

NORTH CAROLINA
COMMUNITY FOUNDATION



Charitable Giving Guide

Policies and procedures for donors

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Excellence. Accountability. Impact.™

Welcome to the North Carolina Community Foundation!

We are so glad you are getting to know us better, whether you've made the decision to create an endowment with the North Carolina Community Foundation (hereafter NCCF or Foundation) or are researching your options. This guide outlines information you'll need to know about establishing a charitable fund with NCCF and provides a brief background and overview of some of the philanthropic services we provide to fundholders.

Here are some other points we'd like you to know:

- We've been serving North Carolina as the sole statewide community foundation for nearly thirty years.
- NCCF is governed by a statewide Board of Directors that reflects the communities we serve and represents leadership in business, nonprofits and government at the highest levels.
- We believe NCCF's team of philanthropic professionals is the best in our sector, helping us to maintain National Standards and other measures that rank us among the strongest, safest, most effective and efficient community foundations in the country.
- We rely on a unique structure of affiliate foundations that allows us to effectively marshal charitable resources throughout North Carolina. Many of these communities are in rural areas not previously served by a community foundation, which is an important part of our mission. Our network of affiliates helps to ensure that giving makes an impact by relying on community leadership to leverage local knowledge to meet local needs.
- We have a solid reputation for expert scholarship administration, with a particular interest in first-generation scholars.
- We maintain deep-rooted partnerships with nonprofit organizations throughout the state, reflecting the Foundation's dual role as both administrators of agency endowments, as well as fundholders' and affiliate grants.
- Our pledge is to make giving for our donors easy, flexible, effective and fun. We know there is no better feeling than making a difference, and our goal is to help you make an impact while also achieving your philanthropic goals. Our assurance to donors is simple and direct: we will honor your charitable intentions forever. That's the beauty of establishing an endowment with NCCF.

We invite you to get to know us better. Please visit our website at nccommunityfoundation.org and call us at 919-828-4387 or 800-532-1349.

Also, visit us on Facebook, LinkedIn and Twitter.

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History and mission of the North Carolina Community Foundation

NCCF was established in 1988 as a statewide community foundation created to encourage philanthropy throughout North Carolina, with a focus on rural areas. We work through a network of local affiliates, each with its own volunteer advisory board established to build and leverage endowments designed to help meet local needs through community grantmaking. Today, NCCF's network of affiliates benefits local communities across the state.

NCCF administers endowments created by individuals, families, corporations, organizations and other foundations to ensure the financial security of our state's charitable organizations and causes. The Foundation employs professional investment management companies, and an independent investment consulting firm assists the Foundation's Board in monitoring performance for long-term growth. An annual outside audit along with quarterly financial reporting for each endowment ensure that the Foundation is always accountable to donors, grantees and the communities we serve.

NCCF's founders established an endowment with donations from some of our state's most prominent corporations, banks and philanthropists. The endowment increases the Foundation's viability and long-term stability, allowing NCCF to extend mission-critical services through its statewide affiliate network. Today, the Board and other generous donors continue to build this endowment.

The Foundation encourages donors of all means to establish endowments to meet their charitable objectives without the burden of complicated investment administration, regulatory management or administrative duties. The Foundation helps to make philanthropy accessible by providing research on charitable needs, a wide range of options for establishing and contributing to endowment funds, high-quality investment management, professional staff assistance with grant distributions and donor recognition. We are here to help build on the "State of Generosity" in North Carolina!

State of Generosity™

Funds

Establishing a fund

It is easy to establish your own named charitable fund as a donor of the North Carolina Community Foundation. Working with a member of our staff, as a donor, you will take these simple steps:

1. Determine your charitable purpose or intent.
2. Select the type of charitable fund that best supports your purpose. Our staff will outline your options and discuss advantages of each, including any restrictions you wish to place on the fund.
3. Complete a simple governing fund agreement. Our staff will help you create a document that makes your intentions clear.
4. Select a name for your fund. You may use your name, that of a family member, the name of a favorite cause, or a name that allows you to remain anonymous. (All new funds may be listed in the Foundation's Annual Report unless anonymity is requested.)
5. Depending on the type of fund you establish, you may designate current fund advisors, including yourself and spouse, and successor advisors including your children, grandchildren or friends. This information will be included in your fund agreement. *See Fund advisors, Section VI.*
6. Make an establishing gift. *See Contributions, Section III and Ways of giving, Section IV* for the types of contributions you can make. Receive a tax deduction at the time the fund is established and when you make additional contributions to the fund.
7. Choose whether you would like your funds invested through the North Carolina Community Foundation Investment Fund or another asset manager from our approved list.
8. Enjoy giving through your fund!

Once your fund is established you may:

- Add to the fund at any time in any dollar amount including through your will or estate plan.
- Specify how grant distributions are to be acknowledged – whether in the name of the fund or anonymously.
- If you've established a donor-advised fund, recommend grant distributions to local charities as well as to those throughout the United States or world.

Caveats for agency and designated funds

In addition to the steps listed above, certain additional documents are required for nonprofit and corporate donors and from beneficiaries of designated funds:

- Nonprofit and corporate donors – The Foundation requires that a resolution be included with the agreement that reflects: 1) the approval of the entity's board of directors to establish the fund; and, 2) the name of the person authorized to act on the entity's behalf. A copy of the entity's bylaws must also be included for authority verification purposes.
- Designated funds – The Foundation requires a resolution from a designated beneficiary agreeing to receive distributions from the endowment fund established for its benefit and abide by any fund restrictions.

Fund agreements

The fund agreement that a donor signs to establish an endowment fund is drafted by Foundation staff to ensure compliance with the applicable rules and regulations of the Internal Revenue Code (the "Code"). Any failure to comply with Code rules and regulations could potentially deprive the donor of the tax benefits of a charitable contribution and jeopardize the Foundation's continued status as a public charity.

Each fund established will be recorded on the Foundation's books and records as a separate and identifiable component fund. The fund will be given a name or other designation as requested by the original donor. Upon transfer of assets to the Foundation, assets become the sole and exclusive property of NCCF. The Foundation can freely and effectively employ the transferred assets to further its charitable purpose bound only by the restrictions, if any, that are established in the fund agreement. (NCCF is required to have this discretionary power over all gifts to the Foundation to enable the donor to receive a tax deduction for his or her contribution. The Foundation, however, carefully considers recommendations regarding preferences and distributions.)

Under current accounting standards, a fund established with the Foundation should not be included as an asset of the donor or the ultimate beneficiary of the fund. The exception to this is in the case of an agency fund where the agency may be required for reporting purposes to show the existence of the fund on its financial statements through Accounting Standards Codification ("ASC") Topic 958. *See Types of funds, Section II.*

Types of funds

NCCF maintains various types of charitable funds. Most operate as perpetual investments, distributing only a portion of the fund's balance for the charitable purpose defined in the fund agreement. Different fund options allow donors to customize their gifts. All fund types listed below are open to public contributions.

Donor-advised funds allow the donor or the designated fund advisor to make recommendations on how grant distributions are spent. Grants may be made only to qualified tax-exempt charitable organizations and no grants may be made to individuals. Donor may name successor fund advisors to make grant recommendations if the current fund advisor should become unavailable to make recommendations, either by death or incapacity, or should submit his or her resignation to the Foundation. Although federal tax law requires that the Foundation be the ultimate decision-maker on grant distributions, NCCF makes every effort to follow the donor's wishes. Donor-advised funds operate similarly to private foundations without the expense and tax reporting requirements. For more description and restrictions on donor-advised funds, see *Appendix A: Policies and Procedures for Donor-Advised Endowment Grantmaking*.

Field of interest funds are established to support unspecified programs or organizations in a general field of interest such as education, historic preservation, children or the elderly. These funds also may be designated to benefit a specified geographic area. A donor may choose to make grant recommendations or may designate an advisor(s) to do so.

Designated funds are established to benefit one or more specific charitable organizations or programs. The donor may choose to name an alternate beneficiary in the fund agreement in case the one originally designated ceases to exist. If a designated organization ceases to exist and the donor has not named an alternate beneficiary, the Foundation works with the donor or successor advisors to identify a similar program and maintain the spirit of the original charitable intent.

Agency funds, sometimes known as "organization funds" or "nonprofit funds," are established by a nonprofit agency or organization for its own benefit. Although the assets in the fund are committed by the Foundation to serve the agency's charitable purpose as defined in the fund agreement, by law the fund and all assets therein become the irrevocable property of the Foundation and are subject to the operating policies established by the Foundation. The existence of an agency fund must also be reported on the agency's financial statement in accordance with ASC Topic 958.

Scholarship funds may provide grants to students to enable them to attend public or private educational institutions of all levels, from kindergarten through graduate school. Donors may recommend an academic focus for their scholarship fund and eligibility criteria (such as

financial need, academic merit, geographic residence or community service). The original donor may also recommend the scholarship selection committee.

The Pension Protection Act was passed by Congress in 2006 and established strict guidelines regarding scholarship awards from community foundations. To comply with federal law, all NCCF scholarships must abide by the following procedures:

- Neither the donor nor any party related to the donor may control the committee directly or indirectly. The votes of “objectively qualified individuals,” such as teachers, church leaders or community members must outnumber those of donors or donor-related parties, and donors must not unduly influence scholarship proceeding directly or indirectly;
- The NCCF must appoint all members of the scholarship committee by name on an annual basis before the scholarship process may begin; and
- All scholarships must be awarded on an objective and non-discriminatory basis using procedures approved in advance by the Foundation’s Board of Directors. For more details on establishing and administering a scholarship, *see Appendix B: Guide to Scholarship Programs.*

Designated scholarship funds. For a lower administrative fee, a donor may choose to establish a designated scholarship fund, which is defined by NCCF as a designated fund for an educational institution, or other qualified 501(c)(3) organization, with a restriction that the institution use the annual grant distribution to award scholarships. Only minimal eligibility criteria may be recommended by the donor. The annual grant distribution is sent directly to the designated educational or other institution and the institution administers the scholarship through its own scholarship selection committee.

Unrestricted funds (or community grantmaking funds) are established by an affiliate of the Foundation for the affiliate to distribute in its geographic area. This gives the local affiliate board of advisors the flexibility to respond quickly to emerging needs and changing priorities within its community. An individual also may establish an unrestricted fund leaving the grant decisions to the NCCF.

North Carolina Community Foundation Endowment is an endowment established to ensure philanthropic services are available across the state, as well as to support specific Foundation-related issues and projects.

Memorial funds may be created to accept and hold memorial contributions after the death of a friend or family member. The fund contact will select the name of the fund which may be used in the loved one’s obituary to direct gifts to the fund. For example, “Memorial gifts may be made to the John Doe Memorial Fund at the N.C. Community Foundation, 3737 Glenwood Avenue, Suite 460, Raleigh, N.C. 27612.” After one year, the Foundation will work with the fund contact to establish an endowment at the Foundation or to distribute the balance to a

501(c)(3) public charity. If an endowment is established, no fee is charged for the previous year. If the fund contact chooses to distribute the balance to a 501(c)(3) public charity, a standard fee of 1% of the fund balance, or \$250, whichever is greater, will be charged.

Spending policy for funds

NCCF's board of directors determines the spending policy for its funds annually. NCCF's current spending policy is as follows: (1) **Endowed and quasi-endowed funds**. Five percent (5%) of the fund's average balance for the previous twelve quarters is the amount available to distribute ("ATD") annually as grants; (2) **Non-endowed funds**. The entire balance of NCCF's non-endowed funds is available to distribute to a desired charitable beneficiary immediately or may be distributed over time. To avoid invasion of principal before the fund has time to grow, endowed and quasi-endowed funds established after October 1 in any given year typically do not make a distribution the following year.

NCCF's board considers these factors in determining the annual spending policy:

- Long-term preservation of charitable fund assets
- Expected and reasonable total return on the investment of fund assets
- Reasonable cost of investing and administering funds
- Effects of inflation
- General economic and financial market conditions
- Payout trends in the community foundation field

NCCF's three spending policies variations. The donor, upon establishing the fund, has the option to select from among the three variations of the Foundation's standard spending policy as described below:

1. **Quasi-endowed fund:** NCCF's most commonly selected fund spending variation, a quasi-endowed fund is invested for long-term growth and the amount available to distribute is 5%. A grant distribution may be made even if the principal is disturbed, provided the corpus does not fall below the minimum required fund balance. *See Section II, Minimum Endowment Fund Balances.* This practice ensures that a consistent amount is available every year for payment to charitable causes.
2. **Endowed fund:** Sometimes referred to as a "true" or "pure" endowment, an endowed fund is one invested for long-term growth and the amount available to distribute is typically 5%. However, no part of any grant distribution may disturb the endowment principal of the endowed fund. North Carolina has adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") to govern practices related to endowed funds. The Foundation complies with all aspects of UPMIFA.
3. **Non-endowed fund:** Sometimes referred to as a "gift fund" or "pass-through fund," non-endowed funds are established by donors with no intent to preserve the principal. The entire balance of this type of fund is available for distribution to a desired charitable

beneficiary immediately or may be distributed over time. Non-endowed funds are not set up for long-term growth and are held in cash. Except for a non-endowed donor-advised fund, the Foundation will only establish a non-endowed fund in conjunction with an endowment fund.

Investment managers

The NCCF's board of directors has ultimate responsibility for selecting investment managers and determining asset allocation, performance objectives and other matters pertaining to the investment portfolio held by NCCF. A list of approved investment managers, which includes the North Carolina Community Foundation Investment Fund, is available upon request and online at nccommunityfoundation.org. The Foundation has the right to replace an investment manager at any time.

Should a fund representative desire to change an investment manager, he or she must request the change in writing to the NCCF president. Upon receipt of the written request, the president will place the request on the agenda of the next regularly scheduled meeting of the finance committee for review. The finance committee will consider the request, and if approved, select a new asset manager if an alternate has not been recommended by the fund representative. The fund representative will be notified of the committee's decision in writing. The finance committee meets quarterly.

Minimum amounts to establish funds

The minimum contributions required to establish new funds are listed below.

Endowed/Quasi-endowed	Minimum to Establish
Unrestricted fund	\$10,000
Field of interest fund	\$10,000
Donor-advised fund	\$10,000
Designated fund	\$10,000
Scholarship	\$25,000
Designated scholarship	\$10,000
Agency fund	\$10,000
Non-endowed	
Non-endowed fund for donor who has an NCCF endowment fund	\$0 (No minimum)
Non-endowed donor-advised fund for donor who does not have a NCCF endowment fund	\$5,000; (\$1,000 retained balance required)

Memorial funds

\$0 (no initial minimum);
(After 1 year, minimum must be met for one
of the above funds)

The Foundation highly recommends a balance of at least \$25,000 by the end of the third year. This is a minimum growth objective. Additional gifts may be made in any amount and at any time.

Fund agreement amendment policy

Agreements for established funds may only be amended under limited circumstances in the absolute and sole discretion of the Foundation. Only the original donor, also known as the fund “founder” may amend the fund agreement. In accordance with IRS regulations, the NCCF may provide its consent to amend a fund agreement (endowment or gift fund) only for the following reasons:

- To release restrictions originally imposed by the donor in the fund agreement
- To change the name of the fund
- To change or add the name of a successor advisor
- To correct a typographical or scrivener's error

By law, the NCCF may not provide its consent for the following donor proposed amendments:

- To incorporate additional restrictions to a fund agreement
- To substitute one restriction for another
- To designate the timing of distributions

Contributions

NCCF accepts contributions in many forms as explained in the table in this section.

Contributions can be made to establish a new fund or to add to an existing endowment or gift fund. All funds are open to public contributions.

Acknowledgment of contributions

The NCCF will substantiate all contributions that it receives by a written acknowledgment to the donor. This acknowledgment is in accordance with IRS requirements and should be used by the donor to support the charitable deduction taken on his/her tax return.

The Foundation will include the amount of cash and description of (but not value of) any property, other than cash, contributed. Valuation of donated property is the responsibility of the donor.

The fund agreement should be completely executed before the Foundation will accept contributions to the fund.

Note: For acknowledgment of contributions and donations that relate to special events, please request a copy of the Foundation's publication *Legal and Regulatory Guidelines for Fundraising Events*.

Contributions are irrevocable

To meet requirements for tax deductibility, contributions to the Foundation are irrevocable and nonrefundable once they are accepted. Contributions are owned and held under the direction of the NCCF's Board of Directors.

Contributions accepted

LIQUID ASSETS. The NCCF accepts gifts of liquid assets in the form of currency, checks, electronic payments, credit cards and publicly traded securities including retirement plan assets and rollovers of funds from Individual Retirement Accounts (IRA).

ILLIQUID ASSETS. The NCCF accepts gifts of illiquid assets in the form of closely held stock, real property, tangible personal property, life insurance policies and certain business interests upon approval of the executive committee. The NCCF executive committee considers the following criteria in determining whether to accept a gift of an illiquid asset: the value of the gift, ease of administration, marketability, debt on the property, any risks to the Foundation, carrying costs, any Unrelated Business Income Tax (UBIT) consequences, potential for excess benefits and the charitable nature of the gift.

Minimum gift amount for illiquid assets. The value of an illiquid asset must equal or exceed \$25,000 to be considered for acceptance; however, for the asset to be contributed to an

existing fund, the value of the asset must equal or exceed \$50,000 in the case of a business interest, and \$100,000 in the case of real property. The executive committee may allow exceptions to the minimum value requirements under special circumstances. In addition, if the illiquid asset requires ongoing maintenance costs, the Foundation may require a simultaneous cash gift to cover the ongoing costs.

Liquidation policy. NCCF's policy is to liquidate all gifts as soon as reasonable (and within two years for real property gifts) so the Foundation and its component funds can utilize the gifts for grantmaking. Foundation staff will review all proposed illiquid gifts prior to acceptance and may submit those deemed out of the ordinary, along with staff recommendation, to NCCF's executive committee for review. The Foundation may request additional documentation prior to final acceptance. In order to receive a tax deduction for certain gifts, the IRS requires a donor to obtain a qualified appraisal.

Qualified appraisal. A qualified appraisal is required by the IRS for any contribution of property, other than cash and publicly traded securities for which the donor will claim a tax deduction of more than \$5,000. The qualified appraisal must not be made more than 60 days before the contribution of the property. If the asset is disposed of within two years of the date of the contribution, the NCCF is required to file an information return with the IRS.

This table contains special instructions related to types of accepted assets:

Type of contribution	Special instructions
Cash	<ul style="list-style-type: none"> • Checks should be made payable to the North Carolina Community Foundation with the name of the component fund to which it is to be directed clearly indicated; contact the Foundation for wiring instructions.
Credit card gifts	<ul style="list-style-type: none"> • The Foundation accepts credit card gifts via the Foundation's secure online giving portal accessible on its website or by calling the Foundation.
Publicly traded securities (equities, bonds, mutual funds)	<ul style="list-style-type: none"> • Notify the Foundation prior to the transfer of any contributions of securities so that the proceeds will be transferred to the proper fund and an accurate acknowledgment can be made. • All securities transfers must be made through the Foundation's brokerage account and transfers from other brokers are not accepted. • The transferred securities will be liquidated prudently and proceeds deposited to the proper fund.

- For purposes of donor's charitable deduction, the value of the securities gift is based on the average of the high and low share price on the day it is received into the NCCF account, but will not be included in the acknowledgment of the donation. An accurate description (such as number of shares and security name) and date of receipt will be included.

IRA Charitable Rollover

- Donors age 70 ½ may make a rollover gift up to \$100,000 from their qualifying IRAs without having to first count the distribution as income for federal income tax purposes.
- Except for donor-advised funds, all fund types are eligible to receive an IRA rollover gift.
- Contact your IRA plan administrator for instructions on how to make an IRA Charitable Rollover to a fund at NCCF.

Closely-held stock

- The Foundation will accept contributions of closely held stock only after approval by the executive committee and pending an independent qualified appraisal and receipt of the donor's most current financial statements.
- Appraisal costs are the donor's responsibility.
- Closely held stock may be accepted if there is a reasonable expectation that holding the stock will not be a burden for the Foundation and acceptance will not violate the excess business holdings rules made applicable to community foundations through the Pension Protection Act of 2006. (*See below Treatment of excess business holdings*)
- The stock may be given with the intention of the company redeeming the stock in the near future.
- For the donor to receive the most favorable tax deduction, there can be no requirement that the Foundation sell the stock if a redemption offer is made.

Tangible personal property

- Generally, the Foundation does not accept gifts of tangible personal property such as works of art, antiques, vehicles, jewelry or other such

items. However, these may be accepted on a case by case basis upon approval by the executive committee.

Real property

- Acceptance of real property gifts is contingent upon review and approval in accordance with the Real Property Gifts Acceptance Procedures set forth below.
- Appraisal by qualified appraiser required
- Donor executes General Warranty Deed & obtains title insurance

Business interests

- The Foundation will not accept gifts to donor-advised funds of business interests, closely held stock, certain real property and certain tangible property if such acceptance violates the excess business holdings rules. (*See below Treatment of excess business holdings*)

Excess business holdings

Federal law makes the private foundation excess business holdings rule applicable to donor-advised funds as if they were private foundations. The excess business holdings rule mandates that the holdings of a donor-advised fund in a "business enterprise," together with the holdings of people who are disqualified with respect to that fund (such as its donors, donor advisors or their family members), may not exceed any of the following:

- Twenty percent of the voting stock of an incorporated business;
- Twenty percent of the profits interest of a partnership or joint venture or the beneficial interest of a trust or similar entity; or
- Any interest in a sole proprietorship.

The rules also prohibit the ownership of an unincorporated business that is not substantially related to the fund's purposes. The Foundation will identify and monitor any new gift to a donor-advised fund for any interest that would qualify as an "excess business holding." Should the Foundation become aware of such a gift, the NCCF shall divest holdings that are above the permitted amount within five years of receipt. For more details on NCCF's excess business holdings policy, please see our website at nccommunityfoundation.org.

Real property

The NCCF may accept gifts of real property, including houses, vacation homes, office buildings, undeveloped land or farms. The NCCF may also accept gifts a real property with the donor retaining a life estate. The acceptance of such gifts is subject to the *Real Property Gifts Acceptance Procedures* below.

Real property gifts acceptance procedures

Documentation required:

- Completed NCCF fund agreement.
- Current independent appraisal of the property by a qualified appraiser at donor's expense.
- Evidence of a clear title: Title insurance policy with all endorsements OR title opinion letter from the donor's attorney stating that donor is conveying clear title.
- Copy of the deed or other instrument that vested title of the property to the donor, as well as deeds executed by the donor when he or she held title to the property.
- Current survey and/or detailed legal description of property.
- Phase 1 environmental audit (Based on results, a Phase 2 and 3 audit may be required).
- In the event of co-tenancy, an acceptable co-tenancy agreement outlining the rights and obligations of the parties prior to the sale of the real property.

Real property restrictions:

- The Foundation will not accept real property that is not reasonably expected to be sold within two years from the date at which title passes to NCCF.
- The Foundation will not accept real property that does not have clear title and a clean environmental audit.
- NCCF will not accept real property:
 - That will generate income that would subject the Foundation to Unrelated Business Income Tax (UBIT);
 - On which the Foundation is being asked to assume debt, to contract, lease or retain; or
 - On which there exists a contract for sale; To avoid being taxed on capital gains for property contributed to the Foundation, donors should not subject property to a contract for sale.
- Any related administrative and maintenance costs of accepted real property will be charged to the donor. Examples of such costs include real property taxes, liability insurance, maintenance, environmental cleanup costs, repairs or improvements, property management fee, brokerage fees, closing costs and other expenses related to the property as many be determined on a case-by-case basis.

- The Foundation may require written assurances or an indemnity agreement regarding the payment of these expenses.
- The donor may establish a non-endowed fund to pay for these costs and will be eligible for a charitable tax-deduction for contributions to such fund.

Ways of giving/Planned giving

In addition to making an outright gift to the Foundation to establish or add to an existing fund, donors may utilize any of the other charitable giving options offered by NCCF. The Foundation can work with attorneys, accountants, bankers, brokers, financial planners and other professional advisors to ensure that planned gifts meet the charitable expectations of donors and to discuss various fund options. Most of these options provide donors and their heirs the benefit of lower income and estate taxes, while allowing them to accomplish their philanthropic goals.

The Foundation can review documents prepared by professional advisors of the donors and provide sample documents and language. It is not the Foundation's intent to offer specific legal, investment, accounting, tax or other professional advice. For advice on all aspects of a donor's overall charitable gifting plan, he or she should consult professional advisors who specialize in these areas.

Gifts by will

The Foundation accepts bequests or devises pursuant to the last will and testament of a donor. A will is a simple and effective way to provide support for favorite charitable organizations and causes. A bequest of a specific amount or a portion of the residuary estate can create an endowed fund or support an existing fund within the Foundation. A donor may also make the Foundation a contingent beneficiary by making a bequest that will go to the Foundation only if a contingency occurs. The Foundation can provide appropriate language for consideration if you choose to include the NCCF in your will. The examples below illustrate possible wording.

- **Sample wording to establish a new endowment:** *“I give, devise and bequeath to the North Carolina Community Foundation, Inc., a qualified 501(c)(3) charitable organization located in Raleigh, North Carolina (Tax Identification # 58-1661700), _____ percent of my residual estate [or a specific bequest of \$ _____ or other personal or real property appropriately described] to establish the [Name of Fund] for the benefit and support of [Charitable Beneficiary] in _____ County North Carolina.”*
- **Sample language to designate an existing NCCF endowment or the NCCF itself as the beneficiary:** *“I give, devise and bequeath to the North Carolina Community Foundation, Inc., a qualified 501(c)(3) charitable organization located in Raleigh, North Carolina (Tax Identification # 58-1661700), _____ percent of my residual estate [or a specific bequest of \$ _____ or other personal or real property appropriately described] to be directed to the [Name of Existing Fund OR to the Foundation’s operating fund, endowment or Disaster Relief Fund.]”*
- **Sample language to make a contingent bequest to NCCF:** *“I give, devise and bequeath \$25,000 to my older sister, Mary. However, should Mary predecease me, I give that amount instead to the North Carolina Community Foundation, Inc., a qualified 501(c)(3)*

charitable organization located in Raleigh, North Carolina (Tax Identification # 58-1661700)."

Charitable trusts

Established by a trust agreement or declaration of trust, a charitable remainder trust ("CRT") or a charitable lead trust ("CLT") may deliver important advantages in financial and estate planning, including tax savings, the opportunity to make a significant charitable gift, the retention of assets for heirs or the security of income for the donor or family members.

A CRT and a CLT may take one of two forms depending upon how payments to the income beneficiary are calculated:

- An **annuity** CRT or CLT pays a fixed dollar amount to the income beneficiary calculated on a percentage of the original gift. No additional contributions to a charitable remainder annuity trust ("CRAT") or to a charitable lead annuity trust ("CLAT") are permitted.
- A charitable **unitrust** whether a CRT or a CLT pays a fixed percentage of the trust value to the income beneficiary which is recalculated annually. Additional contributions may be made to a charitable remainder unitrust ("CRUT") or to a charitable lead unitrust ("CLUT").

Note: The NCCF does not act in a trustee capacity, but instead works with donors and their chosen trustees as the charitable beneficiary of the trust, either serving as the "remainderman" of a charitable remainder trust or the lead beneficiary of a charitable lead trust.

Charitable remainder trusts

The "gift that *gives* back," a charitable remainder trust ("CRT"), makes it possible for the donor to make an irrevocable gift of cash or property to the Foundation while retaining an annual income stream from the trust. This strategy benefits donors who wish to avoid capital gains from highly appreciated assets, reduce income taxes and retain an income stream for themselves, a spouse or heirs.

How it works:

- Donor works with attorney or financial institution to draw up trust agreement and name trustee.
- Donor works with NCCF to establish fund type of donor's choice.
- Donor transfers assets to trust for investment and receives an immediate income tax deduction for the charitable portion of the gift; Deduction is equal to the present value of the future remaining balance.

- The trustee manages the trust, prepares the annual tax returns and makes payments to the donor or other named individuals for their lifetimes or for a period not to exceed 20 years.
- Upon the death of the individual beneficiary (or surviving beneficiary, if more than one), the trustee distributes the remaining assets of the trust into the fund created by donor with the Foundation.
- The future CRT distribution will establish or be added to an endowed fund only. An exception to this policy is when at least 25% of the CRT distribution will be added to either an affiliate endowment or the Foundation's own endowment. In such cases, the remaining 75% may be added to a pass-through or gift fund.

Charitable lead trusts

The "gift you *get* back," a charitable lead trust ("CLT") allows a donor to provide an income stream from his trust to the donor's fund at the Foundation for a specified term of years or for the lifetime of one or more named individuals. At the end of the trust term, the remainder of the assets pass to heirs or any third party. Assets expected to increase in value are commonly assigned to a CLT. This strategy benefits those who want to leave an inheritance to children or grandchildren, while potentially minimizing gift and estate taxes.

How it works:

- Donor works with attorney or financial institution to draw up trust agreement and name trustee.
- Donor works with NCCF to establish fund type of donor's choice.
- Donor transfers assets to trust for investment and receives a charitable gift tax deduction at the time the trust is created and avoids all income tax on the trust income.
- Trustee makes regular payments to grow donor's fund at NCCF for a specified term of years or for the lifetimes of one or more named individuals.
- At the expiration of the term, trustee distributes the remaining trust assets to heirs or any third party.
- The appreciated value of the lead trust passes without a gift tax to the heirs at the end of the trust term.
- CLT distributions will establish or be added to an endowed fund only. An exception to this policy is when at least 25% of the CLT distribution will be added to either an affiliate endowment or the Foundation's own endowment. In such cases, the remaining 75% may be added to a pass-through or gift fund.
- The Foundation's regular administrative fee based upon the fund type will be charged on the fund balance established by the lead payments.

Life insurance policies

A donor's gift does not need to be limited by how much money the donor has today. The gift of a life insurance policy is a simple and inexpensive way for a donor to make a charitable gift at a level often impossible through current assets. When the life insurance policy matures, the Foundation or a named fund at the Foundation will receive the death benefit payout.

There are two strategies offered by NCCF for utilizing a life insurance policy to create a charitable legacy:

NCCF as beneficiary. Name the NCCF as beneficiary of an existing or new policy (or as contingent beneficiary in the event the primary beneficiary passes away before you do);

NCCF as owner and beneficiary. Transfer ownership of an existing life insurance policy to the Foundation or purchase a new policy naming NCCF as owner and beneficiary. The donor commits to make annual tax-deductible gifts to the Foundation to cover the costs of annual premiums and to pay any professional/appraisal fees required at the time of the gift.

Minimum policy payout

The Foundation will only accept life insurance policies for which it becomes the owner and beneficiary if the net present value (NPV) of the policy payout is at least \$100,000. NCCF estimates the valuation using the IRS actuarial tables and discounts the policy at U.S. Treasury rates.

For an endowed fund only

The insurance policy payout and/or cash value may only be use to establish or add to an endowed fund.

Cash surrender value required

The policy must have a cash surrender value. Typically, policies with cash surrender values are whole life or guaranteed life policies

Administrative fee

The Foundation's regular administrative fee will be charged on the accumulated cash surrender value.

Written agreement for premium payments

Prior to accepting a policy requiring ongoing premium payments, the Foundation will require a written agreement from the donor on how premiums will be paid. Making timely annual premium payments to the Foundation is the responsibility of the donor. The Foundation will send a courtesy reminder to the donor each year, and donor payment is due at least two weeks prior to the insurance company premium due date. The Foundation cannot assume delinquent premium payments.

Cancellation of policy for delinquent payments

If a policy is canceled and the cash surrender value (less accrued fees) meets the minimum required fund balance, the cash value will be used to establish a new endowment in accordance with donor's intent. If the cash surrender value does not meet the minimum, the cash surrender value will be added to the donor's existing endowment. In the absence of an existing endowment, the cash surrender will go to the community grantmaking fund of the donor's local affiliate in his or her name.

Retirement plan assets

Assets held in qualified retirement plans or individual retirement accounts ("IRAs") can be contributed to charity and can make ideal testamentary charitable gifts because if passed to heirs, they may be heavily taxed. The donor may name the Foundation or a named fund as the beneficiary of retirement account assets upon his/her death or as the contingent beneficiary if the individual beneficiary predeceases the donor. Examples of retirement plan assets accepted by the Foundation include 401(k) Plans, 403(b) Plans, Traditional IRAs, SEP accounts, Roth IRAs and Keogh plans. Beneficiary designation forms may be obtained from your retirement account manager. The tax law in this area is constantly changing so please contact the Foundation or your professional advisor for current tax consequences before making such a gift. (*See Section III, Contributions*, page 13 for information on the IRA charitable rollover.)

Private foundations

A private foundation is a charitable organization usually established by an individual, family or corporation to control the use of the donor's charitable gifts to the fullest extent allowed by law. Private foundations are subject to more complex tax and administrative rules than other charitable vehicles. For this reason, many donors prefer the ease, convenience and cost-effectiveness of a fund with NCCF. Consider the following solutions to address your charitable giving goals:

- **Establish a donor-advised fund instead of a private foundation.** If your main goal is the joy of giving and you are not interested in managing a separate organization, consider the simplicity and flexibility of a donor-advised fund with the NCCF.
- **Convert your private foundation to a donor-advised fund.** If the work of maintaining your private foundation has become overwhelming, but you wish to preserve the legacy of your existing foundation, consider converting it to a donor-advised fund. The name of your private foundation may be preserved (though anonymity is also an option) and grantmaking may continue in accordance with your private foundation's original giving intent. When additional contributions are made to your fund at NCCF, the donor receives a higher tax-deduction than when he or she contributed to the private foundation.

- **Keep your private foundation but also establish a parallel donor-advised fund.** If you are interested in accessing the comprehensive services of the NCCF prior to deciding to convert, consider establishing a parallel donor-advised fund to access NCCF's expertise in grantmaking and North Carolina's communities. The tax law in this area is subject to change so please contact the Foundation or your professional advisor for current tax consequences.
- **Grant all or part of your private foundation's required annual payout to a fund with the NCCF.** One or more simple grants to any funds held by the NCCF will fulfill your private foundation's annual payout requirements. You may also establish a scholarship fund with part of your private foundation's annual payout or may consider establishing a designated fund for a 501(c)(3) to which you grant annually.

Grants and scholarships

General policy

Grants are made primarily to charitable organizations that are tax-exempt under IRS Code Section 501(c)(3). Distributions may also be made to governmental agencies, most schools and most religious organizations.

Restrictions on donor-advised funds

The IRS prohibits making distributions to nonprofit organizations in satisfaction of legally enforceable pledges or for dues, memberships, benefit tickets, goods bought at charitable auctions, fundraising dinners, golf tournaments or for tickets to events. Grants may not be made for political purposes. Grants from donor-advised funds may not be made to individuals and this prohibition includes checks written directly to an individual or checks written to an entity for the benefit of a specified individual. The IRS also prohibits donors, fund advisors or related parties from receiving grant, loans, compensation or similar payments from donor-advised funds. The IRS may impose upon donors, donor advisor, or related persons a tax penalty equal to 125% of the benefit received if any of the above described distributions are made. *See Appendix A, Policies and Procedures for Donor-Advised Endowment Grantmaking* for more specific information.

Granting instructions

After establishing a fund, a donor is sent a copy of the fully executed fund agreement as well as a guide with instructions on how grants are made. Copies of the following guides are included in the Appendix:

- Appendix A - *NCCF's Policies and Procedures for Donor-Advised Endowment Grantmaking*
- Appendix B - *NCCF's Guide to Scholarship Programs*

Minimum grant amount

The Foundation's current minimum grant distribution is \$100 and there is no limit to the number of grant recommendations that a donor-advised, field of interest or agency endowment may make in a single year. For non-endowed funds, an excess transaction fee of \$10 is charged per transaction over twenty a year. (*See Section VIII, Fees*) The minimum grant distribution for unrestricted funds is \$500.

Grant processing

Due diligence. When a grant recommendation (or request in the case of a designated or agency fund) is received, Foundation staff research the recommended beneficiary organization to

verify that the organization is eligible to receive funding through recognition by the IRS as a qualified tax-exempt 501(c)(3) or similar organization. Foundation staff also ensures that grants will only be used for the intended purpose of the fund. If these basic criteria are not met and the grant cannot be made, staff will notify the individual who made the grant recommendation so he or she may make a different recommendation.

Grant check processing. The Foundation distributes grant checks from February through December 10th within 10-12 business days of receipt of the grant recommendation or request, barring any need for further research or resolution of compliance matters. Grant checks to charitable organizations are accompanied by supporting documentation specific to the fund type and always include a *Terms and Conditions Agreement*.

Grant reporting requirement. All organizations receiving grants must complete the *Terms and Conditions Agreement* and submit it to the Foundation within sixty (60) business days of receiving the grant. If there is sufficient evidence to believe that a grant has not been used for the specified purpose, the Foundation may request that funds be returned immediately. If an organization has an outstanding grant report, no grant will be made to that organization until the obligation is fulfilled. Discrepancies or irregularities in the recipient's handling of distribution(s) will be discussed with the organization.

Unspent ATD

Unspent ATD funds will be added to the fund's principal and will not be rolled over for granting the following year. Exceptions may be considered under limited circumstances. Fund advisors who do not wish to make a grant distribution in any given year in favor of endowment growth are permitted to do so for up to five consecutive years.

Fund activity policy

NCCF encourages annual grantmaking from its donor-advised funds while recognizing there are certain situations in which making grants less than annually can achieve a greater charitable impact. Should a fund remain inactive for more than five years, NCCF will take steps to activate that fund. If this fund activity policy ever conflicts with federal law or state law, including UPMIFA, the relevant law controls.

Remember, in accordance with the Internal Revenue Code, a contribution to a donor-advised fund is an irrevocable charitable contribution that is legally owned by NCCF, the sponsoring charity. These funds are institutional funds of the community foundation – not a personal savings account of the donor – and may only be used for charitable purposes that do not confer any private benefit on the donor or any other person.

Definition of "Fund Activity." A fund is considered active when there is regular communication between a donor (or named successors) and NCCF regarding the existence and purpose of that

fund and/or grants are made regularly. Examples of some of the activities that would deem a fund active include (but are not limited to):

- **Regular grant recommendations.** Fund advisor generally recommends grants at least annually to qualified charitable organization. The amount of grantmaking can vary from year to year.
- **Developing a philanthropic program.** Fund advisor refrains from making grants for a given initial period while the fund advisor consults with NCCF or does his or her own research to determine what types of grants will best meet community needs and/or her philanthropic goals.
- **Long-term giving plan.** Fund advisor deliberately reduces the frequency of grant recommendations from fund during his or her working years in order to increase the fund balance to support grantmaking during his or her retirement years.

Should a fund remain inactive for more than five years, NCCF will take the following steps to activate that fund:

- The NCCF will contact the fund advisor to discuss the need to make a grant recommendation.
- If, after a reasonable number of documented attempts within a one year period, the NCCF is unable to reach the fund advisor or grant recommendations are not forthcoming, NCCF will recommend a grant on an annual basis until the donor again begins to make recommendations.
- In making grants from an inactive fund, the Foundation will strive to make grants consistent with the donor's charitable intent or granting history.
- Should the NCCF determine that the donor's charitable intent is unnecessary, undesirable, impracticable, incapable of fulfillment, or inconsistent with the community's charitable needs, then NCCF may exercise its variance power to enable the fund to meet the needs of the community and to address the charitable purposes for which the funds were committed.

For a complete version of NCCF's Fund Activity Policy, including what constitutes acceptable fund activity, please see our website under the *Resources* tab or *see Appendix C*.

Extraordinary distributions

An extraordinary distribution is a request for a distribution greater than the standard available-to-spend amount (usually 5%) and is considered an exception rather than the norm.

Extraordinary distribution requests must be made in writing addressed to the Foundation's president, who will then bring it before the NCCF grants committee at its next scheduled meeting. For more information about the extraordinary distribution process and the steps required to submit a request, please contact your regional director or fund representative. Contact information is available on the NCCF website.

Variance power

A unique benefit of a community foundation is the "variance power" the board holds over all contributions. The Foundation's governing policies, as well as its fund agreements, provide that the NCCF board has the power to modify any restriction or condition on the distribution of funds if, in the board's judgment, such restriction or condition becomes unnecessary, undesirable, impracticable, incapable of fulfillment or inconsistent with the charitable needs of the community served or with legal requirements. NCCF is required to have this discretionary power and ownership of all gifts to the Foundation to enable the donor to receive a tax deduction for his or her contribution.

Fund contacts and donor-advised fund advisors

Designation of fund contacts

To protect your fund and ensure proper communication, all fund contacts and advisors to a donor-advised fund must be documented with the Foundation. All records pertaining to your fund are confidential unless the donor otherwise specifies.

Fund correspondence

Unless otherwise noted, the fund contacts specified will be the main contacts to receive quarterly statements and other information pertaining to the fund. Donors may designate additional fund contacts to receive this information. It is the fund contact's responsibility to notify the Foundation of changes in status or address.

Donor-advised fund advisors

Changing or adding advisors

Only fund advisors named in the donor-advised fund agreement, an amendment or by a directive in the donor's Last Will and Testament may make grant recommendations for the fund. Only the original donor who signed the agreement, also known as the "fund founder," may change or add advisors. During his or her lifetime, the original donor to the fund may request in writing that the Foundation add or change advisors. This may be carried out through an amendment to the original agreement. The original donor may also add or change advisors by a directive in his or her Will.

Succession planning for donor-advised funds

The Foundation allows donors to create succession plans for donor-advised funds to meet their charitable objectives. There are several types of succession plans from which to choose:

- **Successor advisors.** The fund founder may designate an unlimited number of successor advisors upon the death or incapacity of the previous fund advisor including spouse, children and grandchildren. Successor advisors have the same privileges as the original advisors regarding grant recommendations but do not have authority to request a fund amendment.
- **From donor-advised fund to designated fund.** The fund founder has the option to designate one or more specific charitable beneficiaries to receive the annual grant distributions upon his death or incapacity or that of the fund advisor thus creating a designated fund from the donor-advised fund.
- **Local affiliate board as fund advisor.** The fund founder may choose to designate a local affiliate board to make grant recommendations upon his or her death or incapacity or

that of his or her fund advisor, thus allowing grants to be utilized for the most pressing needs in a county or other affiliate area.

- **Operating endowment.** A fund founder may choose to designate the NCCF to receive annual grant distributions for support of its operations upon his or her death or incapacity.

If the original fund founder has not otherwise provided a plan such as those above, the Foundation shall determine how assets are distributed consistent with the donor's charitable interests as outlined in the original fund agreement or by considering any relevant information about the donor's civic or charitable interests. However, the fund will remain a named component fund of the Foundation.

Investment of funds

NCCF has ultimate responsibility for investing fund assets and allocating investment earnings. The Foundation board of directors has appointed a finance committee to advise the full board on its investment and allocation functions. Please visit the Foundation's website at nccommunityfoundation.org to view the current investment policy statement.

Retention and investment

The Foundation has agreements with numerous financial institutions for the investment of fund assets. These financial institutions are known as the Foundation's investment managers. In addition, the Foundation employs an investment advisor to oversee the entire investment portfolio. Foundation staff and the finance committee with the assistance of the investment advisor monitor investment managers.

Endowment fund assets are commingled for investment purposes with those of other endowment funds, with other Foundation funds and with other funds unrelated to NCCF. The Foundation, however, shall have no obligation to commingle assets for investment purposes and may, in its discretion, retain any assets received or hold the assets as a separate unit for investment purposes.

Investments will be made in accordance with the investment policy statement recommended by the finance committee and approved by the statewide Board of Directors. Any investment or reinvestment of assets shall be made only if such investments are appropriate for a prudent fiduciary.

Non-endowed gift funds will be held in cash pending distribution to beneficiaries.

Upon request, the Foundation will provide investment information to the public, including the names of investment managers, investment and administrative fees, as well as the names of the finance committee members responsible for the Foundation's investment objectives, policies and decisions.

Allocation of income and market value adjustments

Monthly, all endowments will have any interest, dividends, and realized and unrealized gains and losses allocated to the fund. Allocations are based on the average daily balance of the fund.

Fees

NCCF provides a comprehensive array of philanthropic services for each our fundholders. There is no fee to establish a fund. The Foundation charges an annual fee which is assessed monthly on all funds at the rates listed below OR at a minimum of \$250 annually (\$20.83 per month), whichever is greater.

Fee table

Type of fund	Fee rates
Affiliate unrestricted funds	1.0% of average balance
Field of interest & geographic region funds	1.5% of average balance
Donor-advised funds	1.5% of average balance
Designated funds	1.0% of average balance
Scholarship funds	1.5% of average balance
Agency funds	1.0% of average balance
Non-endowed gift fund for donor who has established an endowment fund ("Gift fund" is the same thing as a "pass-through fund.")	\$250 annual fee (\$20.83/month); NCCF retains bank interest; Excess transaction fee (\$10 per transaction over 20/year)
Non-endowed donor-advised fund for donor who does not have an NCCF endowment fund	Greater of \$250 or 2% of contributions each year; NCCF retains bank interest Excess transaction fee (\$10 per transaction over 20/year)
Memorial funds	No fees for first year if a regular fund is created, then regular fees apply
Funds more than \$1,000,000	Negotiable

Note: The investment manager fee is netted from fund performance.

Additional fee information

In the event a donor requests services beyond the routine, the Foundation reserves the right to assess additional reasonable administrative fees.

Unusual or extraordinary legal fees will be charged to a fund with full disclosure.

Fees in the table above are subject to change with approval of the Foundation's board of directors based on recommendations from the finance committee.

Legal issues and other policies

Special events

Our experience is that letter-writing campaigns and annual appeals are generally the most effective methods to raise money. However, some fundholders choose to host events to increase the size of their funds.

The NCCF's liability insurance carrier requires that fundholders who are interested in hosting events comply with the rules set forth in the NCCF publication *Legal and Regulatory Guidelines for Fundraising and Special Events* and obtain approval to host the event in advance. The publication must be consulted before scheduling a special event. Please contact a Foundation representative to obtain more details and to receive a copy of the NCCF publication *Legal and Regulatory Guidelines for Fundraising Events*.

Financial reporting

NCCF's financial statements are prepared in accordance with generally accepted accounting principles. The Foundation's fiscal year-end is March 31. The financial statements are audited annually by an independent accounting firm and are available upon request. A summarized financial statement is included in the Foundation's annual report.

All fund advisors receive quarterly fund statements. These statements summarize all activity in the fund for the quarter and typically are mailed within 45 days after quarter end. A detailed list of all contributors and grants from the fund will also be included in this statement.

Presidents and treasurers of established community affiliates receive quarterly summary reports of the balance of their affiliate unrestricted fund. These reports may also be requested throughout the year with due notice.

Public access to tax documents

The Foundation's annual tax return (known as "Form 990") shall be made available to anyone without a fee as required by the Internal Revenue Code. The Foundation's Form 990 may also be accessed on its website at nccommunityfoundation.org

Confidentiality

In order that all private information with respect to donors is kept confidential, employees, board members, volunteers and vendors of NCCF are required to sign the Foundation's confidentiality agreement. All fund information, except that the fund exists, is kept confidential. The Foundation only provides fund specific information to authorized fund contacts and advisors named by the original donor unless the donor provides authorization for an exception. Gifts to charitable organizations through an endowed fund may be made anonymously by

communicating this desire to Foundation staff. Gifts may also be made anonymously to a Foundation component fund by communicating such a desire through a Foundation staff member. A copy of NCCF's complete Confidentiality Policy is on the NCCF's website under Resources tab: nccommunityfoundation.org.

Other policies available on NCCF website

The following policies are available to donors, fund holders and the public and may be accessed on the NCCF's website:

Policies:

Non-discrimination Policy

Diversity Policy

Conflict of Interest Policy

Whistleblower's Policy

Excess Business Holdings Policy

Fund Activity Policy

Communications

In keeping with its mission of building philanthropy across North Carolina, the Foundation actively shares information about its mission and operations with the public and welcomes public inquiry. As such, the Foundation publishes an annual newsletter, as well as a comprehensive annual report on the Foundation's financial performance and primary activities. Publications are mailed to fundholders, current donors, board members and are accessible to all on NCCF's website.

The Foundation also issues digital communications throughout the year, including an e-newsletter, shorter e-blasts and daily announcements via social media, including Facebook, LinkedIn and Twitter. The Foundation maintains a website with up-to-date information at nccommunityfoundation.org.

Information printed in this guide

The information contained in this Charitable Giving Guide is current as of the printing of this document. These policies are subject to change in the Foundation's discretion. Please check the Foundation's website for the most current version available. This Guide is intended for informational purposes only and should not be relied upon for legal, tax, or financial advice. Potential donors are encouraged to consult with their own legal, tax, financial or other professional advisor for advice prior to making any charitable gifts.

IRS CIRCULAR 230 NOTICE: In order to comply with certain IRS regulations regarding tax advice, we inform you that, unless expressly stated otherwise, any tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

Appendix

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Appendix B	Guide to Scholarship Programs
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NORTH CAROLINA
COMMUNITY FOUNDATION



Policies and Procedures for Donor Advised Grantmaking

Appendix A

NORTH CAROLINA
COMMUNITY FOUNDATION



The North Carolina Community Foundation Welcomes You into Our Family!

On behalf of the board and staff, I welcome you into the North Carolina Community Foundation family and thank you for choosing our Foundation as your endowment partner. The Foundation is made up of a diverse group of individuals, families, businesses and non-profit organizations, who are all committed to strengthening their communities now and for future generations.

This packet is designed to provide you with helpful information about the North Carolina Community Foundation, our procedures and overall objectives and to answer questions you may have about your newly established fund. It is our goal to make your participation in the work of the Foundation a meaningful experience.

The value and strength of the North Carolina Community Foundation lie in our statewide presence which fuels our knowledge of local community issues and needs. What makes us the valuable, strong organization that works for communities throughout our state is you. We know our strength rests with our fundholders in partnership with our affiliate foundations, staff, board members, other donors and volunteers.

Thank you for establishing a charitable fund with the North Carolina Community Foundation and for your commitment to supporting your community, state and beyond. Please know our entire staff stands ready to offer support and information on any matter related to your fund, from technical information about the distribution process to finding programs that fall into your charitable giving interests.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jennifer Tolle Whiteside', with a long, sweeping flourish extending to the right.

Jennifer Tolle Whiteside
President/CEO

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Our Commitment to You

In an effort to strengthen community capacity across North Carolina, we pledge to:

- Maintain an excellent investment program
- Provide clear and accurate information about our funds and programs
- Respond to your inquiries and correspondence promptly
- Understand the emerging needs of North Carolina's communities
- Offer you opportunities to partner with other donors and organizations of similar interests
- Recognize the community spirit and generosity of all our constituents
- Engage new generations of philanthropists
- Maintain an on-going partnership with our volunteers, fundholders, non-profits, and donors to help meet charitable needs and objectives



Your Role as Fund Advisor

As an active partner in the work of our Foundation, you play a critical role in enriching other lives through philanthropy. An effective giving plan is the result of donors embracing the following responsibilities:

- Evaluating your own philanthropic goals annually
- Educating yourself on unmet charitable needs in your community
- Seeking out the best organizations to accomplish your charitable goals
- Talking with Foundation staff about any changes in your charitable interests
- Carefully reviewing your fund statements and annual grant-making packet
- Understanding our grant distribution policies and contacting Foundation staff with questions
- Participating in opportunities provided through the Foundation to strengthen your giving plan

Supporting our Endowment Partners

From time to time, you may have questions regarding this fund, the distribution process, contributions to an endowment or a general inquiry. The following is a list of staff available to assist you. If you are not sure to whom you should direct your question, please call our main number at 919.828.4387. You can also visit us at nccommunityfoundation.org.

Mission and Activities of Foundation

Jennifer Tolle Whiteside, President/CEO

jtwhiteside@nccommunityfoundation.org | 919-256-6910

Cherry Ballard, Assistant to the President

cballard@nccommunityfoundation.org | 919-256-6915

Support with fund agreements & amendment language

Mary Morgan, Philanthropy Counsel

mmorgan@nccommunityfoundation.org | 919-256-6909

Donor-advised, designated, agency fund grants Affiliate grantmaking, Special Programs Scholarship Programs

Leslie Ann Jackson, Director of Grants & Scholarships

lajackson@nccommunityfoundation.org | 919-256-6913

Sybil Bowick, Grants & Scholarships Specialist

sbowick@nccommunityfoundation.org | 919-256-6929

Christopher Fipps, Grants Program Manager

cfipps@nccommunityfoundation.org | 919-256-6923

Fund balances; Investment questions Stock transfers

John Hartley, Director of Finance

jhartley@nccommunityfoundation.org | 919-256-6918

Planned giving options; Establishing funds Gift acknowledgments

Beth Boney Jenkins, Vice President of Development

bjenkins@nccommunityfoundation.org | 919-256-6932

Megan Lynch Ellis, Regional Director of Development

mellis@nccommunityfoundation.org | 828-355-4306

Communications & donor stories Marketing ideas; Publicity

Noel McLaughlin, Director of Communications

nmclaughlin@nccommunityfoundation.org | 919-256-6901

Donor engagement activities; Affiliate support Engaging women, youth & communities of color

Sally Migliore, Director of Community Leadership

smigliore@nccommunityfoundation.org | 919-256-6911

Assistance with funds, support to affiliates

Regional Staff

Western: Katie Crumpler

kcrumpler@nccommunityfoundation.org | 828-538-4299

Northwestern: Colby Martin

cmartin@nccommunityfoundation.org | 828-358-0030

Sandhills: Dawn Neighbors

dneighbors@nccommunityfoundation.org | 910-292-4437

Northern Piedmont: Quinn Novels

qnovels@nccommunityfoundation.org | 919-256-6914

Coastal Plains North: Kelly Lee

klee@nccommunityfoundation.org | 252-557-0278

Coastal Plains South: Kim Ball

kball@nccommunityfoundation.org | 252-288-5706

Northeastern: Natalie Peel

npeel@nccommunityfoundation.org | 252-562-9824

Southeastern: Anne Sorhagen

asorhagen@nccommunityfoundation.org | 910-202-6727

North Carolina Community Foundation Distribution Practices

General Policy

Grant distributions ("distributions") are made primarily to charitable organizations that are tax-exempt under IRS Code Section 501(c)(3). Distributions may also be made to governmental agencies and most religious organizations. The IRS prohibits making distributions to nonprofit organizations in satisfaction of legally enforceable pledges or for dues, memberships, benefit tickets, goods bought at charitable auctions, fundraising dinners, golf tournaments or to secure ticket rights. Grants may not be made for political purposes. Grants from donor advised funds may not be made to individuals and this prohibition includes checks written directly to an individual or checks written to an entity for the benefit of a specified individual. The IRS also prohibits donors, fund advisors or related parties from receiving grants loans, compensation or similar payments from donor advised funds. The IRS may impose upon donors, donor advisors, or related persons a tax penalty equal to 125% of the benefit received if any of the above-described distributions are made.

Distribution Policy

The North Carolina Community Foundation's standard policy is to distribute 5% of the fund's average balance (less any outstanding pledges) annually. In February, fund advisors receive a grantmaking packet, indicating the amount available to spend based on the annual 5% calculation. The packet also includes instructions and the form needed for grantmaking. Advisors who do not wish to make a grant in any given year in favor of endowment growth are permitted to do so for up to five years. Funds established after October 1 in any given year typically do not begin spending in the following year to avoid invasion of principal.

Contributions to Enable Additional Distributions

Donors may make additional "pass through" contributions to endowed funds to enable distributions above the Foundation's 5% annual calculation. These gifts should be clearly indicated as "pass through" when the contribution is made.

Minimum Grant Distributions

The Foundation's current minimum grant distribution for donor-advised funds is \$100.

Where Grants May Be Made

The Foundation makes distributions to organizations across North Carolina, and in certain, limited circumstances, outside of North Carolina. We can, in limited circumstances, make grants outside of the United States.

Tax Exempt Status Determination

The Foundation staff research all beneficiary organizations to determine that they are recognized by the IRS as a tax-exempt 501(c)3 public charity. Government agencies and religious entities also are identified as tax-exempt organizations and eligible to receive grants from donor-advised funds. If a recommended organization is determined to be ineligible, Foundation staff will contact the advisor. In certain circumstances, we may be able to make a grant outside of these criteria, but those determinations are made on a case-by-case basis in accordance with IRS regulations.

Due Diligence

All organizations receiving grants must complete a report form (see a sample at the back of this guide) and submit it to the Foundation within sixty (60) business days of receiving the grant. If there is sufficient evidence that a grant has not been used as specified, the Foundation will investigate and may request that funds be returned to the Foundation immediately. If an organization has an overdue grant report the Foundation will not make a grant to that organization until it has been completed. Discrepancies or irregularities in the recipient's handling of distribution(s) will be discussed with the organization and reported to the donor.

Completing the Recommendation for Charitable Distributions Form

To recommend a grant from your fund, complete the Recommendation for Charitable Distributions form sent to you annually in grantmaking packet in February and submit it to NCCF. A sample copy of the current form is included in the Resources section of this manual. For assistance locating programs and organizations that match your charitable interests, please contact the regional staff assigned to your area (page 5).

Grant Check Processing

The Foundation distributes grant checks every two weeks from February 1 –December 10. Checks to charitable organizations are accompanied by a letter from the Foundation that includes the name of the fund making the grant, the fund advisor's name and address (unless anonymity has been requested) and the specified purpose of the grant funds. A sample letter can be found in the Resources section of this manual.

Extraordinary Distributions

An extraordinary distribution is a request for a distribution greater than the standard 5% spending rule and considered an exception rather than the norm. Extraordinary distribution requests must be made in writing addressed to the President/CEO of the Foundation who will then forward the request to the grants committee for consideration. For more information about the extraordinary distribution process and the steps required to submit a request, please contact the regional staff assigned to your area (page 5).

Resources in this Guide

FAQs about Donor-Advised Funds

Page 9

It is our role to ensure that all distributions made from donor-advised funds are compliant with our own policies and procedures and with external rules and regulations. We look to our donors for cooperation in achieving that goal. The answers to these FAQs are sent to fund advisors annually to keep you informed of the basic guidelines that need to be followed.

Sample Recommendation for Charitable Distributions Form

Page 10

This form is how you communicate your grant recommendations to NCCF. It includes space for information about the organization of your choice, the amount of the grant you would like to make, and your signature confirmation. Once we receive it, we will begin our vetting process and be in touch if we have questions for you.

Sample Grant Letter

Page 11

With each grant check mailed, a letter is sent to the grantee organization, explaining the source of the funding, its intended purpose, and instructions for reporting. We also include your contact information, acknowledging that you recommended the grant, unless you request anonymity. When a grant is made by your recommendation, you will receive a copy of the letter that was sent.

Sample Grant Terms and Conditions Form

Page 12

Each check is also accompanied by a form that outlines the terms and conditions that apply to all of our grants. The contact person at the grantee organization must sign this form, which confirms the organization's agreement with the terms. The form must be returned to NCCF within 60 days of receipt of the grant check. Failure to do so will restrict future funding until it has been returned.



Grantmaking from Donor-Advised Funds *Answers to Frequently Asked Questions*

- ***What kind of organizations may I recommend for grants?*** You may recommend nonprofit public charities, schools, religious organizations and government programs. The organizations you recommend must be exempt under §§ 501(c)(3) and 170(b)(A) of the Internal Revenue Code.
- ***How can I find information about programs that fit my interest area?*** The NCCF team is available to provide information on grantmaking opportunities or to research organizations you might be interested in funding. Staff also can provide you with proposals in your charitable interest areas and arrange site visits to nonprofit organizations. Many of our donors also choose to contribute to NCCF's work to support philanthropy throughout our state through a grant to the NCCF Operating Endowment.
- ***May I recommend a grant to an individual or a scholarship from my donor-advised fund?*** No. According to IRS regulations, distributions from donor-advised funds may only go to qualified public charities. Grants to charitable or educational institutions earmarked for a specific individual are also prohibited.
- ***May I recommend a grant from my fund to a nonprofit organization for which I serve on the board?*** Yes, as long as you receive no personal benefit from the grant.
- ***Are there any other restrictions?*** Grants from donor-advised funds may not be used to satisfy an irrevocable personal pledge or obligation. No goods or services may be given to you by the recipient organization in response to your grant. This includes tickets to events, dinners, etc. Also strictly prohibited is the payment of grants or compensation to the donor, the fund advisor, members of their families or businesses they control. In addition, the NCCF is prohibited from reimbursing you or other individuals for expenses related to your fund. This includes reimbursement for fundraising expenses, printing, stamps, etc. Please contact Foundation staff if you have any questions.
- ***If a charitable organization asks for a pledge and I prefer to give from my donor-advised fund, how do I notify the organization?*** Distributions from donor-advised funds may not legally fulfill pledges. If an organization asks that you make a pledge but you wish to recommend a grant from your donor-advised fund, let the organization know that you plan to recommend a grant but are not making a pledge. Then complete the *Recommendation for Charitable Distributions Form* and return it to NCCF.
- ***Is there a minimum or a maximum distribution amount I can recommend?*** The minimum distribution request from a donor-advised fund is \$100. The maximum cannot exceed the fund's total available-to-distribute amount referenced in the accompanying letter. Fund advisors can recommend the entire amount available, a portion of the distribution amount or decline to make a recommendation at all.
- ***How are recommendations processed?*** One benefit to establishing a donor-advised fund with the NCCF is the assurance that your grant will only be awarded to qualified charities. We research all nonprofits to verify that they are eligible to accept tax-deductible contributions. We also ensure that your grants will be used only toward your intended purposes. We will let you know if we discover any information that leads our grants staff to question a recommendation.
- ***How often and when may I make distributions from my fund?*** You may make recommendations at any time between **February 15 and December 10**. Grant recommendations and distributions from your fund are processed approximately every two weeks.



Recommendations for Charitable Distributions

Mail To: North Carolina Community Foundation
 3737 Glenwood Avenue, Suite 460
 Raleigh, North Carolina 27612

Or via email: grants@nccommunityfoundation.org Or fax: (919) 827-0749

Grants are distributed from mid-February through mid-December. **Deadline for recommendations is December 10.**

Fund Name: _____ **Fund Number:** _____

I recommend the following grants to the Distribution Committee of the North Carolina Community Foundation Board of Directors. I understand that final judgment rests with the Board, whose charge it is to see that all grants are within the charitable purposes of the Foundation. I certify that this recommendation does not represent payment of a legally binding pledge or other personal financial obligation on behalf of the fund representative(s), family members, or businesses they control, and that no tangible benefit, goods, or services (including dinners, tickets, etc.) were or will be received by any individual or entities connected with the Fund. I understand that I may request that the check and accompanying materials be sent to me for delivery, in which case I agree to provide all materials to the grantee as delivered to me by NCCF without supplementary instruction and in accordance with grant terms and conditions.

My signature below certifies that I have read, understand, and agree to the above terms.
Grants will not be processed without this certification. Please keep a copy of this form for your records.

Signature of Fund Contact	Name of Fund Contact	Date
_____	_____	_____
Phone: _____	Email: _____	

In addition to the grants recommended below, I would like to make a grant of \$_____ to the North Carolina Community Foundation Endowment to support the Foundation's philanthropic work across our state. _____ (initial here)

I. Recipient Organization: _____

Address: _____ City: _____ State: _____ Zip: _____

Contact Person: _____ Title: _____ Phone #: _____

Grant Amount: \$ _____ (\$100 minimum) Contact E-Mail: _____

Grant Purpose (if not general operating support): _____

Send Check to Organization (default)
 Send Check to Me for Delivery
 This Grant is ANONYMOUS

Office Use Only: Grantee Profile #: _____ Verified: _____ Grant #: _____ Authorization: _____ Date: _____

II. Recipient Organization: _____

Address: _____ City: _____ State: _____ Zip: _____

Contact Person: _____ Title: _____ Phone #: _____

Grant Amount: \$ _____ (\$100 minimum) Contact E-Mail: _____

Grant Purpose (if not general operating support): _____

Send Check to Organization (default)
 Send Check to Me for Delivery
 This Grant is ANONYMOUS

Office Use Only: Grantee Profile #: _____ Verified: _____ Grant #: _____ Authorization: _____ Date: _____

Fund Region: ____ County ____ Staff: ____ I. Date Mailed: _____ II. Date Mailed: _____

DATE

GRANTEE NAME
GRANTEE ADDRESS
GRANTEE CITY, STATE ZIP

Dear GRANTEE:

We are pleased to inform you that your organization is the recipient of a grant from the **FUND NAME**, a component fund of the North Carolina Community Foundation. Enclosed is a check in the amount of \$XXXX.XX for STATED PURPOSE.

Please note that by accepting this grant check, you agree to the terms and conditions of the Foundation as detailed on the attached form. Additionally, you, the grantee, certify that no tangible benefit (including dinners, tickets, or seating priority) was or will be received by any individual or entities connected with the Fund as a result of this grant. If you have any questions about these prohibited benefits, please feel free to contact Leslie Ann Jackson, Director of Grants and Scholarships, at (919) 256-6913 or lajackson@nccommunityfoundation.org.

You may wish to express your appreciation directly to those who recommended this grant:

ADVISOR NAME
ADVISOR ADDRESS
ADVISOR CITY, STATE ZIP

The donors to this fund received full tax benefits and notification with their gift to the fund; therefore, your organization does not need to issue a tax receipt to the donors or to the Foundation. Please return the enclosed Grant Terms & Conditions to the Foundation within 60 days.

The North Carolina Community Foundation is happy to provide this support to your organization.

Warm Regards,

Jennifer Tolle Whiteside
President

Enclosures

cc: REGIONAL DIRECTOR NAME



Grant Terms & Conditions

Due to the Foundation within **60 days** of **DATE**

Via Mail: 3737 Glenwood Avenue, Suite 460, Raleigh, NC 27612 |

Via Email: grants@nccommunityfoundation.org | Via Fax: 919.827.0749

Fund Name:

Grant Amount:

Grant Purpose:

Please review the following information from our files and mark any changes, corrections, or omissions:

Grantee Organization:

Contact Name: _____

Title: _____

Address: _____

Phone: _____

Email: _____

Federal Tax ID: _____ **REQUIRED**

- Grantee certifies to the North Carolina Community Foundation ("Foundation") that it is an organization that is a government entity, religious organization, and/or an organization that is currently recognized by the IRS as a public charity under section 501(c)(3) of the Internal Revenue Code. If grantee has tax-exempt status through another section of the Code, documentation must be provided to the Foundation.
- Grantee agrees to notify the Foundation of any change in tax-exempt status or in its ability to execute the grant and use grant funds for the stated purpose of the grant.
- Grantee will utilize funding only for charitable purposes detailed above and/or in the grant award notification letter.
- Grantee certifies that this grant does not represent payment of a pledge or other personal financial obligation on behalf of any Fund representative(s), family members, or businesses they control.
- Grantee certifies that no tangible benefit, goods, or services (including dinners, tickets, seating priority, etc.) were or will be received by any individual or entities connected with the Fund.
- Grantee certifies this grant was not earmarked for lobbying, electioneering, or political activities of any kind.
- In compliance with Executive Order 13224 and the Patriot Act, grantee certifies that it is not a terrorist or terrorist-supporting organization and agrees not to promote or engage in violence, terrorism, or bigotry.
- Any unused portion of the Foundation grant funding must be returned to the Foundation upon completion of the grant term. (Unless otherwise specified, the grant term is one calendar year following the date of the grant check.)
- Grantees are expected to acknowledge support from NCCF in all publicity, exhibits and publications resulting from this grant, which should be acknowledged as "support from **Fund Name**, a component fund of the North Carolina Community Foundation." Please refer to us as "North Carolina Community Foundation" in first reference. NCCF on 2nd reference is fine. We also encourage you to link to our website from yours as appropriate. If this grant has been awarded by one of our affiliate foundations, detailed instructions on how to acknowledge this contribution can be found on our website.
- This **Grant Terms & Conditions** form must be returned to the Foundation **fully completed** within 60 days of the grant date. The Grantee will not receive any future funding if the form is not returned as requested.
- Grantee will promptly provide such additional information, reports, or documents as the Foundation may request.
- The Foundation reserves the right to terminate this grant should the Grantee fail to comply with the terms and conditions of this agreement.

I understand that, by accepting the Foundation's grant check, I am agreeing to the foregoing Grant Terms and Conditions and hereby certify my authority to make such acceptance and agreement on the Grantee's behalf. I have also provided my organization's correct Federal Tax ID above.

Signature: _____

Date Submitted: _____

Title: _____

Grant Date: _____

NCCF Terms & Conditions – Page 2

Please take a moment to provide the Foundation with important information about your organization and its grant use. This data is critical for tax purposes and for the study of grant recipients.

Select the **grant use** that most closely fits your use of the grant from the NCCF:

(Grant use must comply with specified purpose.)

PROGRAM SUPPORT

Program Development, Conferences/Seminars, Faculty/Staff Development, Professorships, Film/Video/Radio, Publication, Seed Money, Curriculum Development, Performance/Productions, Exhibitions, Collections Management/Preservation, Commissioning New Works, Electronic Media/Online Services

RESEARCH

CAPITAL SUPPORT

Capital Campaigns, Building/Renovation, Equipment, Computer Systems/Technology, Land Acquisition, Endowments, Debt Reduction, Collections Acquisition

GENERAL SUPPORT

General Operating, Annual Campaigns, Income Development, Management Development

STUDENT AID FUNDS

Student Aid, Fellowships, Internships, Scholarships, Awards/Prizes/Competitions

OTHER

Technical Assistance, Emergency Funds, Program Evaluation

(Please Describe): _____

Select the **grantee type** that most closely fits your organization:

ARTS, CULTURE & HUMANITIES

- Arts Councils & Agencies A26
- Arts Education A25
- Historic Preservation A80
- Humanities A70
- Museums & Historic Sites A50
- Performing Arts A60
- Visual Arts A40
- Other Arts & Culture A99

EDUCATION

- Community Colleges - Other Support B41
- Community Colleges - Scholarships B82c
- Libraries B70
- Private Colleges & Universities - Other Support B42a
- Private Colleges & Universities - Scholarships B82a
- Private Elementary & Secondary Schools B20a
- Public Colleges & Universities - Other Support B42b
- Public Colleges & Universities - Scholarships B82b
- Public Elementary & Secondary Schools B20b
- Other Educational Program B99

ENVIRONMENT & ANIMALS

- Animal Protection & Welfare D20
- Environmental Programs C99
- Wildlife Preservation & Protection D30
- Other Animal-Related Program D99

HEALTH

- Hospitals & Clinics E20
- Medical Research H99
- Mental Health & Crisis Intervention F99
- Public Health E70
- Substance Abuse Dependency, Prevention & Treatment F20
- Other Health Care E99

HUMAN SERVICES

- Children & Youth Services P30
- Community Centers P80
- Disaster Preparedness & Relief Services M20
- Domestic Abuse Prevention & Recovery P47
- Emergency Assistance P60
- Employment (Employment Preparation & Procurement, Vocational Rehabilitation) J99
- Family Services P40
- Fire Prevention M24
- Food Programs (Food Banks & Pantries, Soup Kitchens, Meals on Wheels) K30
- Hospices P74
- Legal Services I80
- Public Housing L21
- Recreation & Sports N99
- Residential Care P70
- Search & Rescue Squads M23
- Temporary Housing L40
- YMCA, YWCA, YWHA, YMHA P27
- Other Human Services P99

PUBLIC & SOCIETAL BENEFIT

- Community Improvement & Economic Development S99
- Community Service Clubs S80
- Philanthropy, Voluntarism & Grantmaking Foundations T99
- Science & Technology U99
- Social Science V99
- Other Public and Societal Benefit (Government & Public Administration, Veterans' Organizations, Leadership Development) W99

RELIGION

- Religious Organizations X99

YOUTH DEVELOPMENT

- Scouting Organizations O40
- Youth Centers & Clubs O20
- Youth Development Programs O50
- Other Youth Programs O99

NOT LISTED

- Other (please describe): _____
-
-
-

If applicable, please select any **specific populations** served by this grant (you may select one per category):

AGE

- General Public A9
- Children & youth A2
- Adults A5
- Aging A6
- Young adults A7

DISABILITY

- General Public D9
- All people with disabilities D0
- Physically disabled D1
- Blind/visually impaired D2
- Deaf/hearing impaired D3
- Mentally disabled D4

ETHNICITY/RACE

- General Public E9
- All minorities E0
- Asians/Pacific Islanders E1
- African Americans/Blacks E2
- Hispanics/Latinos E3
- Native Americans/American Indians E4
- Asian Indian E5
- Other (please specify: _____) E6

GENDER

- General Public G9
- Females G1
- Males G2

OTHER SPECIAL POPULATIONS

- AIDS, people with N4
- Crime/abuse victims N6
- Economically disadvantaged P0
- Homeless P1
- Immigrants/refugees O2
- LGBTQ O1
- Migrant workers P2
- Military/veterans N1
- Offenders/ex-offenders N2
- Single parents N5
- Substance abusers N3
- Terminal illness, people with N7

Please feel free to attach additional pages detailing the execution or results of this grant.

We appreciate your assistance and cooperation.

NORTH CAROLINA
COMMUNITY FOUNDATION



Guide to Scholarship Programs

Appendix B

NORTH CAROLINA
COMMUNITY FOUNDATION



The North Carolina Community Foundation Welcomes You to Scholarship Programs

On behalf of the board and staff of the North Carolina Community Foundation, thank you again for demonstrating your commitment to the students of North Carolina by serving as the administrator for one of our over 150 scholarship funds across the state. As you are aware, the Foundation is made up of a diverse group of individuals, families, businesses and non-profit organizations who are all committed to strengthening their communities now and for future generations.

The value of the NCCF lies in our statewide presence which fuels our knowledge of local community issues and needs. What makes us the valuable, strong organization that works for communities throughout our state is **you**. We know our strength rests in the unique partnerships between our volunteers, staff, board members, fundholders, other donors and volunteers.

The NCCF is committed to serving our donors, students, and the community at large by providing an efficient and effective structure for scholarship programs to maximize our efforts to help all North Carolina students have access to higher education. This packet is designed to provide you with helpful information about scholarship programs through the North Carolina Community Foundation. We hope that it provides you with the resources to support a significant and meaningful scholarship program.

Thank you for your willingness to join us on this journey to leverage the collective power of philanthropy and education to effect meaningful change throughout North Carolina. Please know our entire staff stands ready to offer support and information to help you succeed in this endeavor.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jennifer Tolle Whiteside', with a long, sweeping flourish at the end.

Jennifer Tolle Whiteside
President/CEO

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Our Commitment to You

In an effort to strengthen community capacity across North Carolina, we pledge to:

- Maintain an excellent investment program
- Provide clear and accurate information about our funds and programs
- Respond to your inquiries and correspondence promptly
- Understand the emerging needs of North Carolina's communities
- Offer you opportunities to partner with other donors and organizations of similar interests
- Recognize the community spirit and generosity of all our constituents
- Engage new generations of philanthropists
- Maintain an on-going partnership with our volunteers, fundholders, non-profits, and donors to help meet charitable needs & objectives
- Support you in administering an exemplary scholarship program



Your Role as Scholarship Administrator

As an active partner in the work of our Foundation, you play a critical role in enriching other lives through philanthropy. An effective scholarship program is the result of volunteers, staff, and donors embracing the following responsibilities:

- Raising funds to benefit your scholarship fund
- Establishing scholarship criteria that meet the needs of students in your community
- Seeking out the best applicants for your scholarship
- Supporting the due diligence process of the Foundation by following rules and regulations
- Ensuring a fair and equitable process for making scholarship awards

North Carolina Community Foundation Distribution Practices

General Policy

The North Carolina Community Foundation's standard policy is to distribute 5% of the fund's average balance annually. All scholarship administrators are sent a scholarship packet in February indicating the amount available for spending based on the current 5% distribution rate.

Contributions to Enable Additional Distributions

Donors may make additional "pass through" contributions to scholarship funds to enable distributions above the Foundation's 5% annual calculation. These gifts should be clearly indicated as "pass through" when the contribution is made. To comply with federal law, any "pass through" contributions must be received **before** any scholarship applications are reviewed.

Minimum Scholarship Distributions

The Foundation's current minimum scholarship distribution is \$100; however, due to growing costs of attendance at educational institutions, NCCF recommends a minimum of \$500. Awards over \$500 will be applied equally across the fall and spring semesters; awards of \$500 or less will be applied to the fall semester only.

Where Scholarships May Be Made

The Foundation makes scholarship awards directly to U.S. academic institutions accredited by the Department of Education which qualify to receive federal student aid funding, including grants, loans, and work-study.

Due Diligence

All scholarship recipients must complete and submit to the Foundation the Scholar Information Form found on the NCCF website before their scholarship check will be issued. Students who fail to do so by October 1 of each year forfeit their scholarship award.

Confidentiality

In order that all private information with respect to donors and prospective donors is kept confidential, employees of the North Carolina Community Foundation are required to sign the Foundation's confidentiality agreement. The Foundation does not provide donor or grantee contact information to any outside source.

Diversity

To effectively serve the charitable interests of North Carolina's diverse people, cultures and communities, the North Carolina Community Foundation continues to seek and retain diverse staff and board members, affiliate fund and advisory board members, donors and volunteers. The Foundation takes care that its community leadership efforts and grants programs address diverse causes and constituencies and that its policies and practices do not promote exclusivity.

Conflicts of Interest

All NCCF Scholarship Committees are expected to avoid any situation that might appear to be a conflict of interest. As such, members are asked to weigh carefully all circumstances and relationships in which there exists the possibility of any accusation of self-interest by asking themselves: Are you, a relative, or close personal friend related to any scholarship applicant? Could you, a relative, or a client obtain a personal gain or advantage from the result of the scholarship award? If the answer to either question is "yes," members must (1) announce that they will not participate in the discussions on the student and that they will abstain from voting, (2) if asked to do so by Committee Chair, leave the room while the student is being discussed, and (3) document the conflict of interest in minutes of meeting. If you have any questions or concerns about a conflict of interest, please consult with NCCF staff.

Pension Protection Act

Passed by Congress in 2006, the Pension Protection Act established strict guidelines regarding scholarship awards from community foundations. In order to comply with federal law, all NCCF scholarships must abide by the following procedures:

- Neither the donor nor any party related to the donor may control the committee directly or indirectly. The votes of “objectively qualified individuals,” such as teachers, church leaders, or community members must outnumber those of donors or donor-related parties, and donors must not unduly influence scholarship proceedings directly or indirectly.
- The NCCF must appoint all members of the scholarship committee by name on an annual basis before the scholarship process may begin. Should a donor of a scholarship be on the selection committee, the donor's advice is given solely as a member of the committee.
- All scholarships must be awarded on an objective and non-discriminatory basis using procedures approved in advance by the foundation's Board of Directors. Key to these procedures are a grantee pool large enough to encompass a charitable class and selection criteria that do not unfairly limit the grantee pool. The act also requires that whoever selects recipients not be in a position to derive a private benefit, directly or indirectly, from the selection process.

Multi-Year and Renewable Scholarships

The North Carolina Community Foundation is pleased to offer the opportunity for scholarship committees to recommend scholarship awards for multiple years of higher education. In order to clarify how these multiple year awards are administered, the NCCF has established the following two types and methods of multiple year scholarship awards.

Multi-Year Scholarships

Multi-year scholarships are awarded by the Foundation to a student for a period of 2 to 4 years. These scholarships are issued as an up-front grant from the fund of the entire scholarship amount, with a payment plan spacing the issuing of checks across the years. For these awards, the Foundation automatically issues scholarship checks payable to the institution each fall. Renewability for multi-year scholarships is determined by a student's continued enrollment at his or her institution, as continued enrollment at an institution is dependent upon satisfactory progress towards receiving a degree. Thus, these awards are renewed unless a student ceases to be enrolled at an institution or the Foundation is made aware of extraordinary circumstances.

Renewable Scholarships

Renewable scholarships may be awarded by the Foundation to a student for a period of 2 to 4 years. These scholarships are issued as single grants on a yearly basis, with no automatic future awards. For these awards, the Scholarship Committee is responsible for communicating with the student to determine his or her continued eligibility for the award. (Such eligibility might be based on academic success, continued study of a certain field, or the like. Failure to respond in a timely manner to Committee requests for information may be used as grounds not to renew a scholarship.) After the Committee is satisfied that the student remains eligible to receive the award, they recommend to the Foundation that another year's scholarship be granted. Thus, these awards are only renewed if a student confirms his or her continued eligibility for the award with the Scholarship Committee, the Scholarship Committee recommends the renewal of the award to the Foundation, and the Foundation approves the award.

Scholarship Procedures Checklist

- In December, the Volunteer Scholarship Administrator completes the Scholarship Declaration Form, including submitting the names of all members of the scholarship committee to NCCF; NCCF confirms the appointment of the members. **In order to meet IRS regulations, the scholarship award process may not proceed until notified by NCCF.**
- In late January, NCCF sends a packet of information to the Volunteer Scholarship Administrator with forms, procedures, and the Amount Available to Distribute (ATD) for the year.
- In February, the Volunteer Scholarship Administrator makes applications available and publicizes deadlines. Scholarship information is also posted on the NCCF website for all approved funds.
- If additional funds are to be sent to the NCCF to be “passed through” with the yearly ATD to increase the amount or number of available scholarships, they must be sent **before any applications are reviewed** and with a note designating them as “pass-through” funds.
- From March to May, the Volunteer Scholarship Administrator collects applications, distributes them to committee members to review, and sets a time for the committee meeting.
- At the appointed time, the committee, **comprised of a majority of non-donor related parties**, meets and comes to a decision regarding how to distribute the available funds. **If past scholarship recipients were awarded a renewable scholarship, the scholarship committee must consider these students first so as not to overspend the fund.*
- The Volunteer Scholarship Administrator ensures that the committee documents its meeting with minutes including who met, when the meeting was held, how the award decision was reached, what the award decision was, and what applicant (if any) is a “runner up” in case the winner cannot accept the award. **All committee members present must sign the Scholarship Recommendation Form** attesting that they have abided by Foundation policy throughout the selection process.
- The Volunteer Scholarship Administrator notifies the applicants of the committee’s decision. The Scholarship Committee is encouraged to publicize the awarding of the scholarship at the local level.
- By June 1**, the Volunteer Scholarship Administrator sends a packet to the NCCF office containing the Scholarship Recommendation Form, Minutes of the Scholarship Committee Meeting, and a copy of the Application of each Scholarship Recipient. The applications of students who did not receive an award should be shredded or otherwise destroyed (with the exception of any “runners up”).
- In July, NCCF sends an email to each Scholarship Recipient confirming the award and providing links to complete the online Scholar Information Form for the Foundation.
- In late July, or after the student has submitted their online Scholar Information Form (whichever is later), NCCF issues a single check to the Recipient’s school to be applied equally to the Fall and Spring semesters unless the student requests otherwise.
- In October, NCCF shares information with the donors from the Scholarship Recipient Information Sheet.

Supporting our Endowment Partners

From time to time, you may have questions regarding this fund, the distribution process, contributions to an endowment or a general inquiry. The following is a list of staff available to assist you. If you are not sure to whom you should direct your question, please call our main number at 919.828.4387. You can also visit us at nccommunityfoundation.org.

Mission and Activities of Foundation

Jennifer Tolle Whiteside, President/CEO

jtwhiteside@nccommunityfoundation.org | 919-256-6910

Cherry Ballard, Assistant to the President

cballard@nccommunityfoundation.org | 919-256-6915

Support with fund agreements & amendment language

Mary Morgan, Philanthropy Counsel

mmorgan@nccommunityfoundation.org | 919-256-6909

Donor-advised, designated, agency fund grants Affiliate grantmaking, Special Programs Scholarship Programs

Leslie Ann Jackson, Director of Grants & Scholarships

lajackson@nccommunityfoundation.org | 919-256-6913

Sybil Bowick, Grants & Scholarships Specialist

sbowick@nccommunityfoundation.org | 919-256-6929

Christopher Fipps, Grants Program Manager

cfipps@nccommunityfoundation.org | 919-256-6923

Fund balances; Investment questions Stock transfers

John Hartley, Director of Finance

jhartley@nccommunityfoundation.org | 919-256-6918

Planned giving options; Establishing funds Gift acknowledgments

Beth Boney Jenkins, Vice President of Development

bjenkins@nccommunityfoundation.org | 919-256-6932

Megan Lynch Ellis, Regional Director of Development

mellis@nccommunityfoundation.org | 828-355-4306

Communications & donor stories Marketing ideas; Publicity

Noel McLaughlin, Director of Communications

nmclaughlin@nccommunityfoundation.org | 919-256-6901

Donor engagement activities; Affiliate support Engaging women, youth & communities of color

Sally Migliore, Director of Community Leadership

smigliore@nccommunityfoundation.org | 919-256-6911

Assistance with funds, support to affiliates

Regional Staff

Western: Katie Crumpler

kcrumpler@nccommunityfoundation.org | 828-538-4299

Northwestern: Colby Martin

cmartin@nccommunityfoundation.org | 828-358-0030

Sandhills: Dawn Neighbors

dneighbors@nccommunityfoundation.org | 910-292-4437

Northern Piedmont: Quinn Novels

qnovels@nccommunityfoundation.org | 919-256-6914

Coastal Plains North: Kelly Lee

klee@nccommunityfoundation.org | 252-557-0278

Coastal Plains South: Kim Ball

kball@nccommunityfoundation.org | 252-288-5706

Northeastern: Natalie Peel

npeel@nccommunityfoundation.org | 252-562-9824

Southeastern: Anne Sorhagen

asorhagen@nccommunityfoundation.org | 910-202-6727

Resources in this Guide

NCCF Standard Scholarship Application Package

Page 11

We offer a standard scholarship application used by about three-fourths of our funds. Our hope is that the application collects the data normally needed by a selection committee and assists administrators and applicants with the process. This form is available on our website as a PDF that can be filled out.

NCCF Scholarship Financial Information Form

Page 13

Some scholarships consider financial need when evaluating candidates. This form, accompanied by a FAFSA Student Aid Report, is used for that purpose. It is also available on our website as a PDF that can be filled out.

Sample Scholarship Application Evaluation Form

Page 14

Not all committees use ranking sheets for their applicants; however, if your committee does not meet in person, we ask that you document your selection process in this manner. Please feel free to edit the sheet as your committee deems fit for your scholarship, while maintaining legal compliance. NCCF staff are available for consultation in doing so.

NCCF Recommendation for Scholarships

Page 15

This completed form and its supporting documents are required for NCCF to process scholarships. Administrators should take this form with them to the committee meeting for all members to sign. It must be accompanied by the Student Contact Information form (page 16); minutes of the committee meeting that document who met, when they met, what decisions were made, and criteria used to do so; the complete applications of scholarship recipients, and mailed to NCCF by June 1.

Sample Scholarship Committee Meeting Minutes

Page 17

Because committee minutes are required in order for scholarships to be processed, a sample form is included in this packet for your consideration. Using this specific form is optional, but submitting minutes that include all of this information is required.

Sample Scholarship Recipient Email

Page 18

NCCF sends this communication to scholarship recipients in July. Upon submission of the online Scholar Information Form, we issue scholarship checks directly to colleges and universities. Students who do not submit their online form by September 1 forfeit their scholarship.

Online Scholar Information Form

Page 19

Students are required to complete this form and submit it electronically to NCCF before scholarship checks are issued.



North Carolina Community Foundation Standard Scholarship Application Package

Instructions:

This application may be used to apply for any North Carolina Community Foundation Scholarship which uses the NCCF Standard Scholarship Application. However, if applying for more than one scholarship, a separate copy of the entire application package must be submitted to each scholarship committee by the due date posted on the NCCF website. Submission locations also vary by scholarship; please refer to the NCCF website.

Required Items:

- NCCF Scholarship Application Form (follows)
- Essay (typed, 250-500 words) addressing the following prompt *unless otherwise instructed in the scholarship description*:
 - Describe your plans and aspirations for college and beyond. Explain what has led you to choose this path. **If the scholarship for which you are applying has specific criteria, such as involvement in sports or the pursuit of a particular career, be certain to address that in your essay as well.** *Please put your name in the upper right corner of each page.*
- List of Extracurricular Activities
 - On a single separate page, please provide a typed list of your extracurricular activities (clubs, sports, fine arts groups, volunteer work, scouting, hobbies, jobs, internships, etc.), including the years you participated and the number of hours per week devoted to each. Also list awards or recognitions you have received. *Please put your name in the upper right corner of the page.*
- Current or Most Recent Transcript (in sealed envelope)
 - High School Seniors should submit a high school transcript with test scores (SAT, ACT, AP)
 - College students should submit a college or university transcript
- Letters of Recommendation (2, in sealed envelopes)
 - One from a teacher
 - One from a teacher, guidance counselor, coach, pastor, supervisor, or other qualified individual

If Required – varies by Scholarship:

- NCCF Scholarship Financial Information Form (available on NCCF website)
- FAFSA Student Aid Report
 - Available by filing FAFSA at www.fafsa.ed.gov



North Carolina Community Foundation Scholarship Application Form

I am applying for the _____ Scholarship.

A specific scholarship fund must be named in the line above. NC Community Foundation does not hold a scholarship fund bearing its name.

Name _____
Last First Middle Preferred Name

Mailing Address _____

Permanent Address (if different than above) _____

County of Residence _____ High School Name _____

Email Address _____

Home Phone _____ Cell Phone _____

Gender _____ Date of Birth _____

Weighted GPA: _____ Unweighted GPA: _____ Class Rank: _____ of _____ total students

Please enter scores for SAT or ACT or both if applicable.

SAT Scores: Verbal _____ Math _____ Writing _____ Combined _____

ACT Scores: Reading _____ English _____ Math _____ Science _____ Composite _____

School/College you plan to attend this fall: _____

If undecided, please list where you have applied or been accepted. Please note if you have applied but not yet been accepted.

Intended Major/Course of Study: _____

Type of School: 2 year 4 year Graduate Other: _____

Year of study this fall: Freshman Sophomore Junior Senior Other: _____

Enrollment Status: Full Time (12+ hours) Part Time (6-11 hours) Other: _____

I certify that the information provided in this application packet is complete and accurate to the best of my knowledge. I understand that falsification of information will result in termination of any scholarship granted. I understand that incomplete applications may not be considered. I certify that I have read the instructions and will comply with all requests for documentation of financial need and academic status. Should I receive a scholarship, I will notify the NCCF of any change of plans, and the NCCF may use my name and likeness in publicity materials relating to the Foundation. I understand that NCCF scholarships may only be used towards the published cost of attendance at accredited US institutions of higher learning.

Student Signature

Date

Signature of Parent or Guardian (if applicant is under 18)

Date



North Carolina Community Foundation Scholarship Financial Information Form

not required for all scholarships

STUDENT NAME: _____

FAMILY INFORMATION

Name of father/stepfather/guardian who assists with your expenses _____

Occupation _____ Employer _____

Name of mother/stepmother/guardian who assists with your expenses _____

Occupation _____ Employer _____

Check if Applicable Father Deceased Mother Deceased Parents Separated Parents Divorced

List names, ages, and college (if applicable) of siblings supported by the parent(s) who support you:

Name	Age	Grade/College Class Year (if applicable)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FINANCIAL INFORMATION *

Use your Federal Income Tax Return (IRS Form 1040) to determine adjusted gross income figures.

Total number in household that head(s) of household will support in coming school year _____

Total number in household in a college degree/certificate program in coming school year _____

Head(s) of household's total adjusted gross income for prior tax year \$ _____

Head(s) of household's total cash assets (cash, checking, savings, and/or investments, *excluding* retirement accounts and primary home equity) \$ _____

Student's adjusted gross income for prior tax year (if *not* head of household) \$ _____

Student's total cash assets (if *not* head of household) \$ _____

If you wish, you may include a Supplementary Financial Statement explaining circumstances impacting financial need that are not apparent from the above financial information, for example, contributions expected/not expected from a non-custodial parent, educational expenses already incurred for older siblings, medical expenses, daycare, etc.

In addition to the information above, you must include a copy of your Student Aid Report (SAR), obtained by filing the Free Application for Federal Student Aid (FAFSA), before any potential funding is approved. **It is your responsibility to complete the FAFSA application (available online at www.fafsa.ed.gov) and to provide a copy of your SAR to us as documentation of financial need.** **If you cannot obtain an SAR before the due date for your scholarship, please consult the scholarship administrator for further instruction.**

I certify that the information provided above is complete and accurate to the best of my knowledge.

Signature of Head of Household

Date



North Carolina Community Foundation Sample Scholarship Application Evaluation Form

Student Name or ID: _____

Committee Member Name: _____

Points Awarded	Maximum Possible Points	Component	Suggested Scoring Criteria
	15	High School Transcript/GPA (Be certain to use either all weighted or all unweighted GPAs)	<i>Apply a scaled formula, such as: 5.0 = 15, 4.8 = 14, 4.6 = 13, 4.4 = 12, 4.2 = 11, 4.0 = 10, ..., 2.2 = 1</i>
	5	Class Rank	<i>Apply a scaled formula, such as: Top 10% = 5, Top 20% = 4, Top 30% = 3, Top 40% = 2, Top 50% = 1</i>
	5	SAT Scores	<i>Apply a scaled formula, such as: 2200 – 2400 = 5, 2000 – 2190 = 4, 1800 – 1990 = 3, 1600 – 1790 = 2, 1400 – 1590 = 1</i>
	15	Community Service, Work, and Extracurricular Activities	<i>To be awarded at the discretion of the individual committee member, based upon number of activities and dedication to each</i>
	20	Personal Statement	<i>To be awarded at the discretion of the individual committee member, based upon content and quality</i>
	15	Recommendations	<i>To be awarded at the discretion of the individual committee member</i>
	15	Financial Need (Must be evaluated objectively)	<i>Suggest using Expected Family Contribution from Student's FAFSA and awarding 15 points to \$0-\$1000 EFC, 14 points to \$1001-\$2000 EFC, etc.</i>
	10	Unusual Hardships and/or Additional Factors	<i>To be awarded at the discretion of the individual committee member</i>
	100	Total Points	

Committee Members: The components used, points assigned to each component, and criteria for each component may be changed, as long as all committee members observe the same criteria, all applicants are scored consistently, and all components evaluated are objective and non-discriminatory.



To: Grants and Scholarships Specialist
North Carolina Community Foundation
3737 Glenwood Avenue, Suite 460
Raleigh, North Carolina 27612
Via email scholarships@nccommunityfoundation.org; or Via fax (919) 827.0749

Fund Name: _____

Fund Number: _____

We, the scholarship committee for the above fund, recommend the following awards to the Distribution Committee of the North Carolina Community Foundation Board of Directors. We understand that, in order to comply with IRS guidelines, the Foundation approves and appoints all members of this scholarship committee and advice is given solely as a member of the committee. We certify that neither the Donor of the fund nor any parties related to the Donor control the committee directly or indirectly. We acknowledge that the following awards were selected on an objective and nondiscriminatory basis using criteria approved in advance by the NCCF Board. We certify that every qualified student had access to information about this scholarship, scholarship award criteria has been met by the selected student (s), no committee member has a conflict of interest, will gain any benefit, or is related to the recipient, and every committee member has signed this recommendation for scholarships. Finally, we agree to treat as confidential all information provided during the scholarship process, including academic, financial, and personal information, and we understand that this information is not to be used for any purpose other than the confidential scholarships award process.

Please submit this form to NCCF at the address above along with:

- Student Contact Information sheet(s)
- Scholarship Committee Meeting Minutes
- Applications of recommended recipients listed below, including required supporting documents.

Scholarships will not be processed without these items and the signatures of all committee members present.

Please list only the recommended recipients of awards from the above-named fund. Do not include recommended alternates or recommended recipients of awards from other funds.

NCCF Office Use Only

Student Name	*Award Amt	Type of Award (check one)	NCCF Office Use Only	
			Award Number	Authorization
_____	\$ _____	<input type="checkbox"/> New this year <input type="checkbox"/> Renewal		
_____	\$ _____	<input type="checkbox"/> New this year <input type="checkbox"/> Renewal		
_____	\$ _____	<input type="checkbox"/> New this year <input type="checkbox"/> Renewal		
_____	\$ _____	<input type="checkbox"/> New this year <input type="checkbox"/> Renewal		
_____	\$ _____	<input type="checkbox"/> New this year <input type="checkbox"/> Renewal		

*All award amounts above \$500 will be divided equally across fall and spring semesters. Others will be applied to fall semester only.

Signature of Scholarship Administrator Name of Scholarship Administrator Date

Administrator Phone: _____ Administrator Email: _____

Signature of Committee Member

Name of Committee Member (signed above)

Signature of Committee Member

Name of Committee Member (signed above)

Signature of Committee Member

Name of Committee Member (signed above)

Signature of Committee Member

Name of Committee Member (signed above)

Signature of Committee Member

Name of Committee Member (signed above)

Signature of Committee Member

Name of Committee Member (signed above)

Student Contact Information

Must accompany Recommendation for Scholarships form

Fund Name: _____ **Fund Number:** _____

*In order to facilitate good communication between NCCF and students, please be as accurate and as thorough as possible. The Foundation will contact the student to confirm this information before issuing a scholarship check. Email addresses are very important for student communications. Please be sure to include an email address for each student. Thank you!

Student Name: _____	*Email Address: _____
Address: _____	City: _____ State: _____ Zip: _____
Home Phone Number: _____	Cell Phone Number: _____
School/Institution (if known): _____	

Student Name: _____	*Email Address: _____
Address: _____	City: _____ State: _____ Zip: _____
Home Phone Number: _____	Cell Phone Number: _____
School/Institution (if known): _____	

Student Name: _____	*Email Address: _____
Address: _____	City: _____ State: _____ Zip: _____
Home Phone Number: _____	Cell Phone Number: _____
School/Institution (if known): _____	

Student Name: _____	*Email Address: _____
Address: _____	City: _____ State: _____ Zip: _____
Home Phone Number: _____	Cell Phone Number: _____
School/Institution (if known): _____	

Student Name: _____	*Email Address: _____
Address: _____	City: _____ State: _____ Zip: _____
Home Phone Number: _____	Cell Phone Number: _____
School/Institution (if known): _____	



North Carolina Community Foundation Scholarship Committee Meeting Minutes

Name of Scholarship: _____
Date of Meeting: _____
Scholarship Administrator: _____

List ALL Committee Members Invited to Attend:

Check ONE column below for each name listed.

Name	Attended	Did Not Attend
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

The committee met on the date indicated above and determined that the following applicants will be recommended to NCCF as recipients of this scholarship:

Student Name	Ranking	Award \$	
_____	_____	_____	<input type="checkbox"/> New this year <input type="checkbox"/> Renewal
_____	_____	_____	<input type="checkbox"/> New this year <input type="checkbox"/> Renewal
_____	_____	_____	<input type="checkbox"/> New this year <input type="checkbox"/> Renewal
_____	_____	_____	<input type="checkbox"/> New this year <input type="checkbox"/> Renewal
_____	_____	_____	<input type="checkbox"/> New this year <input type="checkbox"/> Renewal
_____	_____	_____	<input type="checkbox"/> New this year <input type="checkbox"/> Renewal
_____	_____	_____	<input type="checkbox"/> New this year <input type="checkbox"/> Renewal
_____	_____	_____	<input type="checkbox"/> New this year <input type="checkbox"/> Renewal

(If applicable) In the event that any of the above students are unable to accept their award, the following alternates were identified:

REQUIRED In selecting these applicants, the committee used the following criteria/rationale:

REQUIRED Other discussion, including any conflicts of interest and how they were resolved: (If there were no conflicts of interest, please note that below.)

Minutes submitted by: _____

This communication is sent to the student by NCCF once all paperwork from the scholarship administrator has been received, reviewed, and approved. The student should already have received notification from the scholarship administrator directly by the time this message is sent.

Re: SCHOLARSHIP FUND NAME
Response Required by 9/1/20XX

Dear STUDENT NAME,

Congratulations on your receipt of the SCHOLARSHIP FUND NAME, a scholarship of the North Carolina Community Foundation. You have been awarded \$AWARD AMOUNT to be divided equally across the Fall 20XX and Spring 20XX semesters. We commend you for your outstanding achievements and your commitment to your education.

In order for the NCCF to issue your scholarship check, you must complete the online Scholar Information Form at:

<http://www.nccommunityfoundation.org/scholarships/scholar-information-form>

Password: NCCFscholar20XX (Password is case-sensitive.)

NCCF Scholar ID: XXXXX

Award Number: XXXXXXXX

Scholarship Number: XXXXXX

On this form you will provide your contact information and school data, accept your scholarship's terms & conditions, and answer the following biographical questions:

- What do you hope to accomplish by pursuing higher education? What are your specific interests?
- Why did you choose your college or university, and what do you look forward to (or enjoy) most about attending this institution?
- What experiences or challenges in your life have influenced you the most and/or motivate you to succeed?
- How can you best express your gratitude as a scholarship award recipient - now and in the future?

We will send payment to your school once we have received and processed your online form, so the sooner, the better! Failure to complete this form accepting your scholarship by September 1, 20XX, will indicate your forfeiture of the award.

*Have you seen the **NCCF SCHOLAR SPOTLIGHTS**? Click [HERE](#) to check out our most recent entries. If you would like to be featured in an upcoming NCCF Scholar Spotlight, send a photo to our Communications Specialist, Louis Duke, via email at lduke@nccommunityfoundation.org. (Please no copyrighted/professional photos.) We will take care of the rest. Scholars featured on our website are chosen at random and are notified when selected.*

Additional information for Scholarship Recipients is available on our website at <http://www.nccommunityfoundation.org/page/for-scholarship-recipients>, including how to send a personal thank-you to your scholarship donor and how to send out a news release announcing your award.

Again, please accept our congratulations and best wishes for success in your academic pursuits.

North Carolina Community Foundation
3737 Glenwood Avenue, Suite 460, Raleigh, NC 27612

nccommunityfoundation.org

919.828.4387 main

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NORTH CAROLINA
COMMUNITY FOUNDATION



Online Scholar Information Form

<http://www.nccommunityfoundation.org/page/scholar-information-form>

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Scholar Information Form

Scholarship Information

Award Number (must begin with 2015)*

Scholarship Number*

Personal Information

First Name*

Last Name*

Email Address*

Address 1*

Address 2

City*

State*

Zip*

Home Phone*

Cell Phone*

High School Attended*

Date of Birth (XX/XX/XXXX)*

School Information

College or University*

School Student ID*

The NCCF WILL NOT accept Social Security numbers. Please list your school-issued ID number

Expected Graduation Date from College*

Are you a first-generation college student?*

Donor Information

Each scholarship fund held by the North Carolina Community Foundation was established by an individual donor or organization to benefit students like you, and they appreciate hearing how their generosity is making a difference.

Please take a moment to consider the following questions. This information will be shared with the donors of your scholarship and may also be used by the Foundation for publicity purposes.

What are your main interests, academically and otherwise, and how are these interests reflected in your goals?*

Why did you choose your college or university, and what do you look forward to (or enjoy) most about attending this institution?*

What experiences or challenges in your life have influenced you the most?*

Why do you think you were chosen to receive this scholarship? How do you intend to show your gratitude as a scholarship award recipient, now and in the future?*

Certification and Submission

By checking the box below, I certify that I have read and reviewed the information above and that it is complete and accurate to the best of my knowledge. I certify that the information provided in my application for this scholarship was complete and accurate, and I understand that falsification of information will result in termination of any scholarship granted. I will notify the NCCF if I transfer schools or my enrollment status changes. The NCCF may use my name and likeness in publicity materials relating to the Foundation. I understand that NCCF scholarships may only be used towards the published cost of attendance at accredited US institutions of higher learning.

I agree*

Comments - If NCCF Staff need to know anything else to process your scholarship check, you may make a note here

NORTH CAROLINA
COMMUNITY FOUNDATION



Fund Activity Policy

Appendix C

North Carolina Community Foundation Fund Activity Policy

The Policy

NCCF encourages annual grantmaking from its donor advised funds while recognizing there are certain situations in which making grants less than annually can achieve a greater charitable impact. Should a fund remain inactive for more than five years, NCCF will take steps to activate that fund. If this policy ever conflicts with federal law or state law, including UPMIFA, the relevant law controls.

Definition of Donor Advised Fund

A fund may be classified as donor advised if it has at least three characteristics: (1) a donor or person appointed or designated by the donor has, or reasonably expects to have, advisory privileges with respect to the fund's distributions or investments, (2) the fund is separately identified by reference to contributions of the donor(s), and (3) the fund is owned and controlled by a sponsoring organization, such as a community foundation. A fund possessing these characteristics may be exempt from the donor advised fund classification if it grants to one single public charity or government unit or if the fund meets certain requirements applicable to scholarship funds.

A donor advised fund is an irrevocable charitable contribution that is legally owned by NCCF, the sponsoring charity. These funds are institutional funds of the community foundation—not a personal savings account of the donor—and may only be used for charitable purposes which do not confer any private benefit on the donor or any other person.

Definition of “Active Fund”

A fund is considered active when there is regular communication between a donor (or named successors) and NCCF regarding the existence and purpose of that fund and/or grants are made regularly.

Examples of “Active Funds”

Examples of some of the activities that would deem a fund active include (but are not limited to):

- Regular Grant Recommendations. Donor advisor generally recommends grants at least annually to qualified charitable organizations. The amount of grantmaking can vary from year to year.
- Developing a Philanthropic Program. Donor advisor makes a substantial contribution to donor advised fund, for example, upon the sale of his or her business, and refrains from

recommending grants for a given initial period while the fund advisor consults with the sponsoring charity and/or does his or her own research to determine what types of grants will best meet community needs and/or her philanthropic goals.

- Long-term Giving Plan. Donor advisor deliberately reduces the frequency or size of grant recommendations from fund, for example:
 1. During his or her working years with the intention of increasing the donor advised fund balance to support grantmaking during his or her retirement, when the advisor expects his or her income to change.
 2. A donor may want to build a fund over time so the donor's children can make grants later (the idea being the donor is leaving a charitable legacy for the next generation to administer).
 3. Donor advisor refrains from recommending grants for a given period because the fund is invested in an illiquid or undervalued investment. Donor advisor intends to begin making grant recommendations when the investment can be sold at a reasonable price.
- Project Grants. Donor advisor makes a substantial contribution to a donor advised fund and determines to recommend grants to a specific qualified charitable organization over a period of 20 years so that the donor can monitor how the charitable organization performs, and to consider whether another organization would better achieve the donor's charitable objectives.
- Starter Fund: Donor advised funds may need time to build the fund balance to make substantial grants to the community. Therefore, there may be no distributions made until the fund balance reaches an amount stated in the donor advised fund agreement.
- Specific Occasion Grant. Donor advisor refrains from recommending grants for a number of years with the specific charitable goal of recommending a grant upon a specific occasion. Examples may include:
 1. Donor is incapacitated with no successor advisor(s) named so the community foundation waits until the donor's death to distribute the fund according to the donor's original intent;
 2. Fund has transitioned to named successor advisors but they are minors and no adult representative is named to represent them (so grants resume when successor advisors are adults);
 3. Founders of fund who are also the donor advisors are getting divorced so that grants are suspended until both the husband and wife agree on grants, which may include splitting the fund into two separate funds, one for each spouse to advise or eventually dissolving the fund by the making of charitable grants; Grants are suspended during litigation involving a fund (e.g., the donor has left his/her estate to a fund, but the donor's children are disputing the bequest so the community foundation does not allow grants until the litigation is resolved);

4. Donor leaves a bequest to a fund and distributions are made periodically to the fund during the estate settlement process, but grants are not made until the estate is fully settled.

NCCF's steps to activate a fund

Should a fund remain inactive for more than five years, NCCF will take the following steps to activate that fund:

- The NCCF will contact the fund advisor to discuss the need to make a grant recommendation.
- If, after a reasonable number of documented attempts within a one year period, the NCCF is unable to reach the fund advisor or grant recommendations are not forthcoming, NCCF will recommend a grant on an annual basis until the donor again begins to make recommendations.
- In making grants from an inactive fund, the Foundation will strive to make grants consistent with the donor's charitable intent or granting history.
- Should the NCCF determine that donor's charitable intent is unnecessary, undesirable, impracticable, incapable of fulfillment, or inconsistent with the community's charitable needs, then NCCF may exercise its variance power to enable fund to meet the needs of the community and to address the charitable purposes for which the funds were committed.