



Donor-Advised Fund Grant Guidelines

Helpful Tips for Using Your Charitable Giving Account

With your donor-advised fund, you can enjoy supporting any 501(c)(3) public charity in the United States, including governmental, educational and religious institutions. Rest assured that Greater Horizons will exercise due diligence to make sure grants from your fund are given to organizations that have met 501(c)(3) IRS requirements.

In some cases, Greater Horizons may need to contact you and/or the charity for additional information to ensure the grant follows IRS rules before approving the grant. Following these guidelines will help expedite Greater Horizons' approval process.

A more detailed explanation of Greater Horizons' grant guidelines is included in the *Procedures for Establishment and Operation of Funds and Affiliated Organizations*, available at www.greaterhorizons.org/procedures.

If you have any questions, contact Donor Services at support@greaterhorizons.org or 866.627.3440.

GRANT REQUESTS, RECOMMENDATIONS AND SUGGESTIONS

Grants from your donor-advised fund must be made to charitable organizations. When making your grants, you may see terms like "grant request" or "grant suggestion." This is because Greater Horizons technically owns the assets in your fund, and any grant requests are subject to review and approval by Greater Horizons. However, Greater Horizons makes every effort to approve all grant requests that are made in accordance with IRS rules, and Greater Horizons will contact you if there are any issues that would stop or slow down a grant request's approval.

GRANT REQUEST ACKNOWLEDGEMENT

When submitting grant requests, Greater Horizons will ask you to agree to the following terms:

"To ensure fund activity follows IRS rules, I agree that every penny of this grant will be used for a charitable purpose, and neither I nor anyone I know will receive anything more than a coffee mug or other incidental benefit in return."

MEMBERSHIPS

You may use your fund to cover the cost of a membership if the charity confirms that the full cost is 100% tax-deductible, as outlined in IRS rules. You may also use your fund to cover the cost of a membership if your grant request states that you waive the more than incidental benefits related to the membership.

Here are examples of incidental membership benefits that you can receive in exchange for your grant from your donor-advised fund:

- Free admission to all exhibits
- Discounted or free parking
- Discounts at the gift shop
- Preferred access to special ticketed events where you pay for tickets separately
- Invitations to members-only exhibits
- Low-cost items, such as a newsletter, calendar, key chain or coffee mug

EVENTS

You may use your donor-advised fund to make grants to charities in support of their events. However, the IRS has specific rules surrounding event-related grants from donor-advised funds that are not intuitive.

Tickets, Tables and Sponsorships

The full cost to attend events (both the tax-deductible and non-tax-deductible portions) must be paid from your personal bank account. You may pay any remaining sponsorship costs from your fund, if you do not receive more than an incidental benefit in return. Logo or name recognition in event materials is not considered more than an incidental benefit. When submitting a grant request for a sponsorship, please note in your grant request that you will cover the full cost of the tickets or table separately.

Here is an example of what the IRS allows:

A \$5,000 event sponsorship includes a table for 10 and your name or logo in event materials.

If the lowest ticket price to attend the event is \$100, you will pay \$1,000 for the table personally from your bank account ($\$100 \times 10$ seats at the table) and you can use your donor-advised fund to cover the remaining \$4,000.

Keep in mind that the amount that can be paid from your donor-advised fund is not always the tax-deductible amount published by the charity. Greater Horizons' staff can help you calculate what portion of the event sponsorship can come from the fund based on the benefits received. If you choose not to accept any benefits associated with a sponsorship, the entire amount may be paid through the fund.

Raffles and Auctions

You may use your fund to support "fund-a-need" calls for donations at charitable events, but the IRS does not allow donor-advised fund grants for raffle tickets or auction items.

SCHOLARSHIPS AND TUITION

You may use your fund to support a scholarship program administered by a 501(c)(3) public charity or educational institution, but the IRS does not allow grants that are designated to assist a specific individual.

MISSION TRIPS, RACES AND OTHER DONATIONS IN HONOR OF INDIVIDUALS

You may make a grant to a 501(c)(3) public charity or religious institution in honor of an individual if the charity exercises complete discretion and control over the donation, and, as required by the IRS, the grant does not provide more than an incidental benefit to you, any fund advisors, or your respective family members ("related parties").

Greater Horizons understands that many donations are in recognition of an individual's fundraising efforts. Therefore, when submitting grants in honor of individuals who are not related parties, please explicitly state that the donations are "in honor of [individual's name]." If you are considering a grant in honor of a related party, please contact Greater Horizons prior to submitting a grant request.

ATHLETIC FUNDS AND NIL COLLECTIVES

You may use your fund to support a college or university athletic program if your grant request states that you waive all benefits, including priority seating at athletic events, ticket rights or points.

There is uncertainty about the charitable status of NIL collectives that facilitate name, image or likeness opportunities for student-athletes. If you are considering a grant to an NIL collective, please contact Greater Horizons prior to submitting a grant request.

PLEDGES AND COMMITMENTS

You may use your fund to fulfill commitments to 501(c)(3) public charities. However, Treasury and the IRS prohibit using the term "pledge" on grant checks or related correspondence. Instead, please reference "donation" or "gift" in your grant request.