



Welcome to Your

Donor Advised Fund Guide



MANKATO AREA  
FOUNDATION



CITYART WALKING SCULPTURE TOUR

# Inside

Welcome .....	5
Making a Grant from Your Fund .....	7
Common Granting Questions .....	9
Adding to Your Fund .....	11
How Your Funds Are Invested .....	13
Investment Partners Program .....	15
Fund Statements .....	17
How Your Fund Supports Our Work .....	19
Planned Giving .....	21
Our Staff .....	23





CHILDREN'S MUSEUM OF SOUTHERN MINNESOTA

## Welcome to the Mankato Area Foundation Family!

Thank you for selecting the Mankato Area Foundation as your philanthropic partner. Since 1974, the Foundation has been dedicated to connecting our donors with causes they care about. You can create and build charitable assets over time at the Foundation, and recommend grants as often as you'd like.

We appreciate the trust you place in our community foundation and look forward to supporting your philanthropic journey. We hope this handbook provides you with information you'll find useful. Please do not hesitate to contact us with questions you may have as you engage in your personal philanthropy through your Donor Advised Fund at the Mankato Area Foundation.

A handwritten signature in black ink, reading "Nancy T. Zallek".

Nancy T. Zallek  
President and CEO  
nancy@mankatoareafoundation.com  
507.389.4583





THE EUGENE ST. JULIEN COX HOUSE

## Making a Grant from Your Fund

As your community foundation, we serve as your “one-stop shop” for all of your charitable giving needs. In addition to consulting with you as you identify specific organizations addressing projects and issues you care about, we provide an easy and effective way to make a grant ... in just three steps:

### 1. You submit a grant recommendation.

You can submit a grant request in the following ways:

- Electronically through the donor portal
- Email to [nancy@mankatoareafoundation.com](mailto:nancy@mankatoareafoundation.com)
- Send by mail
- Stop by the office

If you have any questions about submitting a grant request, please give us a call at 507.389.4583.

### 2. Foundation staff acknowledge receipt and process the grant recommendation.

We review each nonprofit organization named on the grant recommendation to ensure eligibility. If an organization fails to meet IRS requirements as a qualified nonprofit, we will notify you and can help you to redirect your grant recommendation as appropriate.

### 3. The organization receives the recommended grant.

We send a check to the approved organization from your fund. The accompanying letter acknowledges your fund, unless you request anonymity on the corresponding recommendation form.





GET MANKATO PPE

## Common Granting Questions

### What can grants be used for?

Grants can support qualified nonprofit organizations for general operations, capital campaigns, specific programs or initiatives.

### How do I know if a charity qualifies?

The organization must meet IRS requirements as a tax-exempt organization under the Internal Revenue Code. If you are unsure about an organization's eligibility to receive a grant, let us know. We are happy to "pre-screen" your grant recommendations.

### What can't I fund?

- Specific individuals
- Private foundations
- Fraternal, veterans or labor groups for activities that serve only their membership
- Organizations that practice discrimination
- Political activities or organizations
- Projects benefiting privately owned property or businesses

### ADDITIONAL INFORMATION

Grants can be recommended internationally, as long as the organization is tax-exempt under the U.S. Internal Revenue Code.

Grants may not be used to satisfy all or any portion of a pre-existing pledge.

Grants cannot pay for anything that provides a tangible benefit to you, such as a membership, services, tickets or table sponsorship at an event.





FEEDING OUR COMMUNITIES PARTNERS BACKPACK FOOD PROGRAM

## Adding to Your Fund

Your fund at the Foundation makes an impact, year after year, by the grants made to the causes you care about. You can make just one initial contribution to your fund or add to it over time as you shape or refine your philanthropic goals.

You can contribute to your fund at your convenience through a variety of assets, such as:

- Assets of other Trusts or of a Private Foundation
- Cash Gifts
- Grain
- Farmland
- Life Insurance
- Mutual Funds
- Real Estate
- Stocks and Securities

If you have any questions or wish to make an additional gift to your fund, give us a call.

### COMMON QUESTIONS

#### Can I fundraise for my fund?

Yes, donors can fundraise with prior approval from MAF.

#### Does the Foundation provide the necessary paperwork for filing taxes?

Yes. We provide a receipt for any contributions made to your fund.

#### Do I need to keep a minimum balance in my fund?

No. But as a reminder, our minimum supporting fee will be assessed annually, no matter the size of the fund. For more information on our supporting fee, see page 19.

### ADDITIONAL INFORMATION

You may appoint individuals of your choice, such as children or grandchildren, to serve as advisors to your fund and share in your family's tradition of giving and growing a legacy.

You can contribute to the fund when it is most convenient and, subject to IRS rules, receive a tax deduction for the contribution in that year.





YMCA STRIDE PROGRAM

## How Your Funds Are Invested

Donor Advised Funds are eligible for investment in the Foundation's diversified portfolio. The portfolio is managed and overseen by our investment committee. Our investment committee is composed of local professionals that guide our investment strategies, evaluate and utilize the expertise of that management team and oversee the portfolio's performance.

Our overall investment strategy is to preserve and enhance the charitable purchasing power of our funds over time. To accomplish this goal, our funds are invested according to our Investment Policy Statement. When quarterly investment results are received, they will be allocated to your fund proportionately.

### COMMON QUESTIONS

#### **Can I continue to have my contributed assets managed by my financial advisor?**

Yes. Our Investment Partners Program allows your financial advisor to continue to manage the assets in accordance with our investment policy.

#### **Where can I learn more about the Foundation's investment strategy?**

A full copy of our Investment Policy Statement is available upon request or on our website at [mankatoareaofoundation.com](http://mankatoareaofoundation.com). Choose "Investment Strategy" from the section "For Donors".





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## Investment Partners Program

We created the Investment Partners Program (IPP) specifically to enable donors to maintain existing investment relationships while benefiting from our community knowledge and philanthropic expertise. Through the program, professional advisors remain involved with the Foundation in fulfilling your charitable goals.

### HOW THE PROGRAM WORKS

- We ask that you have a goal of reaching a minimum of \$25,000 in your fund within the first three years.
- You establish a fund, sign a fund agreement with the Mankato Area Foundation and request that your advisor manage the assets. Please note: Once a donation is made to a fund, it is an irrevocable gift to the Foundation.
- The participating advisor sets up an investment account for the Foundation, and the management of these funds is governed by our investment committee in accordance with our Investment Policy Statement. Your advisor then provides us with the investment performance, and we include this in your quarterly fund statements.

Please note: All fund types offered at the Mankato Area Foundation are eligible for participation in the Investment Partners Program. This includes designated, donor advised, endowed and scholarship funds.





YMCA WATER AEROBICS

## Fund Statements

At the Mankato Area Foundation, we provide you with fund statements on a quarterly basis. The purpose of the fund statement is to keep you up-to-date on your granting history, investment returns, supporting fees, and the amount available to grant from your fund.

You can view your fund balance, contributions and grant history through your donor portal. If you wish to inquire about your statements or have any other questions, you may contact Joan Untiedt by email at [joan@mankatoareafoundation.com](mailto:joan@mankatoareafoundation.com).

### STATEMENT SCHEDULE

Statements will be sent either electronically or by mail, depending on your preference. The Mankato Area Foundation operates on a fiscal year of July 1 to June 30, with the following quarterly schedule:

Quarter 1 (July 1 – September 30): statement sent in November.

Quarter 2 (October 1 – December 31): statement sent in February.

Quarter 3 (January 1 – March 31): statement sent in May.

Quarter 4 (April 1 – June 30): statement sent in August.





FALLENSTEIN FIELD

# How Your Fund Supports Our Work

The Mankato Area Foundation's annual operating budget is supported in part by the fees we receive from managing the assets in our various funds. The revenue generated from these fees not only supports the administration associated with all funds, but also enables the Foundation to have a powerful impact in our region. We are about more than transactions; we are about transformation. With your support, we facilitate change in the communities we serve by convening community dialogues, by strategic grantmaking, and by donor connections, nonprofit partnerships and the promotion of charitable giving that ultimately transforms the communities we call home.

## ANNUAL SUPPORTING FEE

For all funds established with the Mankato Area Foundation, an initial supporting grant to the foundation will be assessed in the first year. For subsequent years, a supporting fee will be assessed in accordance with our current fee schedule.

Initial year:

- 2% of contributions received in the first year

Subsequent years:

- 1.25% for funds less than \$1,000,000
- 1% for funds more than \$1,000,000

Supporting fees are based on the average daily balance and are calculated, assessed and deducted from each fund quarterly. The annual minimum assessed to our funds is \$500.

To request a full copy of our current supporting fee schedule and policy, give us a call.

## INACTIVE FUNDS

A Donor Advised Fund is considered inactive after three (3) years with no new contributions or grant recommendations. When this happens, the Foundation will attempt to contact the donor for an update. If we are unable to contact the donor or any advisor on record within six (6) months of the inactive date, the fund will be closed. The remaining balance will be absorbed by the Foundation and become part of our community granting while honoring the original wishes of the donor.





MY PLACE FIELD TRIP

## Planned Giving

As a fund holder at the Mankato Area Foundation, you can effect change now. But what about the future? We all want to leave a lasting impact on the community we call home, ensuring that the vision we support now will endure for generations to come. Here at the Foundation, we are committed to helping you leave a legacy through a variety of planned giving vehicles.

You can create your own personal legacy by leaving an unrestricted gift to the Foundation, adding to an established fund, or creating a new fund with a specified purpose. Regardless of the approach you choose, the community and the causes you value will receive support for years to come.

It is a simple matter to name the Mankato Area Foundation in your will or as a beneficiary on a life insurance policy or retirement account. Once you do, our professional staff will help you customize a personal plan to accomplish your charitable goals long into the future. The Mankato Area Foundation will see to it that your charitable wishes are always carried out, even when you are no longer here to oversee them.

For more information on Planned Giving with the Mankato Area Foundation, give us a call.





VINE ART CLASSES

## Our Staff

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# Giving to Support Our Community

Since 1974, the Mankato Area Foundation has been dedicated to building a community of individuals who believe in the strength of giving. We continue today to shape Greater Mankato through connecting acts of giving with our community's needs. As a permanent, trusted resource, donors look to the Mankato Area Foundation to help them make their charitable giving more effective. The Mankato Area Foundation is impacting individuals in our communities now and for generations to come by providing the expertise to help donors nurture their philanthropic dreams and shape their legacy.



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