

# DONOR ADVISED FUNDS

## FREQUENTLY ASKED QUESTIONS

A Donor Advised Fund serves as a financial tool much like a private foundation but offers more attractive options when it comes to realizing your personal charitable objectives. With a Donor Advised Fund, costs and administration are shared and minimized. You may claim a charitable income tax deduction and may not have to pay any capital gains, if the gift is of appreciated property. You have the flexibility with a Donor Advised Fund of giving to your charity(ies) of choice now or over time.

With the Donor Advised Fund from Global Aid Network® (GAIN®) and our partner, The Cru Foundation®, you will receive wise counsel and personal service you find at your local bank or brokerage house. In addition you can manage your account online, add to the fund, and make grants to the ministries you care about. The website and the customer account will give you the tools and knowledge to exercise greater stewardship.

### ■ What is the minimum to start a Donor Advised Fund?

The minimum initial deposit to start a Donor Advised Fund is \$5,000. The Cru Foundation does not require that Donor Advised Fund distributions go to a Cru-related organization. We allow distributions to any qualified 501(c)3 (according to IRS rules) unless such charity's purpose violates the core fundamental beliefs of Cru.

### ■ What are the mandatory distribution requirements?

There are no mandatory distribution requirements. This means that you are not required to make a specified number of distributions from the Donor Advised Fund. The minimum grant (distribution) amount is \$100 for Cru-related ministries or \$500 for non-Cru organizations.

### ■ What is the minimum deposit?

Once the Donor Advised Fund is set up, the minimum deposit into the Donor Advised Fund is \$500. You can manage the Donor Advised Fund account online or by calling The Cru Foundation office for assistance.

### ■ Who manages the funds?

The Cru Foundation partners with a Christian wealth management firm, Cornerstone Management, that invests the funds held in our Donor Advised Fund pool. Currently, the wealth management fee charged by Cornerstone Management is an annual fee of .72% which is also charged on a rolling quarterly basis. All Donor Advised Fund administrators charge for the wealth management (investment) of the funds held in the Donor Advised Fund account.

■ **What are the administrative fees?**

The Cru Foundation administrative fee is .5% (1/2 of 1%) annually. This is to cover our costs of administering the program and not to make a profit. This fee is calculated on a quarterly rolling basis, because as you might guess, the balance in Donor Advised Funds changes as grants (distributions) are made.

■ **Are there additional fees?**

Some of the funds (e.g. mutual funds or Exchange Traded Funds) used by Cornerstone Management charge internal fund fees. Last year the internal fees charged by the actual fund companies ranged from .17% to .20%. These types of fees are common to all Donor Advised Funds that invest the money held in a Donor Advised Funds account. While there is no guaranteed return on the Donor Advised Fund investments, the funds are invested conservatively with the goal of preserving the principal being held for charitable distributions. For Donor Advised Fund balances of \$250K and above, more investment options can be considered based on your risk tolerance.

## **CONTACT**

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**RELIEVE SUFFERING | RESTORE DIGNITY | REVEAL HOPE**

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*The humanitarian partner of Cru®*