



## ASPEN COMMUNITY FOUNDATION

### INACTIVE FUND POLICY FOR DONOR ADVISED FUNDS

The mission of Aspen Community Foundation (ACF) is to inspire philanthropy and ignite collaborative action for community-led change. Consistent with its purpose of promoting philanthropy, ACF is committed to distributing philanthropic dollars from its donor-advised funds to the community at regular intervals. This policy is designed to implement that commitment.

A donor-advised fund (DAF) provides an effective vehicle for donors to make tax-deductible charitable contributions and subsequently recommends grants to qualifying charitable organizations from the funds over time. As ACF works to address community needs through charitable giving, our donor advisors are an important part of our region and grants from advised funds are a significant source of support to vital nonprofit programs serving the Aspen to Parachute region.

While the IRS currently does not require funds held at ACF to pay out grants annually, ACF strongly encourages donors to maintain an active advisory relationship and to make grant recommendations annually.

Per this policy, an inactive fund is defined as a donor-advised fund that never becomes active with grants and gifts after the initial gift or a donor-advised fund that becomes inactive with grants and gifts after three years and when the donor is unresponsive to ACF's efforts to communicate with them.

#### Fund Monitoring Process

- ACF will monitor grantmaking activity of donor-advised funds beginning January 2024.
- ACF will contact fund advisor(s) at least annually via phone, email, and/or U.S. mail and encourage them to actively participate in their donor-advised fund's grantmaking.
- If no grants have been recommended for three consecutive calendar years, ACF staff will attempt to contact the fund advisor(s) via phone, email, and/or U.S. mail to engage the advisor(s) in grantmaking activity, or correspondence regarding the fund's charitable purpose and grantmaking goals. ACF staff will remind advisor(s) of this Inactive Funds Policy.
- If the fund advisor does not respond within 30 days, ACF staff will contact the advisor(s) a second time via phone or email.
- If there is no response within 30 days after the second contact, ACF staff will make a third contact by sending a letter to the advisor(s) via registered mail, encouraging grantmaking and reminding the advisor(s) of ACF's inactive funds policy.
- If the fund has made no grants and advisor(s) cannot be located or is unresponsive to the third contact, the fund will terminate on the 90<sup>th</sup> day of the year immediately following the three calendar years of inactivity.

#### Fund Distribution Process

On termination, the fund's remaining assets will be distributed or transferred in one of the following ways:

- The fund's remaining assets will be distributed to one or more grantees (which may include past grantees) for the charitable purpose specified in the agreement governing the fund; or



- If the fund agreement does not state a charitable purpose, the fund's remaining assets will be transferred to one of ACF's unrestricted funds for the purpose of serving the greatest need.
- After the fund's remaining assets are distributed or transferred, the fund will be retired from the Foundation's books.
- A final notice is sent to the fund advisor communicating the final disposition of the fund's remaining assets.

#### Exceptions

- If the advisor(s) to the fund indicate their intentions to grow the assets over time for a more significant grant in the future, the advisor(s) must state so in writing as the record in the fund. Annual communication between ACF staff and the advisor(s) must occur to ensure compliance with this policy.