

Nonprofit Organizations



Working Together

The **Fidelity® Charitable Gift Fund** is an independent public charity

Like your organization, we are also a nonprofit. Our donor advised fund program, called the Giving Account®, helps us achieve our charitable mission:

To further the American tradition of philanthropy by providing programs that make charitable giving simple and effective.

We facilitate philanthropy by making it easy for donors to support other charities — charities that support the arts, education, the environment, health services, scientific research, community programs, and more — organizations just like yours.

Donors and nonprofits benefit from the Gift Fund

For Donors	For Nonprofits
<ul style="list-style-type: none">• Ease of contributing appreciated securities and non-publicly traded assets• Potential for tax-free growth of charitable contributions and higher charitable impact• Recordkeeping for both short- and long-term giving	<ul style="list-style-type: none">• Services that help donors give their support more generously• Ability to accept donations of non-publicly traded assets, like private company stock and real estate• Future support through flexible legacy programs• Potentially larger grants due to investment growth

Our donors are your donors

The Gift Fund is here to make charitable giving simple and effective for our donors, who in turn support your charitable mission with a lifetime commitment to philanthropy.

Your donors. Our donors.

We facilitate **their philanthropy.**

Contact Us

Visit: CharitableGift.org/nonprofits

Call: 800-952-4438

Business Hours: Monday – Friday
8:30 a.m. to 5:30 p.m. ET

Nonprofit Organizations



Working with Donors

What makes Gift Fund donors different?¹

Gift Fund donors are actively philanthropic. Our assets turn over every four years, reflecting our donors' commitment to supporting the causes they care about. More than 70% also volunteer and/or serve on nonprofit boards.

Our donors are financially educated about the tax benefits they gain. More than 70% contribute appreciated securities to offset capital gains, understanding that these transactions are cumbersome for many nonprofits to handle.

The Gift Fund enhances donor generosity. Two-thirds of our donors have stated that their charitable giving has increased as a result of the Gift Fund.

How can you welcome donors with donor advised funds?

Gift Fund donors want to give. As you develop your solicitation materials, you can make it easy for donor advised fund account holders to give.

- **Ask if they would like to recommend a grant from their donor advised fund.** You don't know who has one unless you ask, and recognizing they may have a donor advised fund may bring in more support from these vehicles.
- **Provide an additional box** that says "I intend to recommend this amount from my donor advised fund," which makes it easy for them support your organization in a way that works for them and for the sponsoring charity of their donor advised fund.
- **Let your donors know when only a portion of their donation is tax deductible,** so donors know when it's appropriate to recommend a grant from a donor advised fund.
- **Acknowledge donors by name** or by the name of their donor advised fund as provided in the letter from the sponsoring charity that accompanies the grant check.

¹ As reported in the *Fidelity Charitable Gift Fund Donor Survey*, March, 2008.

² Based on historical average grant volumes.

Your donors. Our donors.

We help them give —
Gift Fund assets
turn over **every four**
years.²

Gift Fund Terminology

- **Donor** – An individual, private foundation, or business entity that has made an irrevocable contribution to the Gift Fund.
- **Account Holder** – An individual or business entity with advisory privileges over a donor advised fund, or "Giving Account", at the Gift Fund.
- **Recommend a Grant** – Donors cannot make a grant, but they can recommend a grant. The Gift Fund will perform due diligence, ensure that the grant adheres to Gift Fund policies, and then make the grant based on the donor's recommendations.
- **More Than Incidental Benefit** – The Gift Fund cannot approve grant recommendations that would provide the donor, someone related to the donor, or other third party with "more than incidental benefits," such as receipt of goods or services or tickets to a fundraising event.

Example of a solicitation

Please choose the way you would like to support:

- Individual \$50
- Dual/Family \$75
- Associate \$100
- Sponsor \$500 (*\$428 is tax-deductible**)
- Benefactor \$1,000 (*\$872 is tax-deductible**)
- I intend to recommend this amount from my donor advised fund:
\$

**Support through a donor advised fund may not be eligible at this level. Please contact us to discuss.*

Keep Your Information Current

Make sure your data is up-to-date in:

- **IRS Publication 78** – used by the Gift Fund to verify IRS-qualified 501(c)(3) status.
- **GuideStar**[®] – a tool that helps donors research nonprofit organizations by providing information like charitable missions and financial data.

How can you present your organization to Gift Fund donors?

Gift Fund Account Holders use the Internet to research charities online. We recommend your organization keeps its web site updated with the latest information about its mission, programs, impact, financials, staffing, and board.

A powerful way to get your story in front of all donors is to make sure your information is current with commonly used nonprofit research sites, such as GuideStar[®], Better Business Bureau[®] Wise Giving Alliance, and Charity Navigator.

Nonprofit Organizations



Options that Benefit You

The Gift Fund can help convert many types of assets to cash

If a donor has assets your organization is not able to efficiently convert into the cash you need, the donor can contribute the assets to the Gift Fund and use the proceeds to recommend grants, to your and other organizations.

Beyond cash, the Gift Fund accepts donations of long-term appreciated securities, including mutual funds and stock, as well as non-publicly traded assets, such as private company stock and real estate on a case-by-case basis.

The Gift Fund converts these assets to cash, which is then available for grant recommendations.

You do not need to issue a tax receipt to the donor

When your organization receives a grant from the Gift Fund, you do not need to issue a tax receipt for the donor who recommended the grant, because they already received a tax receipt when they made their tax-deductible contribution to the Gift Fund — which reduces paperwork for you.

Become a charitable beneficiary

Gift Fund Account Holders can express their commitment to philanthropy beyond their lifetime through flexible legacy planning options.

Successor Options

Account Holders can recommend specific charities to receive the Giving Account balance after their lifetime. They can also set up staged giving through our Endowed Giving Program, where recommended organizations like yours can receive grants from the Giving Account at regular intervals.

Pooled Income Fund

The Gift Fund's Pooled Income Fund allows donors to make contributions and receive a lifetime income stream, and then leave a legacy by recommending organizations as charitable beneficiaries — up to ten eligible grant recipients — that receive the remaining value of the account after the last income beneficiary's lifetime.

Your donors. Our donors.

2/3 have seen **their charitable giving increase** as a result of the Gift Fund.¹

Gift Fund Terminology

- **Long-Term Appreciated Securities** – These are stocks, bonds, and mutual funds that have appreciated for more than a year and may offer the most favorable tax advantage when a donor contributes them directly to a public charity, like the Gift Fund.

¹ As reported in the *Fidelity Charitable Gift Fund Donor Survey*, March, 2008.

Nonprofit Organizations



When We Contact You

The Types of Information We Need

As part of our due diligence process, we may contact organizations for several reasons.

For an organization to receive grants from the Gift Fund, we obtain:

- A federally issued 9-digit Tax Identification Number
- Legal name and mailing address
- A copy of the Letter of Determination, if we need to qualify your organization as an IRC Section 501(c)(3) public charity or private operating foundation

For a religious house of worship, we will ask for one of the following additional pieces of documentation:

- By-laws
- Certificate of tax exemption issued by the state the organization is in
- Articles of incorporation

We frequently need a fax number to provide information or forms to be completed and returned. It is not current Gift Fund policy to transmit or accept qualification information via email.

Please note that the **Gift Fund Privacy Policy** prevents us from providing details about a grant recommendation. We will not provide the name of the donor recommending the grant without the donor's express permission. When the grant check is sent, the charity will receive a letter providing those details as recommended by the donor.

Questions Related to "More Than Incidental Benefit"

All Gift Fund grants must be used exclusively for charitable purposes. We will often ask questions to ensure that no "more than incidental" benefits are received by the donor or any other person as a result of the Gift Fund grant.

A common example is a charitable fundraising event where a portion of the ticket price covers the cost of dinner and is therefore not tax-deductible. In these cases, we require our donor to personally pay the lowest per person ticket price (both the deductible and non-deductible portions) to attend the event. If they choose, they can recommend a grant from the Gift Fund to support the charity above and beyond the cost to attend the event.

Your donors. Our donors.

70% **volunteer and/or**
serve on boards of
nonprofits.¹

Gift Fund Terminology

- **IRS-Qualified 501(c)(3) Public Charities** – Organizations described in section 501(c)(3) of the Internal Revenue Code, which are generally eligible to receive tax-deductible contributions in accordance with Code section 170 and, as a result, are generally eligible to receive Gift Fund grants.
- **Letter of Determination** – This letter is the document which is received by the nonprofit organization from the IRS in response to its IRS Form 1023 Application for Recognition of Tax Exempt Status and is the definitive way in which the organization demonstrates its tax-exempt status to donors, including the Gift Fund. This letter is relied upon by donors, including the Gift Fund, to know that when a donation is made to this organization, the donation qualifies as a tax-deductible charitable contribution.

¹ As reported in the *Fidelity Charitable Gift Fund Donor Survey*, March, 2008.

Compliance with the U.S. Office of Foreign Assets Control (OFAC)

When Gift Fund grants will be used by U.S. charities outside of the United States, the Gift Fund requires certification from the recommended grant recipient charity that the funds will be used in accordance with U.S. charity laws, for proper charitable purposes. These representations are provided to the Gift Fund using a form certification. An organization performs this certification by completing and returning a form letter that the Gift Fund provides.

In addition, when a recommended grant recipient charity intends to send funds to any foreign country or region that is subject to U.S. sanctions, we need a copy of the charity's OFAC-issued license, which permits it to engage in transactions with that country or region. Each organization seeking to fund charitable purposes in an OFAC-sanctioned country or region must first obtain from OFAC such a license.

Nonprofit Organizations



For Supporting Organizations

Grants to Supporting Organizations

If the IRS qualifies a 501(c)(3) public charity as a supporting organization, the Gift Fund is required to obtain additional information to determine that the organization is a Type I, Type II, or functionally integrated Type III supporting organization. A supporting organization is a 501(c)(3) public charity that is further described in section 509(a)(3) of the Internal Revenue Code.

The Gift Fund will seek the following from supporting organizations:

- Written representation signed by an officer or director/trustee stating that the supporting organization is a Type I, Type II, or a Functionally Integrated Type III
- Within the representation, identification of the charity(ies) that the organization supports and a description of how the officers and directors/trustees of the supporting organization are appointed or elected
- The supporting organization's governing documents (Articles of Incorporation, By-Laws, Trust Agreement, etc.) and specific references within the documents explaining how officers and directors/trustees are appointed or elected
- Lists of officers and directors/trustees of both the supporting organization and the charity(ies) it supports

If you assert that your organization is a **Functionally Integrated Type III**, we will also require the following:

- Written representation signed by an officer or director/trustee of the supported public charity(ies) describing the activities of the supporting organization
- Certification that, but for the activities of the supporting organization, the supported organization would be engaged in those activities itself
- A list of officers and directors/trustees of supported charity(ies)

Non-Functionally Integrated Type III

- The new legislation requires the Gift Fund and other charities with donor advised fund programs to perform "expenditure responsibility" on grants to non-functionally integrated Type III supporting organizations. Because the Gift Fund does not generally perform expenditure responsibility on grants, it will **not make grants** to non-functionally integrated Type III supporting organizations.

Your donors. Our donors.

68% use the Gift Fund as their **primary giving vehicle**.¹

Gift Fund Terminology

- **Supporting Organizations** – Supporting organizations are public charities that carry out their exempt purposes by supporting one or more other public charities.

¹ As reported in the *Fidelity Charitable Gift Fund Donor Survey*, March, 2008.