals, preferred parking, preferred seating, discounted merchandise or other preferential treatment from a donee organization. Donor Advised Fund grants also cannot be used to satisfy all or a portion of a pre-existing personal pledge or other financial obligation of the donor, advisors or any related parties. Advisors may, however, recommend that a grant be paid out over multiple years, subject to grant approval and annual due diligence. Provisions of the Pension Protection Act of 2006, prohibited 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. For example, a grant to a university for the benefit of a designated student is prohibited. Donors, advisors or any related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from a Donor Advised Funds.

Designated Fund

You may establish the fund to benefit one or more specific charities that you would like to receive the funds in perpetuity or for a specified period of time. Your wishes will continue to be honored through the years unless the charity ceases to deliver the services which you wished to support. In that case, programs with similar purposes will be identified so that your original charitable intent will continue to be fulfilled.

Agency Fund

A charitable/nonprofit organization may establish an endowment fund specifically for the benefit of their organization. These funds will remain restricted for the named charitable organization unless the organization ceases to exist. In that case the Board of Directors will direct the funds remaining to go to a charity or to a granting program with a similar mission of the original charity.

Field Of Interest Fund

Rather than designating specific organizations to receive funds, you may wish to specify a more broad use for the fund which you establish within a charitable field of interest. Examples of such fields include education, youth, the arts, healthcare, etc. The trustees will maintain awareness of worthy groups in each field and make periodic grants to those charitable organizations in the fields you specify.

Scholarship Fund

You may create a fund which will provide money for students' educational expenses at academic institutions and/or specialty programs of your choice. You can specify degree fields, students' hometown, academic qualifications, economic background, etc. The SICF board will participate with the educational institution to insure applicants meet your scholarship criteria.

Pass-Through Fund

You may contribute to a fund which is short-term (less than twelve months) in nature for the purpose of directing the full amount of your contribution for one or more specific charitable purposes. For example, the Foundation can assist individuals, and organizations with their annual giving by providing the convenience and efficiency of disbursing a single contribution among several worthy groups.

Discretionary/Unrestricted Fund

An unrestricted fund serves the widest variety of charitable purposes by allowing the SICF Board of Directors to make grants responsive to current opportunities and challenges facing our region. The SICF grantmaking committee makes recommendations for grants to support organizations whose purpose best fulfills the charitable mission of the Foundation and its programs.

Incubator Fund

An important feature that encourages charitable organizations to become involved with the Southern Illinois Community Foundation is the opportunity to establish funds by opening an "Incubator Fund." You may begin such a fund with as little as \$1,000, or an amount agreed upon by the Board of Directors, and add to it annually until the minimum of \$5,000 is available to establish a permanently named fund. While in incubation, the fund will make no distributions and all earnings and growth will be retained until fulfillment of the minimum amount is attained. Please refer to the attached Administrative Fee Summary for additional information.

Should you have a special need with which SICF may provide assistance to help accomplish your particular charitable objective, please contact us directly. We offer many resources and services which we will be pleased to share with you.

SECTION B – FEE POLICY FOR DONOR FUNDS

Through economies of scale, the Southern Illinois Community Foundation is able to charge minimal fees, making your charitable investment easy, flexible and rewarding.

We have developed a fee schedule to accommodate the required personal service, administration, grantmaking, banking, and investment activities of each fund. Fees are determined and assessed in accordance with the fund type.

The basic objective of the administrative fee is to minimize the fee in comparison to earnings accumulated on the fund so as to not decrease the original amount of the donations.

The SICF assesses two types of fees for established funds:

Investment Management Fees

In order to prudently manage and optimize the growth of funds entrusted to the SICF, we utilize certain outside investment and banking services. The direct costs for these services are allocated to each fund on a pro-rata basis and charged semi-annually.

Each of these charges and the basis for your fund's fee will be fully disclosed during each reporting period.

Administrative Fees

Administrative fees support the Foundation's operational expenses for managing funds, reviewing grant applications, researching current and emerging regional issues, independent audit, publication of the annual report, management of data bases, providing donors with tax receipt letters if appropriate, and similar management functions. The members of the SICF Board of Directors serve without compensation.

Occasionally, expenses directly attributable to a particular fund must be paid. Examples include legal fees, probate costs, special publicity, etc. Such out-of-pocket expenses are charged directly to the fund.

The administrative fees applicable to each fund-type are contained in the attached Administrative Fee Summary. The fees indicated thereon represent an annual charge. Fees are calculated and charged semi-annually based upon the market value of the assets on the last business day of each year at six month period at June 30 and December 31.

All fees are subject to review and revision at all times by the Board of Directors. Please verify that you are utilizing the currently approved fee information.

ADMINISTRATIVE APPROVALS

All calculations of the administrative fees shall be reviewed and approved by the SICF – Investment, Finance & Audit Committee at the end of each semi-annual period of June 30 and December 31.

A list of grant requests will be presented to the Board of Directors for approval at each Board Meeting.

SECTION C – FUND GUIDELINES & FEE STRUCTURE GRID

TYPE OF FUND	MINIMUM TO ESTABLISH	ANNUAL ADMINISTRATIVE FEE	MINIMUM DISTRIBUTION	GUIDELINES
DONOR ADVISED AGENCY-ENDOWED DESIGNATED FIELD OF INTEREST	\$5000 A minimum contribution of \$1000 over 5 years is allowed to establish a named fund.	\$25.00 per \$1,000 rounded upward up to \$7,000 1.5% \$7,000-\$249,999 1.0% \$250,000-\$999,999 Over \$ 1,000,000 Fee is subject to Board approval \$ 75 Fee Per Distribution Over 5 Annually	\$100 Distributions not allowed prior to fulfillment of minimum pledge.	(1) Investment earnings and principal appreciation accrue to the fund. (2) Investment Earnings and fees are applied to the fund on a semi-annual basis. (3) If a named fund pledge is not fulfilled in five years, funds will be transferred to the General Unrestricted Endowment. (4) When there is no longer an authorized or willing advisor, fund shall revert to a permanent unrestricted fund of the same name unless originating documents specify otherwise.
PASS-THROUGH	None	2.0% of contributions or \$100 (greater of)	Fund Principal	(1) Investment earnings and principal appreciation accrue to the Southern Illinois Community Foundation.
INCUBATOR	An organization can choose to save towards an endowment. No granting activity will take place until the minimum fund balance is achieved. Minimum fund balance of \$5,000 must be achieved within one year. All financial guidelines apply.			
SCHOLARSHIP DISCRETIONARY/ UNRESTRICTED	\$5000	Same as Donor Advised 2.0% If SICF handles selection	\$100	(1) Investment earnings and principal appreciation accrue to the fund. (2) Investment Earnings and fees are applied to the fund on a semi-annual basis.

Note: Some funds, due to their nature are labor intensive and may be negotiated at a special rate to cover additional administrative requirements.

SECTION D – FUND ESTABLISHMENT PROCEDURE

Charitable giving through the Southern Illinois Community Foundation is easy, flexible and rewarding. Simply follow the steps below and you will be on your way to providing a legacy of generosity to your community.

1. Thoroughly read and understand the contents of this *Donor Opportunity Guide*, particularly the types of funds, fees and tax considerations.
2. Consider your personal goals and objectives for your charitable gifting. Select the type of fund which will help you to achieve your particular vision.
3. Complete a *Fund Establishment Form*, together with the appropriate supplementary information depending on the type of fund you are establishing. Specific considerations should be agreed upon with the Foundation and included as a contractual agreement with the *Fund Establishment Form*.
4. Sign and date the *Fund Establishment Form*, attach your initial contribution and mail it to the address below.
5. Fully understand that any contribution, once accepted by the Foundation, represents an irrevocable contribution to The Southern Illinois Community Foundation and is not refundable to the donor. The gift can only be used for charitable purposes as directed by SICF.

You have now become a part of the growing family creating positive change in people, institutions and communities in southern Illinois.

Contact The Southern Illinois Community Foundation and submit your contract:

The Southern Illinois Community Foundation
3000 W. DeYoung, Suite 800B
Marion, IL 62959
618-997-3700 Phone
618-997-3771 Fax
www.sicf.org
e-mail: info@sicf.org

SECTION E – ADDITIONAL INFORMATION ON FUND ADMINISTRATION

General Information

Unless you specify otherwise (except in the case of Pass-Through Funds), your fund will be considered to be an Endowment. This means that distributions from your fund will be made from income only (for example, interest income plus capital appreciation), without use of the originally deposited principal. Endowments are encouraged in order to advance SICF's mission of building permanent resources to benefit our region.

Primary donors and anyone else may contribute to established funds or to the SICF General Fund at any time. Your contributions are immediately deductible for federal income (subject to applicable restrictions), estate or gift tax purposes upon acceptance by the SICF. A more detailed discussion of the tax impact of a donation to SICF appears in the Tax Considerations section below.

It is important to remember that the primary purpose of a community foundation is to encourage active philanthropy. As such, the SICF is required to grant to operating charities at least 5% of its average net assets on a five-fiscal-year rolling basis. The SICF expects that its grant distributions will exceed that level. However, if that level of grant activity is not attained, the SICF will identify the named accounts from which grants over the same five-year period totaled less than 5% of each account's average assets. The SICF will then contact the Donor Advisor of these accounts to request that they recommend grants to bring their total to 5%. If a Donor Advisor does not provide qualified grant recommendations within 60 days of such request, the SICF reserves the right to transfer up to 5% of assets from the Donor Advisor's named account to the SICF's General Account for discretionary grant making. This policy may be waived if the Board of Directors determines that the funds should accumulate for a period of time, as in the case of an incubation fund.

As the tax savings available to you by establishing a fund with the SICF can be substantial, the trustees must be careful to preserve such tax benefits by following IRS guidelines on the organizations to whom money is given. It is therefore the policy of the SICF to grant distributions only to organizations which are identified by the IRS as 501 (c) (3) public charities (which are not private foundations) and as described in sections 509 (a) (1)-(4) of the Internal Revenue Code. Grants can be given, by action of the SICF Board of Directors, to Illinois Non Profit Organizations which are registered as such with the State of Illinois.

Donor Accounts

For each contribution by a donor and additions to it, the SICF will:

1. Establish a book-entry account in the donor's name on the books of the SICF;
2. Title the account using the donor's account title specified on the Fund Establishment Form or, if no designation is made, with the word "Foundation" appended following the Primary Donor's name;

3. Maintain records for each donor showing the donor's contributions, grants to charities from SICF assets attributable to the donor's contributions and other transactions with respect to such contributions;
4. Review the donor's recommended charities to assure that distributions to them qualify;
5. Send annual account statements to the donor;
6. Deliver grants to recommended charities as soon as practicable following the Board of Directors meeting at which the grant is approved.

Upon establishment of a named fund, the Primary Donor will be considered to be the sole authority (the Donor Advisor) for advising on distributions from the fund, changes to designated charities or fields of interest, or other fund administration matters. Should the Primary Donor choose to name a different entity (e.g., a family member, corporation or charity) to be the acting Donor Advisor, such designation should be made in writing to the SICF. Change of donor advisor may be made at any time during the Primary Donor's lifetime. The Primary Donor retains the ability, during his/her lifetime, to recommend a change in the Donor Advisor even if the Primary Donor is not the Donor Advisor at the time of the change.

The Donor Advisor may designate a new entity (e.g., family member, corporation or charity) to be the Successor Advisor after the donor's death. Such designation should be indicated in the appropriate section of the Fund Establishment Form.

Upon the death of the Primary Donor and the earlier of the death of the Successor Advisor (or, if the Successor Advisor is a corporation or charity, ten years subsequent to the Successor Advisor taking office), named funds established with the SICF will be dispositioned in one of three ways, according to the wishes of the Primary Donor:

- A. Transfer assets to the SICF General Fund for grants to charities and charitable purposes determined by the Board of Directors in the name of the original fund;
- B. Transfer assets to a pre-designated Field of Interest Fund for distribution by the Board of Directors using the name of the original donor;
- C. Continue distribution to charities or field(s) of interest designated by most recent Donor Advisor or (Successor Advisor) with Board of Directors as acting Donor Advisor.

If the SICF is unable to communicate with a Donor Advisor after it has used reasonable efforts to do so, or if there is no living or competent Donor Advisor and no Successor Advisor has been named and none of the above designations have been made, the donor account will be transferred to the General Fund to be used for grants to charities and charitable purposes determined by the Board of Directors.

Grants

Grants will be made in the name of the donor's account. Donors wishing to remain anonymous may so designate on each Grant Request. Donors who wish to have their grants made anonymously will still have an account name as discussed above for donor reporting purposes.

For Field of Interest Funds, the SICF has developed a list of charities under specific categories of charitable purposes, such as the environment, poverty, and the performing arts to which the SICF will make grants. A complete current list of these categories is available by contacting the SICF. A Donor Advisor may, in a Grant Recommendation, specify that his or her donation be used for grants within one or more categories the donor chooses from the list of categories or may cancel a previous request. The Board will consider every such request and, in addition, welcomes recommendations from donors for additional categories of charitable purposes.

For Donor Advised Funds, a Donor Advisor may, in a Grant Recommendation, recommend one or more charities to receive grants by the SICF from their account or may cancel a previous request. Each recommended charitable organization must be a United States charity exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code at the time of the grant. Grants may be given to non profit organizations that are registered with the State of Illinois upon the recommendation of the SICF Board of Directors. There must be no private benefit received as a result any grant. The grant must not be used for political or lobbying purposes. The Board of Directors will review each recommendation to determine the recommended charity's status under US IRS Section 501(c)(3) or non profit status within the State of Illinois. The Board has the authority to approve or disapprove any such recommendation.

Grants may not be used to satisfy preexisting pledges or to provide a private benefit, for example, to pay dues or membership fees, purchase tickets to a benefit, pay the donor for time or services provided to a charity or purchase goods at charitable auctions. Grants may not be made for lobbying activities, political contributions or political campaigns. Moreover, grants may not be made to private foundations.

In the unlikely event that it becomes necessary to terminate the SICF, the Board of Directors will distribute the fund assets attributable to each account to the qualified organizations which the donors thereof have most recently recommended and, in the absence of such a recommendation and in the case of the General Fund, as the Board determines.

Tax Considerations

Upon acceptance of a donor's gift by the SICF, the donor becomes entitled to a federal income tax and gift tax deduction. A federal estate tax deduction is available for bequests to the SICF. The donor does not obtain another charitable deduction when the SICF makes a charitable grant because it is distributing its own property, not the donor's. All charitable gifts made to the SICF are irrevocable to the donor. If a fund is established by a charitable agency, the fund may be spent down through grants to that agency if they are in compliance with the IRS and State of Illinois.

For federal income tax purposes, an individual donor's itemized deduction for a donation to the SICF is limited to 50% of his or her adjusted gross income (as specially calculated) in the case of cash gifts and 30% in the case of appreciated securities held more than one year. Corporate

deductions are limited to 10% of the corporation's taxable income as specially calculated. The portion of any deduction which cannot be used in a year because of that limitation can be carried forward and used for up to five years after the year of contribution.

No income, gains or other item of income or expense received or incurred by the SICF or allocated to or incurred by a donor's account is attributable to the donor since he or she does not own assets assigned to the account.

Each donor is responsible for determining the value for tax purposes of the donations he or she makes to the SICF. The values of publicly traded securities given to the SICF which may be shown on statements issued by the SICF to donors are estimates by the SICF only and donors cannot rely on them. Individual donors must file Form 8283 with their income tax returns for gifts of more than \$500 of non-cash property. All donors must file a Form 8283 for most charitable gifts of more than \$5,000 in non-publicly traded securities.

IMPORTANT: Donors are urged to consult their attorneys, accountants or tax advisors with respect to questions relating to all aspects of investing in a public charity such as the Southern Illinois Community Foundation, particularly including the deductibility of various types of contributions to the SICF for federal and state tax purposes.

All information, policies and administrative procedures are subject to revision by the Board of Directors at any time. Please contact the SICF if you have questions or require additional information.

I have read the information contained in this Donor Opportunity Guide and I am fully aware of the conditions associated with establishing a fund with the Southern Illinois Community Foundation.

Signature of Donor

Date

Review / Revisions	
3/6/2002	Board Approval
10/14/2004	Revised—Board Approval
9/13/2005	Revised—Board Approval
11/6/2008	Revised—Board Approval
11/17/2011	Revised—Board Approval
3/14/2013	Reformatted & Revised—Board Approval
7/1/2013	Revised—IFAC Recommended
8/8/2013	Revised—Board Approval



Section F — FUND ESTABLISHMENT FORM

NAME OF FUND _____

PURPOSE OF FUND _____

FUND TYPE

- | | |
|---|---|
| <input type="checkbox"/> A. Donor Advised Fund | <input type="checkbox"/> E. Scholarship Fund |
| <input type="checkbox"/> B. Designated Fund | <input type="checkbox"/> F. Pass-Through Fund |
| <input type="checkbox"/> C. Agency Fund (Agency: _____) | <input type="checkbox"/> G. Discretionary/Unrestricted Fund |
| <input type="checkbox"/> D. Field of Interest Fund | <input type="checkbox"/> H. Incubator Fund |

ENDOWING

Will this Fund be endowed: Yes No

If yes, the amount to be distributed annually from the Fund will be a fixed percentage of the Fund balance _____% (not more than 5%) or a fixed amount of \$_____.

DONOR INFORMATION

Primary Donor's Name _____

Social Security or Tax ID _____

Daytime Phone Number _____

E-mail _____

Street Address _____

City, State and Zip _____

Joint Donor's Name _____

Social Security or Tax ID _____

Daytime Phone Number _____

E-mail _____

Street Address _____

City, State and Zip _____

How do you like to address in correspondence? (Example: "Mr. and Mrs. John Smith", "John and Jane Smith", etc) _____

FINANCIAL ADVISOR

Do you have a financial advisor whom we may contact if required?

Name of Financial Advisor _____

Financial Institution or Firm _____

Daytime Phone Number _____

Address _____

City, State and Zip _____

INITIAL CONTRIBUTION

a.) Check Amount \$ _____

(Please make check payable to "Southern Illinois Community Foundation")

b.) Securities (Stock Certificate, Portfolio Account, Mutual Fund Account, Bonds, Etc.)

Please Describe _____

(Please contact the SICF for specific instructions on information which must be included to transfer marketable securities.)

SUCCESSOR ADVISORS

(Not Including Unrestricted Funds) - A Successor Advisor may be one or more individuals, including a spouse, relative or other individual, who have reached the age of 18, a corporation or a qualified charity. You may designate one Successor Advisor to serve subsequent to the primary donor(s). Please refer to Section E. of the Donor Opportunity Guide for additional information on Successor Donors.

Primary Successor Advisor's Name _____

Social Security or Tax ID Number _____ Date of Birth _____

Daytime Phone Number _____

Address _____

City, State and Zip _____

Relationship to Primary Donor _____

(Optional)

Secondary Successor Advisor's Name _____

Social Security or Tax ID Number _____ Date of Birth _____

Daytime Phone Number _____

Address _____

City, State and Zip _____

Relationship to Primary Donor _____

FINAL DISPOSITION OF FUND ASSETS

You may specify how your fund is to be administered subsequent to completion of your Successor Advisor's term. Please refer to Section E. of the Donor Opportunity Guide for additional information on Successor Donors.

- Transfer assets to the SICF General Fund for grants to charities and charitable purposes determined by the Board of Directors in the name of the original fund.

- Transfer assets to a pre-designated Field of Interest Fund for distribution by the Board of Directors using the name of the original donor.
Field of Interest _____
Field of Interest _____

- Continue distribution to charities or field(s) of interest designated by most recent Donor Advisor or (Successor Advisor) with Board of Directors as acting Donor Advisor.

SIGNATURES

I acknowledge that I have received and read The Southern Illinois Community Foundation's Donor Opportunity Guide and agree to its terms and/or conditions described therein. I hereby certify that to the best of my knowledge all information presented in connection with this application is accurate and I will notify The Southern Illinois Community Foundation promptly of any changes. **IMPORTANT:** This Agreement is subject to the Foundation's authority to vary the terms of the gift as stated in Article VII, Section 4 of the Foundation's by-laws. The Foundation shall promptly notify the agency of any decision made to exercise the variance power.

Donor Signature _____ Date _____

Joint Donor Signature _____ Date _____

SICF Board President _____ Date _____