

# Frequently Asked Questions

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# Seattle Pacific Gift Fund - Frequently Asked Questions

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## Announcing the Seattle Pacific Gift Fund's donor-advised program!

### *What is the Seattle Pacific Gift Fund all about?*

**PURPOSE** The Seattle Pacific Gift Fund facilitates, administers, and encourages charitable giving. The Fund seeks to aid, support, and assist qualifying charitable organizations, with an emphasis on support for education and other efforts consistent with the mission of Seattle Pacific University. The Fund is established to further the bringing of knowledge, skill, faith and hope to local communities and beyond, in ways that make a difference.

### *Why should I create an Advised Fund with the Seattle Pacific Gift Fund?*

**BENEFITS** Creating a donor-advised fund is like establishing your own private foundation, but without the complexities.

There are many reasons to create a donor-advised fund with the Seattle Pacific Gift Fund, including:

- Immediate tax deduction
- Avoidance of capital gains on gifts of appreciated assets
- Professional investment management
- Possible increased charitable impact with tax-free growth
- Consolidated record keeping and tax reporting
- Flexibility to time distributions strategically
- Shared vision of charitable needs in our community with the Seattle Pacific Gift Fund

### *Will the Seattle Pacific Gift Fund assist me in learning more about charitable giving?*

**EDUCATION** Yes. The Fund will have an educational component designed to provide information on issues relating to philanthropy. The Fund's educational program may address specific charitable needs and may be part of a larger effort to educate the public and to make known the scope of the charitable services of the Fund.

### *Who can create an Advised Fund?*

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**WHO** Any individual, married couple or business entity may establish an Advised Fund. Multiple individuals may make Contributions and recommendations separately or jointly.

## *How can I establish my own Advised Fund?*

**HOW** It's as easy as filling out an application and writing a check or transferring securities. See the application form. (Some gifts may require preapproval.)

## *What shall I call my Advised Fund?*

**NAME** You may choose the name for your Advised Fund. Typically, the Advised Fund is named after you, or you may wish to honor a family member, relative or friend. You decide.

## *What type of assets may I contribute to my Advised Fund?*

**ASSETS** Contributions most often consist of cash and securities, including mutual fund shares, stocks, bonds and other securities, including certain private and restricted stock.

## *How much can I put in?*

**CONTRIBUTIONS** You may establish an Advised Fund with as little as \$20,000. Additional Contributions of \$1,000 or more may be made at any time.

## *Can I receive a refund of contributions to my Advised Fund?*

**IRREVOCABLE** Sorry. Contributions to the Fund are irrevocable and not refundable.

## *What are my tax benefits?*

**TAX DEDUCTION** Your Contributions are immediately tax deductible to the fullest extent under the law.

There is no additional charitable deduction except to the extent you make additional Contributions.

## *Do I have to pay income or capital gains tax when my Advised Fund increases in value?*

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**INCOME AND  
CAPITAL GAINS**

No. Income that accrues to your Advised Fund is income of the Fund. Therefore, it is not taxable to you. Likewise, you do not realize gains when they are distributed.

***Is the value of my Advised Fund included in my taxable estate?***

**ESTATE PLANNING**

No. The Fund owns all of the assets in each Advised Fund for the charitable purposes of the Fund.

***How are assets in my Advised Fund managed?***

**PROFESSIONAL  
MANAGEMENT**

Fund assets are invested and professionally managed, offering the potential for Contributions to grow and ultimately result in greater gifts to charity. The Seattle Pacific Gift Fund has the sole responsibility and authority for the investment of the assets of each Advised Fund.

***What fees and expenses will be assessed against my Advised Fund?***

**FEES AND EXPENSES**

There is no annual fee if distributions of at least five percent (5%) of the total value of your Advised Fund each year are directed to Seattle Pacific University, the Seattle Pacific Foundation, or the Seattle Pacific Gift Fund Unrestricted Fund. Otherwise, the annual fee is one and one half percent (1.5%) of the total value of your Advised Fund.

Your Advised Fund may from time to time be charged an appropriate allocation of direct and indirect expenses attributable to the creation and maintenance of Advised Funds.

***How will I know the value of my Advised Fund?***

**REPORTING**

The Seattle Pacific Gift Fund maintains records and will provide statements at periodic intervals. You will receive an annual report that will include distributions made from your Advised Fund.

***How do I direct distributions from my Advised Fund?***

**RECOMMENDING  
DISTRIBUTIONS**

You may recommend distributions from your Advised Fund that are consistent with the specific charitable objectives of the Seattle Pacific Gift Fund. Your recommendations must be in writing, addressed to the Fund.

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The Seattle Pacific Gift Fund will maintain a List of Charitable Needs listing specific charitable needs to which distributions from Advised Funds may be made, and a List of Charitable Organizations, listing specific charitable organizations that have been deemed deserving of support. You are encouraged to recommend qualified charitable organizations and/or programs, projects, and activities of qualified organizations for inclusion in the List of Charitable Needs and List of Charitable Organizations.

## *Can anyone else direct distributions from my Advised Fund?*

**RECOMMENDATIONS FROM OTHERS** If you wish, you may designate the Seattle Pacific Gift Fund Board or someone else to make recommendations during your lifetime. Such a designation must be made in writing.

## *What happens to my Advised Fund at my death?*

**UNRESTRICTED FUND** When your ability to recommend distributions from your Advised Fund terminates, by death or otherwise, the Advised Fund will become part of the Seattle Pacific Gift Fund Unrestricted Fund (“Unrestricted Fund”) unless you direct otherwise.

**SUCCESSOR DONOR** If at that time the value of the Advised Fund exceeds \$250,000, a Successor Donor named by you who will further continued participation, support and involvement may make recommendations for future distributions.

**MEMORIAL FUND** If at that time the value of the Advised Fund exceeds \$500,000, the Advised Fund will continue as an identified memorial fund in your name (or other designation you requested in writing).

## *What if I want to establish an Advised Fund for my business?*

**BUSINESS ENTITY** A business entity that establishes an Advised Fund may make recommendations for a period not to exceed ten years from the date of the establishment of the Advised Fund. The privilege to make recommendations may be extended beyond the ten-year period if the business entity maintains a continuing charitable involvement and makes substantial additional Contributions.

Such business entity, or those acting on its behalf, shall designate one person (and may designate his or her successor) to submit the recommendations of the business entity to the Fund.

## *How will the Seattle Pacific Gift Fund handle my recommendations?*

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**FUND CONSIDERATION** The Seattle Pacific Gift Fund will consider and evaluate your recommendations and determine if they are consistent with specific charitable needs we have determined are most deserving of support. If a determination is made that a recommendation is not consistent, we will let you know.

Remember that your recommendations are solely advisory and the Seattle Pacific Gift Fund is not bound by such recommendations.

We will keep you advised of the most current List of Charitable Needs and List of Charitable Organizations and will encourage you to make recommendations consistent with the objectives of the Seattle Pacific Gift Fund.

## *What are the requirements for distributions from my Advised Fund?*

**MINIMUM DISTRIBUTION** The minimum amount of any one distribution from an Advised Fund is \$500. Your Advised Fund must distribute at least five percent of the market value of its assets valued on the last day of the prior calendar year or the date the Advised Fund is established, whichever is later. In the event you do not exercise your privilege to make a recommendation, five percent of your Advised Fund will be distributed to the Unrestricted Fund or to a charitable organization included on the List of Charitable Organizations.

**CHARITABLE PURPOSE** No distribution from an Advised Fund will be made except as a distribution for the charitable purposes of the Seattle Pacific Gift Fund, and no distribution may be used to discharge or satisfy a legally enforceable pledge or obligation of any person, including those for whom the Advised Fund is named.

**NO TANGIBLE BENEFIT TO DONOR** Neither you nor any other person may receive any tangible benefit or privilege in return for a distribution from an Advised Fund.

## *Will my name be given to the charities to whom distributions are made from my Advised Fund?*

**NOTIFICATION OF SOURCE** Any distribution from your Advised Fund will identify to the grantee organization the name of your Advised Fund, unless you request otherwise.