

THE ADVISE US FUND  
GIVING AND INVESTMENT PRACTICES

WHEREAS, The Advise Us Fund (hereinafter referred to as “TAUF”) is an Illinois not for profit corporation, operating exclusively for charitable, religious, educational, and scientific purposes as set forth in Section 501(c)(3) of the Internal Revenue Code; and

WHEREAS, TAUF seeks to stimulate charitable giving by donors and promote effective philanthropy by making gifts and grants to other charitable beneficiaries selected by TAUF’s Board of Directors, based upon donor recommendations and gift planning; and

WHEREAS, TAUF pursues this mission by operating a national donor advised fund to encourage charitable giving by individuals, families, and organizations while expanding their knowledge in the field of philanthropy in general;

WHEREAS, TAUF exists to enable donors to use tax wise giving techniques and provide outreach to grass roots charities that currently do not have the resources to offer these complex techniques. The founders of TAUF believe strongly that charitable intent and the intentions of donors should drive the spirit of the giving experience. However, these founders vehemently respect that charitable giving should strictly adhere to the laws that govern the gift. TAUF has no affiliation with any community, charitable interest, or investment company. TAUF believes that the donor should advise us on what they want to accomplish philanthropically, not vice versa.

NOW, THEREFORE, TAUF does set forth these Guidelines and Policies for investment, giving and the operation of its giving, investment, and donor advised funds programs.

1. *Committees.* TAUF has standing committees, Giving and Investment. Each committee shall have a minimum of three (3) members with at least one (1) member being from the TAUF Board of Directors. The President of TAUF shall always be an ex-officio member of both of these committees. The Giving Committee shall review, advise, and monitor the gifts and giving of TAUF. The Investment Committee shall review, advise and monitor, the investment, accounting, and financial activities of TAUF.
2. *Creation of Fund.* Individuals, families, and organizations, both charitable and non-charitable, (hereinafter referred to as “the donor”) may create a named fund within TAUF by donating cash, cash equivalents, or publicly traded stock to TAUF.
3. *Giving Vehicles.* In addition to TAUF’s general endowment pool (EP), individual charitable lead trusts (CLT) and individual charitable remainder trusts (CRT), AUF offers donor advised funds (DAF). CLT and CRT are their own legal entities and are governed by the individual vehicles that establish them. These guidelines, policies and practices govern the DAF, outright, and endowment gifts made to AUF.

4. *Maintenance of Donor Advised Fund.* Upon acceptance of such irrevocable charitable gift, TAUF will maintain a fund owned and controlled by TAUF that is separately identified for the donor.
5. *Minimum Contribution for DAF.* The minimum value for a contribution to create a fund is \$2,500.00.
6. *Minimum Contribution for Endowment.* The minimum value for a contribution to create an endowment is \$25,000.00. The minimum value of subsequent contributions is \$ 5,000.00.
7. *Minimum Contribution for CRT and CLT.* There is no minimum value for a contribution to create a CRT or CLT. The Giving Committee will review and recommend to the Board of Directors on a case-by-case basis.
8. *Donor Advisory Privileges.* The donor, or a person appointed and designated by the donor, (hereinafter collectively referred to as “the donor”) will have advisory privileges over the distribution or investments of the fund created with the donor’s contribution(s).
9. *No Donor Restrictions or Conditions.* However, the donor may not impose any restrictions or conditions preventing TAUF from making distributions or investments from the donor’s fund that prevents TAUF from accomplishing a charitable purpose. The donor relinquishes ownership and control of the assets at the time of the gift.
10. *Statements.* TAUF will provide each donor with a regular statement reporting information regarding the donor’s fund, including balances, investments, and distributions.
11. *Donor Recommendations.* The donor may make recommendations as to charitable distributions made from the donor’s fund. The minimum value of the recommended charitable distribution is \$ 50.00.
12. *Prohibited Grantees.* The donor may not make recommendations for any of the following:
  - a. Any natural person; or
  - b. Grants to individuals for travel, study, or such similar purpose; or
  - c. Grants for employee sponsored disaster relief funds.
13. *Permitted Grantees.* The donor may recommend, and TAUF will only make, distributions to the following:
  - a. Any IRC 170(b)(1)(A) organization;

- b. IRC 509(a)(3) organizations that are Type I, Type II, or functionally related Type III supporting organizations, provided the donor or any person related to the donor does not directly or indirectly control the supported organization;
  - c. A sponsoring organization of a donor advised fund or to another donor advised fund; or
  - d. A private operating foundation.
14. *No Private Benefit.* Donor will certify that any and all recommendations do not represent the payment of any legally enforceable pledge or obligation, and that the donor will not receive any goods, services or non-tax deductible membership benefits.
15. *Review of Recommendations.* TAUF's Giving Committee will review all donor recommendations for distributions and has the final authority regarding all distributions from its donor advised funds.
16. *Procedure for Review.* TAUF's Giving Committee will conduct its own independent investigation based upon the donor's recommendation. Before making any distribution, the Giving Committee will confirm:
- a. The recommended distributee is a qualified public charity;
  - b. The distribution furthers the charitable mission of TAUF;
  - c. The distribution will be used entirely for charitable purposes; and
  - d. No personal benefits will inure to the donor or his/her family as a consequence of the distribution.
17. *Required Minimum Yearly Distributions.* All funds are required to distribute yearly, at a minimum, the annual net income of the fund. Any funds that are being held in a quasi-endowment must distribute a minimum of 5% of the three (3) year rolling average of the value of the fund.
18. *Investment Timing and Funding Amount.* The funds of an endowment or donor advised fund will be placed immediately into a money market fund and will be placed into the ultimate investment option (in the Pooled Investment Fund) at the end of the first full month following the month of contribution. The amount placed into the fund will be the net proceeds from any sale of marketable securities. In addition, any credit card used to establish a donor advised fund will have the credit card proceeds net of fees be the amount to establish the fund. TAUF will perform an annual rebalancing of all donor-advised funds to match donor's investment intentions during the first quarter of the calendar year (last quarter of AUF fiscal year).

*Investment Options.* The donor will have the ability to select investment options from a preselected list of funds offered by TAUF's investment manager and confirmed as appropriate by TAUF. The current investment policy is as follows:

<b>Broad Equity</b>	<input type="checkbox"/>
Russell 3000	75%
Barclay Capital Aggregate Bond Index	25%
Money Market	5%

<b>S&amp;P 500 Equity</b>	<input type="checkbox"/>
S&P 500	70%
Barclay Capital Aggregate Bond Index	25%
Money Market	5%

<b>Social Responsibility Equity</b>	<input type="checkbox"/>
MSCI KLD 400 Social	65%
Barclay Capital Aggregate Bond Index	30%
Money Market	5%

<b>S&amp;P 500 and International Equity</b>	<input type="checkbox"/>
S&P 500	35%
MSCI EAFE	35%
Barclay Capital Aggregate Bond Index	25%
Money Market	5%

<b>Balanced</b>	<input type="checkbox"/>
Barclay Capital Aggregate Bond Index	25%
Barclay Short Treasury Bond Index	20%
MSCI EAFE	20%
Russell 3000	25%
Money Market	5%

<b>Fixed Income</b>	<input type="checkbox"/>
Russell 3000	5%
Barclay Capital Aggregate Bond Index	40%
Barclay Short Treasury Bond Index	40%
Money Market	15%

**Third Party Investment Professional Management**

Available to those donors with a Fund balance of \$100,000 or more. Restrictions and terms apply.

The donor understands that the above recommendation is advisory only and The Advise Us Fund may

- at its sole and absolute discretion, follow or decline to follow my recommendation;
- at any time, at its sole and absolute discretion, change the investment of all or any portion of the assets in my Fund;
- if my recommendation is accepted, administer the investments in accordance with the investment policy of The Advise Us Fund;

Furthermore, the donor understands that all exchange-traded funds are subject to market and interest rate fluctuation risks, and any gain or loss generated by the above investments will be credited or charged to the Fund accordingly; and an asset allocation is no guarantee of future results

19. *Annual Administrative Fee for DAF and Endowed Funds.* In addition to the investment fees included in the above exchange-traded funds (ETF), stocks that track financial indices, an annual administrative fee is also charged. The administrative fee is a flat 20 basis points (0.20%) for all portfolios (up to \$1,000,000 of overall fund value). After \$1,000,000 of overall fund value, the administrative fee drops to 15 basis points (0.15%) for all funds. The administrative fee is taken quarterly.

20. *TAUF Endowed Asset Allocation.* TAUF seeks to fulfill its mission of maximizing donors' charitable intent by allocating assets in a manner consistent with this guideline. The following asset allocation is the benchmark for Third Party Financial Professional (TPFP) managed investment. And, while the chart below reflects the standard asset allocation guidelines, TAUF recognizes there may be circumstances where parties may desire allocations substantially outside these guidelines. In these occurrences, the Investment Committee of TAUF will review and approve such exceptions on a case by case basis. TAUF will not invest in extremely sophisticated investment vehicles including, but not limited to, private equity, hedge funds and derivatives.

Asset Class	Target Allocation	Percentage Range	Benchmark Indexes
<b>Equities</b>	80%	55-80%	
Large Cap Domestic	45%	25-45%	S&P 500
Small Cap Domestic	20%	0-30%	Russell 3000
International	10%	0-15%	MSCI EAFE
Social	5%	0-15%	MSCI KLD 400 Social
<b>Fixed Income</b>	50%	20-50%	
Aggregate Bond	30%	10-30%	Barclay Capital Aggregate Bond Index
Short Term U.S. Treasury	20%	5-25%	Barclay Short Treasury Bond Index
<b>Money Market</b>	5%	5-10%	U.S. Treasury Bills (90 Day)

21. *Short Term Investments.* TAUF will use various checking and savings accounts apart from the investment accounts to fund the short term operating expenses and grant making obligations.

22. *Inactive Funds.* Funds having no activity for one year go into dormancy. During the year following the inactivity, TAUF will contact the donor/successor to attempt to have the account make distributions. If the account is used to make a donor-advised grant in the year following the dormancy, the donor/successor will have revived the account. If after one (1) year of dormancy there has been no donor-advised grant, the TAUF Giving Committee, with the approval of the Board of Directors of TAUF, will allocate the fund for the outreach purposes of TAUF as specified by the donor in the latest advisement (Agreement or Change Form).

23. *Successor Advisor.* A donor may select a successor advisor(s) for the donor's fund. A successor advisor will not have the ability to name any subsequent successor advisor. Any undistributed funds in accounts without an advisor will be allocated based on the donor's recommendation on which part of TAUF's mission it wanted to support.

24. *Annual Reports.* A report of all distributions from the Donor Advised Funds shall be prepared annually by TAUF and made available to the public.

25. *Amendments.* The Board of Directors reserves the right to amend these guidelines and policies from time to time as it sees fit.

Adopted by The Advise Us Fund Board of Directors on February 19, 2013 and amended on December 23, 2013, June 4, 2014, October 20, 2014 and April 10, 2017.