

**FREQUENTLY ASKED QUESTIONS ABOUT  
OUR DONOR-ADVISED FUNDS**

*How many Donor-Advised Funds are there at the Houston Jewish Community Foundation?*

There are over 400 Donor-Advised Funds at the Foundation (as of April 2017).

*Are there any limitations on the frequency or size of grants from Donor-Advised Funds?*

There is no limitation on the number of grants that can be made from an individual Donor-Advised Fund. Grants must be in the amount of \$100 or more (whole dollars only).

*What types of causes can be supported through a Donor-Advised Fund?*

An extremely wide range of charitable organizations can be supported through a Donor-Advised Fund. Grants may only be made to organizations that have received a 501(c)(3) charitable status from the IRS and have a public charity status which fits the guidelines enacted on August 17, 2006. Approximately 40% of the grants made each year are to non-Jewish charities.

*How often are grants made from Donor-Advised Funds, and what record is provided regarding these grants?*

Grants are made weekly. Grant recommendations received by staff before 5:00 p.m. on Monday via mail, fax, e-mail, or *Foundation Central* will be processed and mailed to the charity that week. Fundholders receive a quarterly fund statement recording all activity within the fund, including a list of all gifts to and grants from the fund.

*Are there any requirements to make grants from Donor-Advised Funds to the Federation's Annual Campaign or to any other cause?*

Fundholders are encouraged to support the Federation's annual Campaign. However, there is no requirement that grants be made to support this or any other particular charitable cause.

*Is there any requirement that a certain amount or a certain percentage of a Donor-Advised Fund be distributed to charitable causes in a given year?*

There is no requirement that any amount or any percentage be distributed to charity in a given year (in contrast to Private Foundations which are required to allocate 5% annually). However, many of the Foundation's Donor-Advised Funds do allocate more than 5% of their value each year.

*What distributions may not be made from a Donor-Advised Fund?*

Distributions may not be made to charitable organizations when goods or services of any kind are received in exchange for that grant. The 2006 Pension Protection Act, passed August 17, 2006, prohibits receipt of benefits by a donor, advisor or related party to a donor advised fund (i.e. a grant cannot be made if a fundholder will be attending a fundraising dinner, for tuition or for membership dues); therefore, as of December 2, 2006 we stopped accepting bifurcated donations. However, grants may be made for synagogue dues.

*How are assets in a Donor-Advised Fund invested? Are there any investment options?*

The Foundation's Donor-Advised Funds are invested in four diversified portfolios and managed by an outside investment manager. The investment pools are as follows: Index Growth, Low Volatility, Growth, and Aggressive Growth. The Foundation's Investment Committee provides oversight. Fundholders may also allocate all or part of their Donor-Advised Fund to a money market option. For specific fund information please contact Roberta Herman Dietrich or Linda Uzick (see contact information below).

*What is the minimum amount to open a Donor-Advised Fund at the Foundation?*

The Board of Trustees of the Foundation wishes to make Donor-Advised Funds as accessible to the public as possible. The minimum gift required to establish a Donor-Advised Fund is just \$2,500.

*What are the administrative fees associated with a Donor-Advised Fund?*

An administrative fee of 1% per annum is assessed on the first \$500,000 in assets in a Donor-Advised Fund. A reduced administrative fee is charged on assets above \$500,000. A minimum administrative fee of \$200 per year applies to most funds.

*May others contribute to a Donor-Advised Fund?*

Anyone may contribute to a Donor-Advised Fund. Many fundholders have requested that, in lieu of gifts, contributions be made to their Donor-Advised Fund in honor of their birthdays, anniversaries, etc. Acknowledgements are sent for all gifts made to the Foundation.

*How can fundholders involve others (e.g. children and grandchildren) with their fund?*

Fundholders may designate others to be advisors or successor advisors of their fund. A Donor-Advised Fund can be a wonderful way to involve children and grandchildren in the family's philanthropy. Foundation staff is available to visit with fundholders to discuss various approaches that may be appropriate for their particular situation.

*What happens when a fundholder passes away?*

The disposition of a Donor-Advised Fund upon the death or incapacity of a fundholder depends upon the recommendations received by the Foundation from the fundholder. A fundholder can recommend that the balance in a Donor-Advised Fund be divided among a variety of charities, or that successor advisors (such as children or grandchildren) inherit the privilege of making recommendations from that Donor-Advised Fund. If there are no charities designated by the fundholder and no successor advisors have been named, the Foundation's policy is that the assets of the fund will go to the Foundation's Community Endowment Fund, a permanent endowment that supports worthwhile institutions and programs in our community every year.

If you have any additional questions, or have interest in establishing a Donor-Advised Fund at the Houston Jewish Community Foundation, please contact Roberta Herman Dietrich, Executive Director at [rherman@houstonjewish.org](mailto:rherman@houstonjewish.org) (713-729-7000 ext. 327) or Linda Uzick, Assistant Director - Donor Services at [luzick@houstonjewish.org](mailto:luzick@houstonjewish.org) (713-729-7000 ext. 332).