



Kiwanis
International Foundation

Steps to Establishing a Donor Advised Fund

Setting up a donor advised fund as an individual, family, club or district is easier than you may imagine. Just follow this four-step process.

Step 1: Create a Kiwanis International Foundation donor advised fund by filling out an application/gift agreement form and contributing cash or other assets. You can establish a fund to eventually make grants to Kiwanis causes important to you with a minimum amount of \$10,000. The fund is a permanent, endowed fund. Anyone can contribute directly to the fund at any time and receive a charitable tax deduction (if an individual). Grants can be made from the fund once the fund reaches \$25,000. An endowed gift of at least \$50,000 allows you to grant at least 60% of the annual spendable amount to Kiwanis causes and up to 40% to other charitable organizations. Grants are made from the spendable amount, calculated according to the Kiwanis International Foundation's investment policies. Currently this amount's annual distribution value is 4% of the fund's value on December 31st of the previous year. The Kiwanis International Foundation charges a 1% fee for fund management.

Step 2: Name two advisors who will make recommendations for grants to be made from the fund's spendable amount. Advisors can be (for individuals and families) family members, or (for Kiwanis organizations) club or district officers. These advisors will be the people authorized to recommend grant distributions on behalf of individuals, families, their clubs or districts. In some cases, foundation staff may also make suggestions if a Kiwanis grant proposal matches your fund's stated purpose. These recommendations are advisory in nature and recipients must be confirmed as eligible according to IRS requirements.

Step 3: Describe your fund's purpose such as scholarships, exclusively for Kiwanis causes, disaster relief or general charitable purposes. This is done in the application/gift agreement, which is a legal document, agreed upon by you as the donor and the Kiwanis International Foundation. The agreement names the fund, documents your intent as the donor, provides any awards criteria (e.g. scholarship parameters), and explains how your gift will be administered and stewarded.

Step 4: Once your account is established, you may recommend grants of \$500 or more depending on your annual spendable amount. We will review your request and confirm your designated grantees' eligibility to receive grants as required by the IRS. An award letter is mailed to the designated charity along with your grant. You will receive notice of the grant status, along with an updated listing of your grants in your grant history.