

Jewish Communal Fund **Policies & Procedures**

UPDATED AUGUST 2024

JCF JEWISH
COMMUNAL
FUND

Welcome to the Jewish Communal Fund

We invite Fundholders to use JCF donor advised funds to make charitable giving...

Easy

JCF handles the administrative work. No more worries about tracking receipts for donations to charities; receive a single letter for tax filing.

Organized

Easily contribute money, recommend and track grants, and review investments.

Tax-Efficient

Make a contribution and become eligible for an immediate tax deduction, while investment assets may grow tax-free.

Flexible

Have the flexibility to set the timetable for recommending grants to IRS-qualified public charities.

Multigenerational

Funds may be created for families, and special low-balance funds are available for minors and people age 30 and under.

Perpetual

JCF does not limit succession on donor advised funds.

Jewish Communal Fund (JCF) is an independent, tax-exempt public charity as defined in Sections 501(c)(3), 509(a)(1), and 170(b)(1)(A)(vi) of the Internal Revenue Code. JCF is governed by an independent Board of Trustees, and is subject to an annual independent audit.

JCF sponsors and administers donor advised funds and tax-efficient charitable giving vehicles, and is the largest sponsoring organization of donor advised funds serving the Jewish community. JCF provides funders with the tools, resources, and support to maximize their charitable impact. Contributions to JCF are irrevocable and qualify for an immediate tax deduction to the fullest extent allowed by law.

The following pages explain the procedure to establish a JCF fund, along with JCF policies. The Board of Trustees may modify the terms of the program, policies, and procedures at any time. Failure to comply with these policies and procedures may result in the termination of a fund.

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4 Simple Steps To Establish a JCF Fund

1

Review Policies & Procedures
and speak with a
JCF representative.

2

Complete Application
through an
online form.

3

Make an Initial Contribution
with cash, securities,
bonds, or mutual
fund shares.

4

Complete Investment Recommendation Form indicating how you would like the assets in your fund invested.

Definition of Participants on a JCF Fund

I. FUNDHOLDERS

Fundholders are individuals age 18 or older who have the following privileges:

1. Naming the fund
2. Recommending grants to IRS-qualified charities
3. Recommending an asset allocation from JCF's menu of investment options
4. Appointing (or removing) individual(s) to participate on the fund as Fundholders or Authorized Parties*
5. Naming Successors to the fund to assume the privileges of Fundholders.

*A valid and uncontested power of attorney may authorize a third party to submit grants, investment recommendations, and other privileges on behalf of the Fundholder during their lifetime to assist them in continuing the Fundholder's grantmaking. Any changes to the participants on the fund must be approved by all Fundholders.

II. AUTHORIZED PARTIES

Fundholders may authorize relatives, employees, or professional advisors as Authorized Parties who may obtain confidential information about the fund, including fund balance, investment allocation, and grant history via online access or over the phone. To add an Authorized Party to a fund, Fundholders must complete and sign the Appointment of Authorized Party form.

Fundholders may grant Authorized Parties the following **additional privileges**:

- ▶ Sign investment recommendations on the Fundholder's behalf.
- ▶ Sign grant recommendations on the Fundholder's behalf.
- ▶ Recommend grants in their own name.

III. SUCCESSORS

Successors are individuals or charities named by the Fundholders to succeed them on their fund. After the death of a Fundholder, a Successor assumes all privileges held by that Fundholder, including making grant and investment recommendations and naming their own Successors. Successor charities receive grants from residual assets on an account after the death of the last Fundholder.

Please refer to "Charitable Legacy Planning" on page 16 for more information.



Types of Funds

GENERAL CHARITABLE FUNDS

JCF's standard donor advised fund can be established with an initial irrevocable gift of \$5,000 or more. It is appropriate for an individual or family. This fund may also be established by an authorized representative of a trust, estate, or private foundation with individuals acting as the Fundholder. Principals of privately held businesses may open a General Charitable Fund in their company's name and may contribute to the fund from their business. A General Charitable Fund may have up to four Fundholders.

NextGen Funds may be established for or by individuals between the ages of 18 and 30, with a minimum irrevocable gift of \$1,800, to help young people get started with their charitable giving.

PRIVATE CLIENT FUNDS

Private Client Funds provide additional customization, a designated JCF staff liaison, and special services. Private Client Funds are established with a minimum irrevocable gift of \$1 million. A balance of \$1 million provides the Fundholder with access to specialized client services, including semiannual complimentary meetings with JCF's investment advisor, three hours of complimentary philanthropic advising, educational resources, fees waived on international grantmaking, and private consultation for legacy and succession planning. JCF Private Clients may recommend their financial advisor manage their fund investments. Additionally, they may recommend investment managers not currently on JCF's platform for consideration, which may include alternative asset managers.

CHILDREN'S FUNDS (MINORS UNDER 18)

Children's Funds may be established for minors under 18 with a minimum contribution of \$1,800. Often, these funds are established to celebrate a Bar or Bat Mitzvah. The fund will be named for the child (under age 18), and grant letters will only acknowledge the child. All funds for minors are custodial, and there must be a minimum of one adult on the fund (Head) who will act on behalf of the child. When the child reaches 18, the fund will convert to a NextGen Fund once the child fills out the Donor Update form.

CORPORATE FUNDS

A Corporate Fund may be established for a publicly held corporation with a minimum irrevocable gift of \$10,000. This fund is also appropriate for professional associations and synagogues. JCF requires a Corporate Resolution signed by two officers stating that the board has agreed to a) the establishment of the JCF fund and b) the appointment of representatives (one of which must be an officer) empowered to act as Authorized Parties on behalf of the organization. The Fundholder is the corporation. A minimum of two of the designated representatives must act jointly as Authorized Parties on behalf of the organization. The Authorized Parties may be removed and replaced by a Corporate Resolution.

DESIGNATED FUNDS

A Designated Fund is established with a minimum gift of \$50,000 and operates for the sole benefit of a 501(c)(3) public charity, meaning that all assets in the Designated Fund are granted only to the charitable organization for which it was established. This fund can be used by synagogues, schools, and charitable organizations to segregate funds for a special purpose. The charity must provide a Corporate Resolution signed by two officers stating that the board has agreed to a) the establishment of the JCF fund and b) the appointment of representatives (one of whom must be an officer) empowered to act on behalf of the organization as Authorized Parties. It is recommended that at least two of the Authorized Parties act jointly.

DEFERRED FUNDS

A Deferred Fund is established upon an individual's death. Individuals must submit a Deferred Fund Application that expresses the donor's wishes regarding the administration of the assets. These assets will be transferred to JCF upon the individual's death. Individuals may serve as Fundholders or Authorized Parties on the fund. A limited number of charities may be designated to receive grant distributions. If all assets are to be distributed immediately upon receipt by JCF, the fund will be charged the minimum administrative fee covering a 12-month period.

All funds must be funded within one year. If the minimum is not reached within a year, Fundholders will be required to recommend a grant encompassing the entire fund balance less fees to the approved charity of their choice.

FUNDRAISING RESTRICTIONS FOR DONOR ADVISED FUNDS:

The IRS rules that govern the deductibility for gifts to charitable vehicles like donor advised funds reduce the value of a deduction by any return benefits. Therefore, funds **may not engage in any fundraising activity where there is an exchange of goods or services** for a contribution. This includes but is not limited to concerts, dinners, raffles, and auctions. **Fundholders may not promote any fund as a separate charitable entity from JCF. In addition, no expenses related to any fundraising activity may be paid from the donor advised fund.** Fundholders may not represent to contributors that the fund is established to support specific charities unless the fund is created as a Designated Fund and the Fundholders relinquish the privilege of choosing additional charities to support. If these guidelines are not followed, JCF reserves the right to suspend fund activity or to close a fund.

Funds may not engage in fundraising, whether online or through another public medium, without the **prior approval** of JCF. Fundholders must contact JCF to inquire about the availability of an online fundraising option that is approved by JCF. If there is an approved online fundraising site for the fund, JCF must have access to it as an administrator.

Contributions to Your Funds

CONTRIBUTORS

Contributors are individuals or entities who make an irrevocable, tax-deductible contribution to a JCF fund. Contributors do not have the privilege to act on a fund, nor may they receive confidential information unless they are authorized as Fundholders or Authorized Parties.

WAYS TO CONTRIBUTE

JCF accepts many types of assets. Information about contributing these assets and the associated tax benefits described herein are the general rules that apply to contributions made to a donor advised fund (public charity). JCF is not responsible for the accuracy of any position taken by contributors on their tax returns. Contributors should consult with their tax or legal advisor to review their personal situation.

JCF cannot directly accept IRA distributions while the Fundholder is living. JCF can be a beneficiary of an IRA as part of an estate.

CONTRIBUTIONS MAY BE MADE BY:

- ▶ Check
- ▶ Cash wire or Automated Clearing House (ACH)
- ▶ Credit cards (via PayPal)¹
- ▶ Publicly traded long-term² securities
- ▶ Mutual funds
- ▶ Bonds
- ▶ Complex assets and real property (to be considered on a case-by-case basis)
- ▶ Cryptocurrency

In addition to the abovementioned assets, JCF accepts assets from most trusts, including charitable lead trusts, charitable remainder trusts, and private foundations.

Once the initial contribution is received and accepted, JCF will send the Fundholder a letter of acknowledgment for tax records.³ Generally, JCF will promptly sell publicly traded securities, and the net proceeds will be added to the fund. After JCF receives the application and the assets, the new Fundholder will receive the information needed to begin using their JCF donor advised fund.

After a donor advised fund is established, any person may contribute at any time, in amounts of \$18 or more. Each contribution made to JCF entitles the contributor to receive all the tax benefits allowed by law. Written acknowledgments will be provided for gifts of \$250 or more. Once JCF accepts a contribution, it is irrevocable.

PROCESSING TIME FOR CONTRIBUTIONS

Processing times vary for different asset types. In general, JCF will liquidate contributions as quickly as possible after all the required paperwork has been received and processed. Contribution acknowledgments are usually sent within 5 business days after the contributions have been credited to the fund. During high-volume periods, the processing time for contributions may be longer but will not affect the gift date.

¹ Credit card payments must only be made through the JCF website: jcfny.org/creditcard (additional fees apply).

² "Long-term" denotes securities that have been held for 366 days. Publicly traded securities held for less than a year will not entitle Fundholders to the fair market valuation.

³ Availability of certain federal income tax deductions may depend on whether deductions were finalized. Rules and regulations regarding deductions for charitable giving vary at the state level, and laws of a specific state or laws relevant to a particular situation may affect applicability, accuracy, or completeness of information provided.

Additional and different rules or limitations may apply to the tax treatment of contributions to a donor advised fund, depending upon your specific circumstances. Please consult with your tax or legal advisor.

It is important to notify JCF when a transfer of shares is authorized by completing the **Securities Transfer Instruction form** (please either call the office or download the form [HERE](#)). JCF will liquidate the contributed shares as quickly as possible and credit the proceeds to the fund. During high-volume periods, JCF's processing time for contributions of publicly traded securities it receives may be longer.

CASH

Contribute cash by sending a check payable to the Jewish Communal Fund:

Mailing Address:

Jewish Communal Fund
P.O. Box 24134
New York, NY 10087-4134

Overnight Mailing Address:

JPMorgan Chase – Lockbox Processing
Attn: Jewish Communal Fund and #24134
4 Chase Metrotech Center
7th Floor East
Brooklyn, NY 11245

Alternatively, funds may be contributed in cash via credit card or electronic funds transfer to the JCF bank account using the following instructions:

Bank: JPMorgan Chase Bank
Bank Address: 277 Park Avenue, NY, NY 10172
Account #: 134760786
ABA #: 021000021

Tax Benefits

Generally, cash contributions are deductible in the amount contributed up to 60 percent of the donor's adjusted gross income (AGI) in the tax year in which the contribution is made. Any excess amount may be carried forward and deducted up to the 60 percent limit in the five-year period after the year of contribution.

BONDS OR MUTUAL FUND SHARES

To arrange the transfer of bonds or mutual fund shares, please call JCF for instructions.

PUBLICLY TRADED SECURITIES

Long-term appreciated publicly traded securities may be contributed by authorizing a broker to transfer the shares to the JCF account via Depository Trust Company (DTC) as follows:

Account title: Jewish Communal Fund
Via DTC #: 0235 (RBC Capital Markets)
Account #: 7T8 40082

For stock certificates, please call the JCF office for instructions.

Tax Benefits

For contributions of long-term appreciated publicly traded securities (i.e., securities that have been owned for more than one year), a Fundholder may claim a fair market value deduction on the contribution day, which is determined by averaging the highest and the lowest quoted selling prices of that date. The Fundholder is not subject to a capital gains tax on the appreciated portion of the contribution. The deduction for donated securities that a Fundholder has owned for one year or less is limited to the cost basis or current market value (whichever is lower).

Contributions of appreciated securities may be deducted up to 30 percent of adjusted gross income in the tax year in which the contribution is made. Any excess amount may be carried forward and deducted up to the 30 percent limit in the five-year period after the year of contribution.

PRIVATE OR RESTRICTED STOCK, REAL ESTATE, OTHER ASSETS

In the case of restricted, closely held, or Rule 144 stock, real estate, art, or other unusual assets, JCF maintains a policy governing the terms and circumstances by which such contributions may be accepted. The policy is to review the proposed contribution with legal counsel and ensure, among other things, that JCF does not assume any obligations or liabilities as a general matter and that the contributed asset can be liquidated within an appropriate period. JCF, at its sole discretion, will determine the timing of asset liquidation. Acceptance of such contributions is at the discretion of the JCF Board of Trustees and may be subject to conditions and/or legal and accounting fees. Please call JCF to discuss any proposed contribution.

TRANSACTION COSTS

When securities or other noncash assets are contributed, the fund will be credited with the net proceeds from the sale of the contributed asset, reduced by transaction costs, such as brokerage commissions and any necessary legal fees. As a result, the amount credited to the fund may differ from the value of the charitable deduction.

MATCHING GIFT PROGRAMS

Certain companies will match a contribution to a donor advised fund or a grant issued from the fund as part of their corporate matching gift program. Contributors should check with their employer to determine if contributions to their donor advised fund or grants made from the fund qualify for a matching gift.

THIRD-PARTY CONTRIBUTIONS

Relatives, friends, and/or business associates may contribute to a donor advised fund in amounts of \$18 or more. The following rules apply:

- ▶ Third-party contributors may contribute to a fund and receive a letter of acknowledgment (on minimum gifts of \$250) from JCF but do not have any privileges with respect to the fund.
- ▶ Fundholders may not guarantee that specific grant recommendations will be honored in exchange for contributions made by third parties to the fund, nor may they solicit third-party contributions on behalf of a specific organization (unless the fund is a Designated Fund).
- ▶ Third-party contributors may not receive any goods or services in exchange for their contribution.
- ▶ For third-party contributions greater than \$100,000, the contributors must complete and sign a form confirming adherence to JCF policies before the contribution can be accepted.

Administrative Services & Fees

ONLINE ACCESS TO A JCF FUND

Visit the JCF donor portal at <https://login.jcfny.org> to view fund balances, contributions, and asset allocations; recommend grants and view grant history; and download the forms needed to make contributions, recommend a reallocation of assets, change fund participants, and create a new succession plan.

CONTRIBUTION RECEIPT

Upon accepting a contribution, JCF will send a letter acknowledging the contribution. This letter serves as a receipt for tax purposes as required by the IRS. Please note that this letter does not supply a contribution value for noncash contributions. Valuation of contributions and the appropriate level of contribution deductibility are the contributor's responsibility. Under federal tax regulations relating to certain noncash contributions over certain amounts, the contributor may be required to obtain and attach an appraisal to their tax return. Please consult a tax or legal advisor for more information.

PROCEEDS NOTIFICATION

Each time a noncash contribution is made to a fund (e.g., securities, bonds, mutual fund shares), the Fundholder will be notified of the net proceeds credited to the fund (i.e., sale proceeds less brokerage commissions). This amount does not represent the value of the charitable deduction to which the contributor may be entitled.

QUARTERLY STATEMENTS

JCF produces a complete report of all transactions in JCF funds each quarter. These statements are available on the secure donor portal.

GRANT STATEMENTS

Grant history is accessible at all times on the secure donor portal.

ANNUAL REPORTS

The Jewish Communal Fund issues an Annual Financial Report and an Annual Giving Report at the end of each fiscal year. These reports are accessible on the JCF website.

ADMINISTRATIVE FEES

The annual administrative fee charged is calculated based on the average daily balance of the fund and deducted monthly as follows:

Balances less than \$5 million:

0.75% (75 basis points) or **\$150***, whichever is greater

Next \$15 million:

0.50% (50 basis points)

Next \$20 million:

0.10% (10 basis points)

Any amounts above \$40 million:

0.05% (5 basis points)

Designated Fund Fees 0.40% (40 basis points)

Children's Fund Fees: Children's Funds with an average daily balance below \$5,000 will be charged a reduced fee of \$3 monthly, based on an annual fee of \$36. Fees and expenses may change at any time.

**Any fund (except Children's Funds) with an average daily balance below \$20,000 will be charged \$12.50 monthly, based on an annual minimum fee of \$150.*

INVESTMENT MANAGEMENT EXPENSES

Investment management expenses are deducted directly from the total return of each investment alternative in the fund. To learn about current investment management expenses associated with each investment, please see the investment performance chart at www.jcfny.org/investment-options.

OTHER FEES

Fees such as brokerage commissions or legal fees incurred with the sale of contributed property and some complex assets may be charged to the fund. JCF reserves the right to deduct from a donor advised fund any legal fees or expenses that JCF incurs as a result of any judicial or regulatory action or inquiry (including an IRS audit) or any third-party claim, in each case related to grant recommendations and/or contributions the Fundholder or other permitted parties have made in respect to the fund. In addition, Fundholders may request philanthropic and/or investment advisory services from a list of consultants that JCF provides. The fees for these services may be charged to the Fundholder's fund.

Investments

INVESTING THE FUNDS

Fundholders or certain Authorized Parties will be asked to complete a Contribution/Fund Investment Recommendation form. The first \$5,000 of the proceeds must be invested in one or both of JCF's primary investments: a money market fund or a short-term fixed-income fund. Fundholders may recommend that proceeds above the first \$5,000 be invested in one or more of the choices on JCF's investment platform, subject to the minimums required for each investment option. In addition, Fundholders may recommend allocation among pre-set portfolios. Fundholders may request to have the assets in their fund rebalanced monthly to maintain a fixed allocation; or alternatively, they may submit an investment recommendation for each contribution they make to their fund.

Fundholders with balances over \$1,000,000 may recommend particular investment options not currently offered. JCF will review such requests on a case-by-case basis. Please call JCF for additional information and to obtain a list of approved investment options. If no investment recommendation is made, all contributions will be invested in the default money market fund. Fundholders agree to hold JCF and its officers and trustees harmless in connection with the performance of the recommended investments.

INVESTMENT OPTIONS

Contributions to JCF are placed in the Fundholder's recommended approved investment options:

- ▶ Money market funds
- ▶ Short-term fixed-income funds
- ▶ Bond funds
- ▶ Equity funds
- ▶ Privately managed investment accounts
- ▶ Approved alternative investments (minimum \$500,000)
- ▶ Impact investments

Fundholders may also recommend one of JCF's Pre-Set Portfolios. Please visit the JCF website for more information on these investment options.

JCF regularly reviews the performance of all its investments, has complete discretion over the investment of account balances, and reserves the right to change or revoke the current investment program and procedures at any time, with or without notice.

Investments are subject to risk. Fundholders may wish to speak with their financial advisor about a strategy for recommending the investment of their fund's assets. In general, equity and high-yield funds are subject to market fluctuations and may be more appropriate for Fundholders seeking long-term capital growth to maximize the amount available for grantmaking over time.

Market fluctuations may cause the value of investments held to be worth more or less than the value of the original contribution. Funds focusing on specific sectors may involve greater risk than other funds that provide more diversification. International stocks may be subject to additional risks, including foreign exchange risk and foreign regulations. Past performance of investments does not guarantee future results.

Any income that accrues to the fund is not subject to tax, and charitable deductions may not be claimed with respect to that income. The income may be distributed to qualified charitable organizations at the Fundholder's recommendation.

A Contribution/Fund Investment Recommendation form must be submitted to recommend an asset allocation for a fund. After receipt of the form, if the Fundholder's recommendation is accepted, JCF will implement such a change as soon as it is practical.

When the Contribution/Fund Investment Recommendation form is completed, the Fundholder should indicate whether they wish all future contributions to be invested in accordance with a fixed asset allocation (and rebalanced monthly) or whether they would like to submit an investment recommendation for each contribution they make to the fund. If they choose the latter, they will need to submit a Contribution/Fund Investment Recommendation form within 10 days of the date of any contribution. If no allocation is requested or the Fundholder chooses the default investment, their contribution will be invested in JCF's default money market or short-term fixed-income fund.

Grants

GRANT RECOMMENDATIONS

Fundholders and certain Authorized Parties have the privilege of recommending grants to IRS-qualified sectarian and nonsectarian charitable organizations. All grant recommendations are nonbinding and are subject to JCF's review. Fundholders may recommend as many grants as they wish at no extra charge, although the amount of each grant must not be less than the minimum* established by JCF. A minimum balance of \$500 must be maintained in the fund to continue recommending grants.

Both realized income and principal are available for grant distribution. Please remember that grants made from a donor advised fund do not entitle the Fundholder to an additional charitable deduction. The charitable deduction was available when the Fundholder contributed assets to the fund.

GRANTMAKING PROCEDURES

The following procedures are designed to streamline the administration of grant recommendations and ensure compliance with the laws governing donor advised funds. The failure of a Fundholder or Authorized Party to comply with these procedures may result in JCF closing the fund and transferring the assets to the JCF Special Gifts Fund.

Fundholders and Authorized Parties may recommend grants from their fund by logging onto JCF's secure donor portal. Grant recommendations submitted on a Grant Recommendation form received through the mail experience longer processing times.

**The minimum grant amount for online grant recommendations to charities that do not require research is \$36. If a Grant Recommendation form is mailed to JCF, the minimum grant amount is \$100. All Children's Funds and NextGen Giving Funds have a minimum grant amount of \$36. Minimum grant amounts are subject to change.*

QUALIFIED CHARITABLE ORGANIZATIONS

The JCF staff reviews each organization recommended by the Fundholder or Authorized Party to verify its tax-exempt status and official mailing address. All grants issued by JCF must be made to organizations that qualify as tax-exempt under Section 501(c)(3) of the Internal Revenue Code and that are classified as either public charities as described in Sections 509(a)(1), (a)(2), or (a)(3) of the Code, private operating foundations as described in Section 4942(j)(3) of the Code, or government instrumentalities exempt under Section 501(c)(1) of the Internal Revenue Code. JCF does not make grants to individuals, private nonoperating foundations, Type III supporting organizations that are not functionally integrated, and supporting organizations that are controlled by the Fundholder or relatives.

JCF may decline to make a recommended grant to a charitable organization if the grant is inconsistent with its policies and procedures or with the laws and regulations governing public charities and donor advised funds.

INTERNATIONAL GRANTMAKING

To recommend a grant to a charity in Israel, JCF utilizes the services of several intermediary organizations that perform due diligence and other ongoing monitoring on Israeli charities at no cost to the Fundholder. When recommending grants to any of these intermediaries, Fundholders must indicate the specific charitable organization in Israel that should receive the grant. Please contact JCF for additional information.

To recommend a grant to a charity outside the United States (other than grants to Israel through one of the intermediaries), JCF utilizes the services of NGOsource (a project of the Council on Foundations and TechSoup) to conduct due diligence. Depending on the country and the due diligence necessary, the international grantmaking process may take several weeks.

The grant minimum for utilizing NGOs is \$10,000. NGOs' fee for due diligence may total up to \$2,500 and will be charged to the Fundholder's fund. The fee will be waived for funds with balances over \$1 million.

SUPPORTING ORGANIZATIONS

The Pension Protection Act (PPA) of 2006 imposed requirements on grants to supporting organizations from donor advised funds. Generally, a supporting organization is a 501(c)(3) public charity that operates to support another related public charity. Common examples include alumni associations and hospital foundations. In cases where a grant is recommended to a supporting organization, JCF must obtain additional information and documentation from the grantee as part of the due diligence process before approving the grant. Under the PPA, JCF is not permitted to make grants to an organization that is a nonfunctionally integrated Type III supporting organization. If an organization is a Type I, Type II, or functionally integrated Type III supporting organization, the Fundholder will be required to sign an additional certification.

Please be advised that grants to all supporting organizations necessitate increased research and due diligence to ensure compliance under the PPA, and therefore require more processing time.

CHARITABLE PURPOSE

JCF makes grants exclusively for charitable purposes and reserves the right to conduct due diligence and to decline grant recommendations. If a Fundholder or Authorized Party recommends that the grantee organization use a grant for a particular approved purpose, JCF assumes no responsibility for enforcing compliance by the organization with respect to the recommended purpose. In the absence of a recommended purpose, the grant will be unrestricted for general purposes.

Grants may not be earmarked for the benefit of particular individuals or families. In the case of a scholarship, a grant may be recommended to name and/or support a general scholarship fund of a public charity where the recipient is selected by the grantee organization through a process that is not controlled by the Fundholder or related parties.

JCF cannot make grants that provide an impermissible or more than incidental benefit to the Fundholder or any third party. This includes, for example, admission to charitable events, memberships that have a nondeductible portion, tuition, raffle tickets, and goods or services bought at a charitable auction. If a Fundholder wishes to accept tickets to a charitable event or receive more than incidental membership benefits associated with a charitable donation, they may not use their donor advised fund. If a Fundholder recommends a grant with the intention of receiving such a benefit or providing such a benefit to a third party, they may be subject to a penalty excise tax. However, Fundholders may use their fund if they decline tickets or more than incidental benefits associated with the recommended grant.

OTHER DONOR ADVISED FUNDS

JCF's mission is to facilitate the distribution of philanthropic dollars to charitable organizations for charitable purposes. Grant recommendations to other donor advised funds will be reviewed on a case-by-case basis.

MINIMUM GRANT ACTIVITY

JCF has historically distributed more than 20% of its average net total assets to charities each year. JCF's policy requires that annual grantmaking, in the aggregate, be greater than 5% of JCF's average net assets on a fiscal five-year rolling basis. If this minimum is not met in a fiscal year, JCF will identify each fund that has granted less than 5% of its average net assets over the same five-year period. JCF will then contact the Fundholders of these funds to request that they recommend grants that will bring the total amount distributed over that five-year period up to 5% of their fund's average net assets.

If these Fundholders do not meet this minimum grant requirement, JCF reserves the right to transfer the required amount from their fund to the JCF Special Gifts Fund.

MINIMUM FUND ACTIVITY

If a fund has not made any grants for a two-year period, JCF will make every effort to contact the Fundholders to encourage them to recommend a grant. If Fundholders do not respond within 90 days, JCF reserves the right to make a grant from the fund to the JCF Special Gifts Fund to support projects in the Jewish community.

MINIMUM FUND BALANCE

Fundholders are required to maintain a minimum fund balance of \$500. Should the balance fall below \$500, grant activity will be suspended until an additional contribution is made or the Fundholder notifies JCF that the fund will be closed and recommends grants for the remaining assets. It is recommended that Fundholders

replenish the fund with assets sufficient to cover their grantmaking in addition to maintaining a balance above \$500. Please be advised that fees will continue to be deducted even if a fund is inactive. If the fund balance falls below \$100, it will automatically close. Once a fund has been closed, a minimum contribution of \$5,000 is needed to reactivate the fund (\$10,000 minimum for Corporate Funds).

Due Diligence Review

GRANT RECOMMENDATIONS

Following each grant recommendation from a Fundholder, the JCF staff conducts a formal due diligence review to ensure that the grantee organization meets all legal, tax, and internal policy requirements prior to approving the transfer of funds.

Grants are typically sent to qualified grantee organizations within 3-5 business days upon receipt of a Fundholder's recommendations, although processing may take slightly longer during high-volume periods. Grant processing may require more time if additional review is required to determine a recommended organization's tax-exempt status or classification or if clarification is needed with respect to the recommended purpose. Situations that often prompt a call or email to the Fundholder or the recommended organization before a grant recommendation can be approved include reference to an event, membership, or individual without clarifying language (e.g., "no tickets," "not attending," "declining benefits," "in honor of").

To determine the tax-exempt status and classification of a recommended organization, JCF must verify certain information and may contact the organization to obtain the information if necessary. The grant recommendation may be denied if the organization cannot be reached within 30 days or if it does not provide the necessary information within 30 days. If the information is provided at a later date, the Fundholder will be informed so they may make a new grant recommendation.

JCF reserves the right to deny any grant request to a charitable organization that does not meet the specified requirements.

The process for due diligence begins with a staff member verifying that the organization meets all legal and tax requirements. In the rare instance that the organization meets those requirements but raises a concern about meeting internal policies and procedures, the grant request is escalated to the subgroup of the Executive Committee of the Board of Trustees.

This committee may enlist a third-party research organization for more information, as needed, before determining if the organization raises any of the following concerns:

- ▶ A grantee is, or may be, utilizing or encouraging the use of illegal means to achieve its mission.
- ▶ A grantee's mission is to advocate for or endorse anything that undermines the legitimacy of Israel as a secure, independent, democratic Jewish state.
- ▶ A grantee's leadership, lay or professional, espouses antisemitic views as defined by the International Holocaust Remembrance Alliance (IHRA).

If a grant that falls outside JCF guidelines is recommended, JCF may decline the grant request.

JCF takes the review and approval process seriously and takes time to ensure that proper information is gathered, considered, and weighed through an impartial, reliable, and well-rounded committee decision-making approach. Organizations are reviewed quarterly to determine if their status has changed. If, after an internal review, it is determined that changes have occurred, grants can be recommended to that organization again. If a grant request is denied by JCF, the Fundholder will receive a direct communication with the denial.

HOW GRANTS ARE PAID

All grants are made from the primary investments (institutional money market and/or short duration bond fund). If there are insufficient funds in the primary investments to cover grants and other expenses, JCF will liquidate the fund's holdings in the investment portfolios and restore the required minimum balance in the primary investments.

Grants are transmitted by check or electronic funds transfer (ACH or wire) at the discretion of JCF staff and are sent directly to the charity. Fundholders are not entitled to an additional deduction when a grant is made from their donor advised fund.

GRANT LETTER

When a grant is sent, it is accompanied by a letter bearing the name of the Jewish Communal Fund and the name of the donor advised fund from which it was recommended. It includes the name and address of the Fundholder or Authorized Party to be thanked for the recommendation. If Fundholders or Authorized Parties indicate on their grant recommendation that they prefer a grant be sent anonymously, JCF will refrain from mentioning their name, address, and fund name in the correspondence to the grantee organization.

Fundholders and Authorized Parties can log into JCF's secure donor portal to see when a grant recommendation was received and when the grant was issued.

Charitable Legacy Planning

LEGACY PLANNING

JCF allows Fundholders to create a long-lasting legacy of charitable giving. There is no limit to succession on JCF funds as long as there are still assets in the fund. Each subsequent generation may name their own Successors. Successor election(s) can be changed by Fundholders at any time prior to the death of the last remaining Fundholder. Fundholders may leave assets to JCF through their will; however, they may not establish a succession plan for an existing donor advised fund through their will. All succession plans must be submitted in writing and approved by JCF during the Fundholder's lifetime.

Designate individuals as Successors

Fundholders may indicate in their succession plan whether Successors are to act independently on one fund, or if the assets should be divided equally to establish separate funds for each Successor (minimum balance of \$5,000 required per Successor to establish new funds). JCF reserves the right to limit the number of Successors participating on a single fund. If Successors fail to respond to the request to complete and submit a Successor Transition form within one year of receiving the request, JCF reserves the right to transfer the fund balance to the JCF Special Gifts Fund to make grants in memory of the former Fundholders.

Successor charities may be named in lieu of individuals. Fundholders may recommend that the remaining assets in the fund be distributed upon their death to IRS-qualified public charities. The designated organizations are subject to JCF's review and approval. If JCF no longer approves a named organization, grants will be made to the alternate charities if this information has been provided and these charities are still qualified. If not, JCF will transfer the income and principal remaining in the fund to the JCF Special Gifts Fund. JCF reserves the right to limit the number of Successor charities based on fund balance.

If there are no Successors or Successor charitable organizations on file, JCF will transfer any remaining assets in the fund to the JCF Special Gifts Fund upon receiving notification of the death of the last Fundholder.

If Fundholders would like assistance in developing a more complex and customized succession plan for their fund that meets their long-term philanthropic objectives, please call JCF at 212-752-8277 for a consultation.

BEQUESTS TO YOUR FUND

Jewish Communal Fund may be designated as the charitable beneficiary of a will, an IRA, a 401(k) plan, a charitable remainder trust, or a life insurance policy. The Fundholder must specify their fund or the JCF Special Gifts Fund. Fundholders may terminate a private foundation by granting all remaining assets to their JCF fund. Fundholders should check with their attorney for termination requirements and filing instructions.

**Jewish Communal Fund's EIN is:
23-7174183.**

IMPACT

JCF'S COMMITMENT TO SUPPORT THE JEWISH COMMUNITY

Each year, the JCF Board of Trustees awards a significant community gift to the Annual Campaign of UJA-Federation of New York. In addition to this gift, JCF supports initiatives in the community with grants from the JCF Special Gifts Fund, a board-designated gift fund. Since 1999, the JCF Special Gifts Fund has distributed over \$26 million to dozens of worthy causes supporting the Jewish community throughout the greater metropolitan area and Israel.



**JCF is the donor advised fund
of the Jewish community.**

Since 1972, the Jewish Communal Fund (JCF) has been helping people achieve their philanthropic and tax-saving goals simply and efficiently, with flexibility, full confidentiality, convenience, and personal service from a dedicated professional staff. JCF has grown to be one of the largest and most generous networks of Jewish philanthropists in the world.

