

About The New York Community Trust (a.k.a. Community Funds, Inc.)

The New York Community Trust (The Trust) is a public charity qualified to receive tax-deductible contributions under Internal Revenue Code (IRC) sections 509 (a)(1) and 501(c)(3). The Trust consists of two entities: Community Funds, Inc., a New York State not-for-profit corporation, and The New York Community Trust, an unincorporated association of charitable trusts, bound by a common resolution and declaration of trust. These entities share a governing board and staff and file a single tax return. The New York Community Trust-Westchester and The New York Community Trust-Long Island are regional offices of The Trust.

Donor-Advised Funds

A donor-advised fund allows an individual or entity to support charitable organizations and is established by irrevocably contributing cash, securities, or other assets to a sponsoring organization that is a public charity (The Trust). In return, the donor qualifies for an immediate tax deduction and has the privilege of recommending grants to public charities that are approved by the sponsor.

Donor-Advised Funds at The Trust

The minimum for starting a donor-advised fund at The Trust is \$5,000, and donors are asked to maintain that amount as a minimum balance. The donor may choose a name for the fund that will be listed in The Trust's annual report and shared with grant recipients.

Each donor-advised fund at The Trust consists of two accounts: an Investment account and a Grantmaking account. The Investment account holds the selected investments. The Grantmaking account receives income that is generated by the Investment account(s) and is the place from which grants are paid. If funds are insufficient to pay a grant from the Grantmaking account, the difference will be redeemed from the Investment account(s).

Investment Options

Advisors to funds may choose from our investment options when the fund is established and may update their selection any time thereafter. The options are:

- 1) Vanguard Federal Money Market Fund (VMFXX);
- 2) Vanguard LifeStrategy Conservative Growth Fund (VSCGX);
- 3) Vanguard FTSE Social Index Fund (VFTAX).
- 4) Vanguard STAR Fund (VGSTX)
- 5) Community Funds Investment Pool (CFI-Pool).

All of the options except the CFI-Pool have liquidity twice weekly. The CFI-Pool allows additions and withdrawals only on the first business day of the month. The CFI Pool has investment minimums and is primarily reserved for funds that do not allow for the invasion of principal.

If no investment choice is made by the advisor(s), The Trust will invest the assets in the Money Market Fund. Additional investment-related information can be found on our website at thenytrust.org/ways-to-give/investment-vehicles/. Trust staff members are available for guidance. .

Legal / Tax Information

As a public charity, contributions to The Trust are eligible for the maximum charitable deduction permitted under state and federal law. The Trust acknowledges each gift with a receipt confirming the date and description of the contribution for the donor's tax records. We encourage donors to consult their own financial, tax, or legal advisors to determine the best charitable giving strategies for their individual financial circumstances and the tax treatment associated with any contributions. The Trust retains exclusive legal control over the assets contributed to donor-advised funds in accordance with IRS requirements. As such, all grant recommendations are advisory only and subject to the review and approval by The Trust.

Fund Advisors and Successors

At any time, the creator(s) of a donor-advised fund (the “founder(s)”) may use the Advisor Appointment Form to appoint other people by name to serve, concurrently or serially, as advisors with the right to recommend grants from the fund. A founder may also specify “successor advisors” by name to serve upon the death or incapacity of the founder. Only founders may appoint additional and/or successor advisors. The founder(s) may also revoke an advisor’s privilege, designate a different advisor, or choose not to name other advisors. An advisor may recommend grants without the consent of the other advisors or the further consent of the founder. It is the responsibility of all fund advisors to communicate with one another. Unless otherwise requested by the founder, all advisors have access to online information about the fund and will receive mailings from The Trust.

MyGrants

MyGrants (<https://thenytrust.org/mygrants>) is The Trust’s secure online portal for accessing fund information, making and tracking grant recommendations, and updating your personal information. Each advisor is assigned unique login credentials. The portal is designed for ease of use; support and training are provided as needed.

Making a Grant Recommendation

Advisors may recommend grants of \$250 or more to IRS Section 501(c)(3) public charities. Grants are designated for general support unless otherwise requested by the advisor. Advisors may submit grant recommendations online through MyGrants. For alternate arrangements, please contact The Trust.

Unless otherwise requested, grants are credited as coming from: The New York Community Trust / Fund Name / at the suggestion of the fund advisor’s name(s). Grants may also be made in honor or in memory of an individual and a record of the grant may be sent to a third party.

Anonymity

Advisors may make grants anonymously with the advisor and/or fund name withheld from the recipient. The Trust’s annual tax return (Form 990) lists the total of grants to an organization made but does not attribute them to a particular fund or donor. The names of all funds, including those advised by donors, also appear separately in the annual report, unless anonymity is requested in writing by the founder or fund advisors.

Grant Review Process

While our goal is to facilitate your charitable giving, The Trust may accept or decline grant recommendations in its sole discretion. The Trust maintains an internal proprietary database of U.S. public charities. Grant payments are generally sent within three to five business days if the grantee organization is currently approved in the database and funds are available in the Grantmaking account. It may take longer if the organization is not currently approved by The Trust. The Trust conducts a review of recommended grantees for good governance and best practices. The advisor who recommended the grant will be informed if there is a concern about the organization or if a significant delay is anticipated.

Grant Limitations

IRS rules and regulations prohibit grants, loans, or any payments for the benefit of advisors, their family members, or other related parties. No grants may be made for memberships, sponsorships, tickets, gala benefits, golf outings, etc. The Trust will not make donor-advised fund grants to individuals or private non-operating foundations. Grants to supporting organizations are also subject to limitations.

Transfers of Donor-Advised Funds

The Trust allows the transfer of donor-advised fund assets to other U.S. Community Foundations. Such approved transfers may be subject to fees and to fund restrictions in place at the time of the transfer.

International Grants

Grants may be made to international organizations through a U.S. IRS designated 501(c)(3) public charity affiliate (American Friends of...), subject to The Trust’s standard approval process. Grants may be made to international organizations without a U.S. public charity affiliate as well; additional conditions and fees apply. Please contact the Trust should you wish to recommend a grant to an international organization.

Grantmaking Requirement

The Trust asks advisors to regularly make grants equal to or greater than the funds available in the Grantmaking account in order to avoid dormancy. If you would like assistance, The Trust welcomes the opportunity to suggest possible grantee organizations to fund advisors.

Low-Activity Funds are those where advisors do not annually grant the amount available in the Grantmaking account. In these instances, advisors are asked to make grants to maintain their active grantmaking status.

Dormant Funds are those with no grant activity in the previous three or more calendar years. For these funds, we will ask advisors to make grants equal to the Grantmaking account balance. If the advisors fail to act, The Trust will transfer this outstanding balance to the Community Needs Fund to be used immediately for grants. In the event of repeated or continued dormancy and lack of response by the fund advisors, The Trust may remove all advisors and operate the fund in a manner consistent with The Trust's permanent funds.

Fund advisors may request an exception to these policies by presenting to the Trust a plan to recommend grants to a particular organization or for a specific charitable purpose in the subsequent two to three years.

Administrative Fees

Donor-advised funds are currently assessed an annual fee equal to the greater of:

1) 50 basis points (1/2 of 1%) of average market value (Example: Average market value of \$300,000 = \$1,500) or:

2) 2.5% of grants paid (Example: Grants of \$15,000 = \$375). The fee is based on market value and assessed quarterly.

The minimum annual fee is \$100.

If the fee collected by the end of the year is less than 2.5% of grants paid, then the difference will be debited from the fund during the first quarter of the following year. Fund balances in the Grantmaking account do not earn income. The fee on an individual grant of \$500,000 or more is discounted to 1%. The Trust will consider a reduced or customized fee for funds exceeding \$50 million.

Quarterly Statements

The Trust prepares quarterly account statements showing activity such as grants, fees, contributions, investments, and the Grantmaking Account balance. We notify advisors by email when the statement is available for viewing on MyGrants. Please let us know if you prefer to receive mailed paper statements.

Ways to Contribute

Donors may make contributions to their fund via check, wire transfer, ACH, credit card, debit card, or PayPal. Processing fees apply to contributions made online. Donors may also contribute stock or other securities to their fund; additional details are available on our website [link: <https://thenytrust.org/current-donor/give-to-your-fund/>].

Fundraising Activities

The Trust offers donors the option to create funds to which friends, family, and colleagues may contribute, such as memorial or wedding funds. Advisors may not engage in active fundraising, such as advertising or selling merchandise or tickets to events. Additionally, donor-advised funds may not be used to pay for fundraising or other related expenses.

Legacy Planning /Excelsior Society

Fund advisors may choose to make their donor-advised fund permanent and/or incorporate their donor-advised fund in their estate plan, whether through a will, trust, or other beneficiary designation. All donors who include their fund in their estate/legacy planning are honored as members of The Trust's Excelsior Society. Please contact The Trust for more information.

Reservation of Rights

The Trust may change the policies and information contained in this document at any time without prior notice.