

THE ALABAMA CIVIL JUSTICE FOUNDATION

Advised Funds

Purpose

Advised Funds accord the Alabama Civil Justice Foundation the opportunity to expand its contacts with current and potential donors and to maintain and foster their continued interest in and attention to the needs and charitable programs within the state of Alabama. The establishment by donors of Advised Funds as a component part of the Alabama Civil Justice Foundation will assist the Foundation in carrying out its charitable purposes.

Guidelines

The following guidelines and procedures have been established by the Board of Directors of the Alabama Civil Justice Foundation, a nonprofit corporation organized under the laws of the State of Alabama, for the acceptance and operation of named funds established by living donors in which the right to make recommendations as to the distribution of principle and income from such funds is reserved by the donor. These funds are referred to below as “Advised Funds.”

These guidelines are intended to be consistent with the purposes of the Foundation, as well as in keeping with regulations on such funds by the United State Treasury Department.

- 1) The Alabama Civil Justice Foundation solicits and will accept Donor-advised and Corporate-advised Funds. Such funds provide the donor with the right to make recommendations to the Foundation’s Board of Directors with respect to the distribution of principle or income from a Donor-advised Fund. Such Donor-advised Funds shall be the property of the Foundation, owned by it in its normal [corporate/legal] capacity and subject to the terms of the Articles of Incorporation and by-laws as amended from time to time.
- 2) No donor may impose any material restriction or condition that would prevent the Foundation from freely and effectively employing the contributed assets or the income derived therefrom, in furtherance of the charitable purposes of the Foundation.
- 3) The donor advisor may submit written recommendations regarding the distributions to be made from such fund and may consult the foundation’s staff about the use of the fund for qualified charitable purposes. These recommendations will be given careful and thoughtful attention. It is understood, however, that these recommendations will be solely advisory, and will not be binding upon the Foundation’s Board of Directors, which legally must retain final responsibility for all distributions made by the Foundation.

Upon the termination, by death or otherwise, of the privilege of a Donor or his/her designees of an Advised Fund to make recommendations, the Fund shall continue as part of the unrestricted permanent funds of the Foundation, unless previously designated at the time of formation to become, or be added to, a donor advised or field of interest fund.

- 4) In the case of a corporate donor, one individual shall be designated by the entity as the person to submit the recommendations of the corporation to the Foundation. The corporate donor may notify the Foundation by written instrument of a change in the individual who is to make such recommendations on behalf of the corporate donor. The corporate donor, may designate an individual to be honored by the Fund, upon whose death, the Fund shall continue as part of the unrestricted permanent funds of the Foundation.
- 5) Recommendations made by the donor will, in each case, be evaluated independently by the Foundation's staff to determine if the recommendations are consistent with the purposes of the Foundation and meet the needs of the community as identified by the Foundation's Board of Directors.
- 6) The executive committee of the Foundation shall serve as the Advised Fund Committee and shall meet as it is notified by the staff of the Foundation that there are recommendations to consider. The committee shall review each staff report, considering among other matters the propriety of the staff recommendation and the extent of support to be provided for the recommended purpose. If the committee desires further information it may direct the staff to obtain it.
- 7) As is the practice of the Foundation, grants for \$1500 or less may be approved with approval of the President and the Executive Director. Other grants may be made only after formal consideration and approval by the Foundation's Board of Directors.
- 8) Grants from Donor-advised Funds will normally be made only to agencies which have received a tax-exempt 501(c)(3) ruling from the Internal Revenue Service and only for the support of charitable or other purposes as described in Section 170 (c)(1) or (2) (b) of the Internal Revenue Code of 1954, as amended.
- 9) No distribution may be used to discharge or satisfy a legally enforceable obligation or personal pledge made by the advisory or any other person. Distributions shall not be made in payment of the dues of any person to any organization.
- 10) It is the practice of the Foundation to encourage recommendations from all sources, including from persons other than Donors, for inclusion of qualified charitable organizations and/or programs, projects, and activities of qualified organizations in the list of specific charitable needs. The Foundation shall enumerate specific charitable needs to which distributions from Advised Funds may be made and shall from time to time determine the charitable needs most deserving of support from such funds. A list of those organizations which have been supported by the Foundation shall be maintained at the Foundation's office revised from time to time, and made available to all interested persons. In addition, the staff may bring to the attention of the donor projects and/or organizations that may be of particular interest to the donor-advised fund.
- 11) Grant recipients will be informed of payment from an Advised Fund unless the donor has specified to the contrary.

- 12) The Foundation has the sole responsibility and authority for the investment of the assets of each Advised Fund. The assets of any Fund may be commingled with those of other Advised Funds, or with other funds of the Foundation, or may be invested in units of a common investment fund which may be established or utilized by the Foundation.