



## OKLAHOMA CITY COMMUNITY FOUNDATION

### Advised Fund Policy Statement EXPRESS FUND

An Express Fund is the simplest way to make a gift of stock or other asset in one tax year while deferring the decision on what charity or charities to support until a later time. It is an excellent vehicle for tax planning and for donors who would like to give appreciated securities or other non-cash assets to a number of charitable organizations. Because the Oklahoma City Community Foundation takes care of the administrative details, a donor can make a gift with the least amount of hassle and the lowest possible transaction fee. An Express Fund can receive the gift of appreciated securities or other assets, sell the asset, and distribute grants to a number of non-profit organizations. By using an Express Fund, a donor can utilize appreciated assets for gifts more efficiently and minimizes the need for charities to deal with non-cash gifts.

An Express Fund at the Oklahoma City Community Foundation is a spendable fund, which does not become part of the permanent endowment but is held by the Oklahoma City Community Foundation with the expectation that the principal will be granted out to charitable purposes. The Oklahoma City Community Foundation provides Express Funds to encourage and accommodate donors in making charitable gifts, which have timing, or administrative requirements that make a direct contribution to a charity difficult or impractical. The donor's gift creates a charitable fund which is named for the donor or any name suggested by the donor. The donor suggests grants to charitable organizations from the fund. The program staff of the Oklahoma City Community Foundation is available to help the donor review organizations and develop projects of interest to the donor. The Trustees of the Oklahoma City Community Foundation review and approve the grants. Grants from the Express Fund are identified to the recipient organizations by the name of the fund unless the donor wishes to remain anonymous. Many donors use Express Funds to make anonymous gifts to churches and other charities.

While there is no time limit on grants from the fund, Express Funds are generally used for funds with a short-term time horizon. No investment performance is allocated to Express Funds. A fee of up to 1 percent will be charged on contributions at the time of the gift. This fee may be waived for funds which are used to administer Community Foundation programs.

The following policies have been adopted regarding the establishment and operation of Express Funds:

1. Express Funds are contributions to the Oklahoma City Community Foundation, which are considered spendable funds and not part of the permanent endowment. Designation as a spendable fund must be made at the time of the gift. The minimum gift to establish an Express Fund is \$1,000. The Oklahoma City Community Foundation and the donor will execute a fund agreement related to the fund's operation. All Oklahoma City Community Foundation funds are subject to the variance power, which allows the Trustees of the Oklahoma City Community Foundation to modify the donor's instructions if these instructions are no longer practical or possible. The donor's intention will always be followed as closely as possible.
2. The donor may advise the Oklahoma City Community Foundation to use the funds in any of the following ways:
  1. To make a grant to any organization or charitable purpose that has an endowment fund at the Oklahoma City Community Foundation.
  2. To make a grant to another 501(c)(3) public charity serving the education and charitable needs of the Oklahoma City community, the State of Oklahoma, or the United States which has been investigated by the Community Foundation and meets the I.R.S. criteria for a tax-deductible gift.
  3. To participate with other donors and the Oklahoma City Community Foundation to fund specific grant requests that have been approved by the Trustees of the Oklahoma City Community Foundation.
3. A grant from an Express Fund should not be used to fulfill any legally binding pledge or obligation of the donor or advisor, to purchase tickets or memberships with personal benefit to the donor or advisor, or to support fund-raising events where the deductible amount is less than the grant from the fund. Additionally, grants should comply with the guidelines provided by the 2006 Pension Protection Act which include:
  1. Prohibition against donors, advisors or related parties from using advised funds to fulfill pledges.
  2. Prohibition against donors, advisors, or related parties from using advised funds to secure benefits from the grant recipient.
  3. Prohibition against grants to individuals or to directly benefit any individual.
  4. Prohibition against donors, advisors, or any related individual from receiving

grants, loans or any similar payment.

4. The Internal Revenue Service requires that the Trustees of the Oklahoma City Community Foundation or its Community Program Committee approve the grant from any advised fund. The staff of the Oklahoma City Community Foundation will conduct an independent investigation of the donor's request, if necessary, to insure that the grants are being used to meet appropriate charitable needs. This process protects the Oklahoma City Community Foundation and the donor and insures the full tax-deductibility of the gift.
5. The Oklahoma City Community Foundation will advise recipient organizations of grants from Express Funds and will provide the organizations with the names and address of the donor unless the donor requests that the contribution be anonymous. The names of Express Funds at the Oklahoma City Community Foundation are not made available to grant seekers or non-profit organizations.
6. Express Funds, which may be established with securities or other non-cash assets, will be credited with the net amount available after the sale of the asset. No distributions from an Express Fund will be made until assets are converted to cash. No distributions will be made in excess of the spendable balance in the fund at any time. The donor will be provided with an acknowledgment of the gift.
7. Express Funds are charged an administrative fee of 1 percent at the time that a contribution is received. No earnings are allocated to the fund. There is no limit on the number of grants, and the minimum grant amount is \$100. There is no time limit within which grants must be made from an Express Fund.
8. The donor to an Express Fund may name successor advisors to recommend grants from the fund in case the donor is no longer able to do so. The donor may provide instructions to the Trustees of the Oklahoma City Community Foundation for the use of any fund balance after his death or inability to make recommendations. The donor to the fund may change the successor advisor. These changes should be made in writing to the Executive Director of the Oklahoma City Community Foundation. They will be attached to the fund agreement.
9. The balance in an Express Fund may be distributed to another Oklahoma City Community Foundation fund upon the written instructions of the donor and the execution of an appropriate fund agreement.