
POLICY & PROCEDURE

The purpose of this Donor Advised Fund Policy & Guidelines is to guide the New Orleans Musicians' Clinic & Assistance Foundation (NOMC&AF) staff and donors in complying with the law applicable to donor-advised funds (DAFs) and with the NOMC&AF administrative policies while achieving donor's charitable goals.

- I. This Policy applies to all funds or accounts of the NOMC&AF that meet the federal tax law definition of a 'donor advised fund'. Pursuant to the federal tax law, a fund will be a donor advised fund if it has all three of the following characteristics:
 - a. The fund is separately identified, with reference, to the contribution(s) of a donor or donors.
 - b. The fund is owned and controlled by NOMC&AF (which is true for all other funds).
 - c. The donor or persons appointed by the donor have, or reasonably expect to have, the privilege of providing advice to the fund's investments or distributions. If no donor or advisor is appointed, then the Donor Advised Fund Manager will act as an advisor in approving payments.
- II. Contribution Guidelines
 - a. Contributions to a fund are irrevocable. The assets of DAFs are owned and controlled by the NOMC&AF. Contributions can be made in many forms; including cash, securities, real estate, and retirement plan assets, subject to acceptance by the NOMC&AF. Donors may establish or add to a DAF through a bequest or other estate gift. Contributions may be added at any time and in any amount, subject to acceptance by the NOMC&AF.
 - b. In consideration of the administrative services provided to the fund by the NOMC&AF, each donation will be charged a 5%-15% admin fee.
- III. Fund Restrictions, per IRS
 - a. A DAF grant cannot be used to satisfy all or a portion of any pledge or other financial obligation of the donor, advisors, or related parties. Advisors may recommend that a grant be paid out over multiple years, subject to NOMC&AF's grant approval and due diligence.
 - b. Grants from a DAF cannot result in the donor, advisors, or any related parties receiving goods or services, or any benefit that is more than incidental. Prohibited benefits include event tickets, memberships, meals, preferred parking, preferred seating, discounted merchandise, or other preferential treatment.
 - c. DAFs may not make grants to any individuals, such as scholarships, emergency hardship grants, or disaster relief grants. This includes payments directly to an

individual or entity for the benefit of a specified individual. If donors wish to grant scholarships, a different type of fund can be established.

- d. Donors, advisors or any related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from a DAF.
- e. The NOMC&AF has the right to refuse any donation.
- f. Donors must indicate at the time of donation, if any monies should be directed to a donor advised fund or used to create a new one.

IV. DAF Payments

- a. DAF payments can only be awarded to work that is consistent with the general charitable purposes of the New Orleans Musicians Clinic & Assistance Foundation.
- b. Donors are only permitted to make recommendations for allocations within the New Orleans Musicians Clinic & Assistance Foundation.
- c. Purchases made from DAFs must be issued by check or through NOMAF's business credit card.

V. Distributions

- a. Once a grant recommendation is received, the NOMC&AF staff will perform due diligence to process qualified paperwork, and disburse payments in a timely manner.
- b. Grant checks will be accompanied by a letter from the NOMC&AF indicating the DAF that is the source of the grant (unless anonymity has been requested) and confirming that no benefits have been or will be provided to the donor advisor or related parties in connection with the grant. The minimum payment amount is \$100.00.

VI. Fund Termination

- a. a Donor Advised Fund will be terminated if the project is no longer in need of funds, to which the NOMC&AF must be made aware so any remaining balance can be released to the general fund.
- b. If funds have been depleted and there are no new donations, then the fund will be terminated.
- c. If contact with recipient(s) is lost, after one (1) year, funds will be released to NOMC&AF's general fund.
- d. One (1) year from the last deposit date or last day of documented activity, a DAF will expire and funds will be released to the NOMC&AF's general fund.

VII. Amendments

- a. The NOMC&AF reserves the right to modify this statement policy at any time.
- b. Any provision of federal, state, or local law that contravenes any provisions, and appropriate amendments will be made to ensure conformance with the law.

NOMAF

NEW DONOR ADVISED FUND REQUEST

Suggested name of fund:

Date Created:

Who/What purpose will this fund serve:

Advisor(s):

Requested by:

Name Date

Approved by:

Director

Date