

Combined Jewish Philanthropies

Kraft Family Building | 126 High Street, Boston, MA 02110-2700 | T 617.457.8500 | F 617.507.7899 | cjp.org

ABOUT YOUR CJP DONOR ADVISED FUND

Establishing your Donor Advised Fund (DAF)

Establishing a DAF is easy. Simply fill out all the forms provided in this packet or online at the CJP website (www.cjp.org/daf) and mail them, along with your initial contribution or information on a transfer of securities, to:

Attention: Office of Planned Giving
Combined Jewish Philanthropies
Kraft Family Building
126 High Street
Boston, MA 02110-2700

The forms consist of the Donor Letter Agreement, and the Donor Application Part A and Part B. There is also a form for you to fill out if you would like to recommend grants and conduct other business by email. Asset Transfer Instructions are also provided if you are considering funding your DAF with a gift of securities or other assets.

The minimum contribution to establish a DAF is \$2,500. You may make this contribution using cash or publicly traded securities. Gifts of real estate or other assets can be made, subject to review by CJP. All contributions to your DAF are irrevocable donations to CJP and are therefore typically deductible from your federal income taxes in the year they are made.

DAF Minimums and Activity Guidelines

The minimum grant amount is \$50 and the minimum balance is \$1,000. You will be notified if the balance of your DAF falls below \$1,000. Your DAF will be closed if the account balance is not brought up to the \$1,000 minimum within one year of that notice. At that time, the remaining balance will be transferred to CJP's Unrestricted Endowment Fund.

You do not have to recommend a minimum amount of grants each year. However, CJP requires that every DAF make a grant of some amount in each rolling five-year period, or have a notice on file with CJP explaining plans to begin making grants in the future. The signatory of a DAF that does not make a grant in a given five-year period will be notified of the deficiency in writing and given 90 days to recommend a grant, file a notice of future activity plans or close the DAF. If no action is taken by the signatory after 90 days, a grant will be distributed to CJP equal to 5% of the DAF's most recent quarter end value, to be applied to the CJP Unrestricted Endowment unless otherwise directed by CJP management.

CJP seeks to distribute annually a minimum of 5% of the combined net asset value of all CJP Donor Advised Funds. To the extent that combined grants from all DAFs do not meet this requirement, CJP will request grant recommendations from DAFs that have not made distributions of at least 5% during that particular year. If the donors or signatories of these DAFs do not then make grant recommendations, CJP will transfer the required amount to the CJP Unrestricted Endowment Fund unless otherwise directed by CJP management.

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Termination of DAF

CJP will close a DAF upon the written request of the signatory, or upon the death or resignation of the last surviving signatory. CJP is also happy to work with donors to prepare documents in advance that recommend a final set of grants to a CJP endowment fund and/or to other charities upon the death or resignation of the last signatory. DAFs may also continue with successor signatories. See below for more information.

Donors, Signatories and Successors

Donors

You are the Founding Donor if you are the person establishing the DAF.

The Founding Donor may designate one other Founding Donor to the fund. These two people, such as spouses, will be deemed to be establishing the DAF together, as Joint Donors.

All Donors have the following privileges:

- Name the DAF
- Recommend the investment style for the DAF
- Recommend grants from the DAF
- Recommend other Signatories and Successors to the DAF

Unless otherwise instructed, CJP assumes that the Founding Donor of a DAF has all the powers of a Signatory (see below.)

Creating a DAF with grants from a foundation may require some additional paperwork, especially if the grants are made in the context of dissolving a foundation. Please contact Charlie Glassenberg at 617-457-8540 for more information on creating a DAF with foundation-granted funds.

Signatories

The Founding or Joint Donor may designate up to four Signatories for the DAF. If you are a Signatory, you have the privilege of recommending grants from the DAF. Your privileges as Signatory may be revoked by the Founding or Joint Donor at any time.

Successors

The Founding or Joint Donor wishes the DAF to continue after his or her death, the Founding or Joint Donor may designate up to two Successors. These Successors may already be Signatories on the DAF, but that need not be the case. A Successor takes on all the privileges of the Founding or Joint Donor upon the death of the Founding or Joint Donor.

Fee Schedule

CJP currently charges the following fees on DAF assets:

- 0.50 % on the first \$1,000,000
- 0.25 % on the next \$2,000,000
- 0.20 % on amounts above \$3,000,000

For DAFs with assets of \$25 million or more, administrative fees are based on discussion with CJP.

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Each of the investment options available for the DAF program has its own underlying expenses including manager and mutual fund fees, and asset custody.

If you choose to make a contribution of real estate or assets other than cash or publicly traded securities, CJP will charge an administration fee and will recover the expenses of accepting and liquidating these assets. Acceptance of these less liquid assets and applicable fees are determined on a case-by-case basis. Only the net proceeds of the transaction will be available to the DAF.

Investment of DAF Contributions

You may recommend the allocation of the funds in your DAF to one or more of CJP's investment options, described in the enclosed document titled, CJP Donor Advised Fund Investment Options. If you chose to use more than one investment option, please be sure to maintain a balance of at least \$1,000 in each option.

The minimum balance for a DAF investment in CJP's Jewish Community Endowment Pool, LLP (JCEP) is \$100,000 within a total DAF balance of at least \$500,000. JCEP participation is subject to other guidelines and conditions. DAFs with a total balance of \$10 million or more that participate in JCEP are eligible to allocate assets to an S&P 500 index option for additional equity exposure. Please call Charlie Glassenberg at 617-457-8540 or David Strong at 617-457-8515 for more information.

Investment income and losses are allocated to each DAF on a daily basis except for JCEP, which is allocated monthly. The CJP DAF Program operates on a calendar year for reporting purposes.

Quarterly and Annual Reports

Activity information on your DAF is available via the DAF website, updated on a daily basis.

You will receive a quarterly report of all activity in your DAF. This quarterly report will include information on income, gains or losses, contributions, grants and fees.

Recommending Grants from Your DAF

You may recommend grants from your DAF by mail, fax, DAF website or e-mail.

If you wish to recommend grants by mail or fax, grant recommendation forms will be provided to you.

The DAF website is accessed using a username and password issued to you after your DAF is created.

For your protection, CJP is unable to accept grant recommendations over the phone.

Email and Online Recommendation Policy

By affixing your signature to the DAF Letter of Agreement, you certify that you are authorized to make grant recommendations for the fund and that by sending a grant recommendation via your corresponding individual email address, the grant recommendation is being made by the corresponding named person. You further certify that the grant recommendation(s) will not represent payment of any legally binding pledge, other financial obligation or payment in return for goods or services provided to any party, and that no member of your family, including yourself, will receive a personal benefit from this suggested distribution. If the email address has been accessed by an unauthorized user, you will immediately inform CJP to stop accepting grant recommendations via email for the above-named fund and update the form as appropriate.

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Organizations Eligible to Receive Grants

Grants may be recommended to organizations in the following categories:

- A public charity described in section 509(a)(1) or (2) of the Internal Revenue Code
- A public charity described in section 509(a)(3) of the Internal Revenue Code that is not a disqualified supporting Organization as defined in section 4966(d)(4) of the Internal Revenue Code
- A governmental unit described in section 170(c)(1) of the Internal Revenue Code, exclusively for public purposes that are consistent with CJP's charitable purposes.

There is no requirement for you to recommend grants to CJP or other Jewish agencies. **CJP reserves the right to reject grant recommendations for purposes contrary to its mission or to organizations that fail to maintain proper standards of financial oversight or accountability. CJP may request the return of grants that are discovered to be in conflict with its mission, or in violation of the guidelines in this section.**

Processing Grants

Grants are processed on a weekly basis. Due to the large volume of grant recommendations made at yearend, processing may take longer during November and December.

Limitations on Grants

Grants may not be recommended for the following purposes:

- To make a contribution for which you receive any good or service from the recipient organization, such as discounted tickets, meals at a benefit dinner, admission to a museum or other membership benefits. Grants will be made for the tax-deductible portion of an event ticket or sponsorship only if a ticket is available for the event that allows attendees to participate without an accompanying donation.
- Please note that you may recommend grants for the purpose of synagogue membership, including High Holiday seats, because the resulting intangible religious benefits are not considered a good or service.
- To personally benefit yourself or anyone related to you.
- Grants to do not constitute a deductible charitable contribution, and you should not claim a deduction for a grant from a DAF.

DAF Website

CJP offers online access to our DAF program. The website allows you to:

- Recommend grants and check on their status
- Recommend changes to your investment options
- Alert us to incoming contributions
- Have access to the transaction history of your DAF and quarterly reports
- Check Investment performance. Investment options other than JCEP will have their performance updated daily. JCEP performance will be updated monthly.

Once your DAF is established, you will receive an email containing your username, password and instructions for logging into the DAF website. Once you are logged in, you will be able to change your password to something you will more easily remember. Passwords must be secure and changed on a periodic basis for data security reasons.

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Notification to Recipient Organizations

Each grant mailed to the recipient organization will be accompanied by a cover letter identifying the Fund and the Donor or Signatory who recommended the grant. You may also request to be anonymous on a particular grant. If you wish to remain anonymous on all grants distributed, please indicate that when you fill out the forms establishing the fund.

For compliance reasons, grants must be sent to a recipient organization's legal address. They may not be sent to you or to other parties for delivery.

Changes to the DAF

If you are the Founding or Joint Donor or a successor signatory to the Donor, you may recommend that changes be made to any of the following:

- the name of the DAF
- the investment style for the DAF
- Signatories and Successors to the DAF

Investment style changes may be requested via mail, fax, an email from your authorized email address or using the website. Changes to a DAF's name, signatories or successors require your signature and may be sent via mail or a scanned PDF document delivered by email from an authorized email address.

Ownership of Assets in DAFs

Contributions to your DAF are irrevocable gifts to CJP. In accordance with the Internal Revenue Code, CJP owns the assets in each DAF outright and retains exclusive legal control over these assets for the charitable purposes of CJP. Donors may not restrict the absolute rights of CJP as owner of the assets. This is the basis for your eligibility for a federal income tax deduction.