

The Modern Charitable Giving Account

Charityvest, Inc.

This document details the policies and guidelines of Charityvest, Inc., and governs the operation of our personal charitable giving funds.

Charityvest reserves the right to amend this document as needed without notice. The most current and up-to-date version is available on our website.

Please consult a tax advisor regarding your charitable giving plans.

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Charitable Giving Accounts

Opening an account

Charitable giving accounts are donor-advised funds controlled by Charityvest to which a donor may make contributions and recommend grants to charity. Individuals, trusts, corporations, partnerships, and estates are eligible to establish charitable giving accounts, but account functions may vary between account types.

Open a charitable giving account by clicking the Create Account button on the homepage of charityvest.org, or if you are prompted as part of a separate enrollment flow. Enrollment is exclusively available via our website. To enroll, you will need to:

- Provide your first and last name and email address.
- Set a password.
- Read and agree to the terms and conditions listed in this document and others.
- To contribute, link your bank account using your online banking credentials.

Users can create multiple accounts by using different email addresses.

Once an account fund is opened, it may be funded with contributions initiated online. There is no initial contribution minimum required to open an account, but all activity on Charityvest is subject to a \$20 minimum. For more information on contributions, please refer to *Contributions* in this document, or visit charityvest.org.

Accessing your account

Charityvest.org offers secure online access to accounts. Use of the website is the exclusive form of accessing and interacting with Charityvest funds. Use of the website is subject

to the *Terms of Use* and *Privacy Policy*, which are available at Charityvest.org.

Fund privileges & succession

If the personal charitable giving fund advisor is unable or unwilling to manage account processes, or if they are deceased, fund control privileges may be transferred to the appropriate successors by editing the email address listed on the Account Profile.

If account access is not possible, the proposed successor(s) to the account should contact Charityvest with necessary proof (e.g., written proof of the donor's inability to manage account processes; durable power of attorney; copy of death certificate.) Charityvest can subdivide funds into multiple new Charityvest accounts and funds, in the case of more than one successor.

Fund abandonment

When a personal charitable giving fund has failed to meet the minimum activity requirements, has little or no other activity, and repeated attempts to contact the fund advisor has failed, Charityvest will terminate advisor privileges in connection with the assets. For more information, please refer to *Minimum fund activity* in this document.

Fund Contributions

Irrevocable gift

Once accepted by Charityvest, contributions are unconditional and irrevocable. Contributions and any future related earnings are no longer the property of the donor; they are owned by Charityvest and will be used solely for charitable purposes. For this reason, when contributing, the donor cannot impose any restrictions or conditions that prevent Charityvest from freely and effectively using the gift to further its mission.

Once Charityvest receives the contributed assets, the donor no longer has control over the assets. The assets in the personal charitable giving fund will be eligible to support 501(c)(3) public charities in good standing with the IRS, in accordance with these policies and guidelines. For more information, please refer to *Grant recommendations* in this document, or visit charityvest.org.

Charityvest reviews all contributions prior to acceptance and reserves the right to reject any contribution for any reason. If unacceptable assets are delivered to Charityvest, we will return them.

Online contributions and minimums

Cash contributions may be initiated online via bank transfer at Charityvest.org. Our contribution process is simple and straightforward. Charityvest currently accepts online contributions of \$20 or more.

Offline contributions and appreciated assets

In certain circumstances, Charityvest can accept offline contributions to your Charityvest account. We will assist you in making such a contribution, and will reflect the balance in your account once the offline contribution process is complete. This can include publicly-traded appreciated securities. To inquire about offline contributions, contact us at support@charityvest.org.

Please note that offline contributions may incur fees at your origin financial institution. Charityvest reserves the right to charge fees to your personal charitable giving fund balance to offset any costs it may incur in processing your offline contribution.

Employer matching

Your employer may offer a matching charitable gift program. Charityvest can accept matching gift contributions from your employer to your Charityvest fund.

Because of the complexity of each company's unique matching gift program, Charityvest does not complete paperwork for the matching gift on behalf of the donor, company, or receiving nonprofit organizations, unless pre-arranged with Charityvest. Donors must submit the matching gift request through their respective employers.

Contribution confirmation

When the contribution process is complete, Charityvest will send you a substantiation letter

via email for official tax reporting purposes. The substantiation letter will include the value of the cash contribution.

Additionally, you will receive a summary of all tax-deductible contributions to Charityvest at the end of each tax year, for simplicity of tax filing and reporting.

A full summary of your tax-deductible contributions for any given tax year is available on your fund activity on [Charityvest.org](https://charityvest.org).

Grant Recommendations

Once a personal charitable giving fund is funded, the owner may recommend grants at any time to qualified charities. Grant recommendations can be made online at Charityvest.org.

Acceptable recommendations

Before approving a grant, Charityvest follows a strict review and approval process in order to:

- Protect the charitable tax deductions and philanthropic intentions of our donors.
- Avoid tax penalties put in place by the Pension Protection Act of 2006.
- Protect its standing with the IRS.
- Ensure all grant dollars are issued only for qualified charitable purposes.

Since contributions to Charityvest are irrevocable, and all donated assets become the sole property of Charityvest, grants from a fund are not tax-deductible, even if a recipient nonprofit issues a tax substantiation letter by accident.

Charityvest's Board of Directors maintains ultimate authority over all grant distributions. In the event that one or more grant recommendations from a user with full account access violates the guidelines detailed in this section, Charityvest reserves the right to transfer fund access to its Board of Directors.

Charityvest reserves the right to deny any grant recommendations that do not meet approved criteria, or for any other reason.

Grants that have already been approved and issued cannot be cancelled.

For details on the review and approval process, see *Grant Due Diligence* in this document.

Minimum grant

Charityvest accepts grant recommendations of \$20 or more.

Charityvest will not process or approve grants in amounts greater than the available account balance.

Grants of a significant dollar amount are reviewed and approved by Charityvest's Board of Directors on a regular basis.

Recurring and future grants

Currently, Charityvest does not support recurring or future grants. When it does, the following policies and procedures shall apply.

Each recurring grant, no matter when it is issued, is subject to the same review and approval process as a single grant. A grant recommended and approved in the past may be denied in the future based on a change in eligibility rules, the recipient organization's status, the Internal Revenue Code, IRS regulations, or other similar reasons.

Minimum fund activity

If after 24 months a fund has not made any grant, Charityvest will contact the user to initiate a grant. If contact attempts are unsuccessful after 90 days, Charityvest reserves the right, in its sole discretion, to issue a grant of 10% of the fund balance to any charity or charities in the the personal giving fund's history. If no history exists, Charityvest may recommend a grant to itself. If fund activity does not resume, the same dollar value of the grant will be made every 6 months using the same logic set forth above, until the fund reaches a zero balance, after which it will be closed.

For more information, refer to *Fund Abandonment* in this document.

Aggregate fund activity

Charityvest targets a net asset distribution of 5% of its total net assets, on a five-year rolling average basis. Should Charityvest's aggregate activity fall below this benchmark, Charityvest will identify all funds over the same five-year period whose activity contributed to the degradation of the average below the performance benchmark. Charityvest will contact the donors associated with such accounts, and request that they make grants until total dollars granted over the period is equal to the benchmark. If such grants are not made within 90 days of such request, Charityvest reserves the right, in its sole discretion, to transfer the requested grant amount to any charity or charities in the the personal giving fund's history. If no history exists, Charityvest may recommend a grant to itself.

Grant Recognition

Each new personal charitable giving fund is identified by a unique fund number, assigned by Charityvest, and a fund name, which can be recommended by the person or entity establishing the fund.

The fund name will appear in letters and communications about your account, including grant payment letters, unless anonymity is requested.

Charityvest intends to allow users to specify Fund Names under certain guidelines. Charityvest will put "The" at the beginning of the name, and add "Fund" at the end. The Fund Name may not include the words "trust," "foundation," or "endowment," as they are terms for other types of charitable giving vehicles.

Fund names may not be unique from other users' fund names.

Recognition or anonymity

Charityvest respects every donor's recognition preferences, and offers several options for recognition with grant recommendations, including Full Information (Donor Name, Fund Name, and Contact Information); Names Only (No Contact Info); and Anonymous.

Naming rights

Donors are permitted to receive naming rights as a result of Charityvest grants without any reference to Charityvest. Under IRS guidance, the benefit received from naming rights is considered incidental. For example, a structure could be named "The Mr. and Mrs. Donor Building."

Other public acknowledgement by a charity of a grant, such as in a publication or on a plaque, should include acknowledgement of Charityvest.

Grant Due Diligence

Charityvest abides by IRS guidelines requiring that all charitable dollars be used to advance the public good. Charityvest makes every effort to protect the tax deductions and philanthropic intentions of donors, as well as Charityvest's standing with the IRS.

However, please note that **donors accept all responsibility for ensuring grant recommendations conform to IRS Code and Charityvest's policies.** Charityvest takes its due diligence process seriously and reserves the right to take appropriate legal action if donors are discovered to have made an improper grant recommendation or grantees have used funds improperly.

Two main factors are evaluated before approving a grant recommendation:

- Tax-exempt status of recipient charity, verified according to the procedures set forth in the IRS' Revenue Procedures 2011-33 and 2018-32.
- How the recipient charity plans to use the grant funds (including the provision of an impermissible benefit as described in this document).

As part of the due diligence process, Charityvest may contact prospective grant recipients to obtain information about their charitable activities. Charities who are receiving their first grant from Charityvest may be contacted directly before a grant is issued. In addition, Charityvest may verify existing charities' addresses and contact information on a routine basis.

From time to time, Charityvest may contact a charity after a grant is issued to ensure the grant was used for its stated purpose. Charityvest understands that donors may communicate with recipient charities. This communication is encouraged; however, donors should not attempt

to modify the purpose of a grant from a personal charitable giving fund, exert control over the grant funds, or divert the grant funds to an improper purpose.

Prohibited grants

Grants from personal charitable giving funds must be made exclusively for charitable purposes. Grants cannot result in more than an incidental benefit for a donor, anyone advising distributions from the donor's fund, an interested party, or family members of any of those individuals mentioned.

Grants cannot:

- result in more than an incidental benefit for any Disqualified Person
- be directed in any way by a Disqualified Person after the Grant Recommendation
- satisfy any legally binding obligation made to the charitable organization
- be made for lobbying purposes or to support political campaigns
- support specific individuals
- be made for any non-charitable purpose

A Disqualified Person includes anyone with access to your personal charitable giving fund, your family members, interested parties, and certain entities that you own or control.

Under rules enacted by the Pension Protection Act of 2006, the IRS imposes stiff penalties on any user who recommends a grant that results in an impermissible benefit or who receives an impermissible benefit. In such an event, Charityvest will take other action as appropriate, including requiring the recipient nonprofit to return the funds to Charityvest, and/or revoking advisory control of the charitable giving fund's assets, and banning the user from the Charityvest platform.

Impermissible benefits

Grants from Charityvest are for the public good, and cannot result in more than an incidental benefit accruing to any specific individual, nor can they be restricted for a specific individual. For this reason, grants will not be approved if they will result in any benefit to the donor that would have the effect of reducing the charitable deduction if the donor had made the contribution directly from personal funds. Examples include, but are not limited to, payment of tuition, free tickets to a gala, or membership benefits.

Charityvest takes this policy seriously. Donors will be required to affirm that their grant recommendation adheres with this policy each time a grant recommendation is made. If a user recommends a grant that results in an impermissible benefit, the donor may be subject to excise tax penalties and other action. See *Prohibited Grants* in this document.

To reiterate this policy and ensure grantee organizations are aware of the restrictions, grant distribution letters include information around the prohibition of conferring benefits as a result of the grant, as well as other information around its policies and regulations.

Membership grants

Grants supporting a membership may be approved as long as the membership or giving level is 100% tax-deductible, and any related benefits are not more than incidental.

Missionary support

Grants to support the work of a missionary may be approved as long as the missionary is not a Disqualified Person, and the recipient charity exercises full control and discretion over the grant funds.

Fundraising events

Donors may support fundraising events as long as the funds do not cover event registration fees. The funds also may not cover legally binding minimum fundraising pledges for a Disqualified Person.

Charities often organize fundraising events that offer benefits to paid attendees, such as dinner tickets or 5K race registrations. Generally, donations to these events are partially deductible; the deductible portion of the gift excludes the value of the benefit received for the donation. Examples of these benefits may include: tickets to an event; a not-fully tax-deductible membership at a museum or public broadcasting station; or goods at a charitable auction.

To maintain good standing with the IRS, and to avoid the risk of fines to users, Charityvest cannot approve grants that are intended to cover any portion of a gift that would result in anything more than an incidental benefit accruing to an individual, including benefits associated with fundraising events.

Donors cannot “split” a donation to a charity and fund the nondeductible part with a personal gift and fully deductible part with a grant from Charityvest. Even though the gift from Charityvest is fully deductible, the grant still enables the advisor to receive benefits that would not be available without the grant. To reach this level, an individual must directly donate the entire amount outside of their Charityvest fund. The individual cannot recommend an \$800 grant from Charityvest and fulfill the rest with a \$200 personal check.

Scholarship programs and tuition

Grants to support scholarship programs and tuition may be approved as long as Disqualified Persons do not participate in the selection process, and the donor’s family members are

ineligible to receive the scholarship or tuition. Though donors cannot select the scholarship recipient, donors may generally set the criteria for selecting the recipient, provided that the criteria are sufficiently broad and not otherwise illegal or objectionable.

Pledges and legal obligations

Generally, grants from charitable giving funds cannot be used to pay any legal obligation that a Disqualified Person owes to a charity. An existing grant agreement or legally binding pledge to make a gift between a donor and charity are examples of such an obligation. A pledge is a promise that binds an individual to make a charitable contribution, and satisfying a pledge through a grant from a Charityvest fund constitutes impermissible benefit to that individual.

As an alternative, donors may express an “intent to recommend” and make nonbinding grant recommendations from their funds. Any intent cannot imply that a grant is guaranteed to be issued from Charityvest.

Suitable Organizations

Charityvest requires a different review and approval process depending on the type of organization. Generally, Charityvest will only issue grants to those tax-exempt charitable or religious organizations that are in good standing with the IRS at the time the grant is approved, and are not otherwise excluded or addressed in these Policies & Guidelines.

If an organization cannot be found via Charityvest’s Search function, you may request that it be research for addition by emailing support@charityvest.org.

Charityvest may refuse to process a grant recommendation at any time for any reason, including the cost or difficulty of conducting satisfactory due diligence.

Grant Processing

To help nonprofits save on administrative cost, Charityvest consolidates all grants to a given charity into a single monthly payment.

If via check, checks are mailed directly to the recipient organization's address on file with IRS. All checks are made payable to the legal name of the recipient organization. Checks typically arrive between 1 and 5 weeks of the date of grant approval.

Donors cannot deliver grant checks to the charity, nor can grant checks be sent to the attention or address of anyone other than the charity. In addition, Charityvest cannot forward to recipient charities any personal letters, cards, attachments, or enclosures from donors.

If via electronic fund transfer, funds are sent in an EFT in the next available monthly payment.

Approval for the return of grant funds for any reason is at Charityvest's sole discretion.

Uncashed checks

Charityvest will contact recipient charities directly if records indicate that a grant check has not been cashed or deposited after 90 days of the issue date. When appropriate, and if the charity has responded to recent attempts at communication, Charityvest will initiate a stop payment order on the check and forward a new check.

Any requests to replace a check before the 90 day period ends will not be honored. In all instances, any interest earned on uncashed checks is retained by Charityvest. If Charityvest cannot identify a resolution for an uncashed check, Charityvest will stop the check and refund the amount to the donor's fund.

Grant Distribution Letter

To ensure the details of a grant are accurately conveyed to recipient organizations, a distribution letter is attached to each grant check from Charityvest. A copy of the letter is also made available to the donor on Charityvest.org.

Based on the information provided by donors in the grant recommendation process, this letter may communicate the following to the recipient charity:

- Purpose of the grant (the default being "Where it's needed most", or a user-specified designation)
- Specific language that makes Charityvest's policies clear to the recipient charity
- Personal note to the charity, such as the gift being In Honor or Memory of someone
- Donor and Fund Names and Contact Information, if applicable (See *Grant Recognition* for more information)

Tax Considerations

This section provides a general overview of selected U.S. federal tax considerations. It is not personal legal or tax advice, nor is it intended to be. Individual circumstances as well as state and local tax laws may vary. Charityvest recommends you consult a tax advisor for guidance on the effect of applicable federal, state, and local tax law on your personal financial situation.

Reporting

Contributions to Charityvest are irrevocable, and all assets become the sole property of Charityvest once they have been donated. Donors claiming a tax deduction for charitable contributions to Charityvest on their tax returns are not eligible for additional deductions when Charityvest makes grants to other organizations. Transfers from another donor-advised fund or private foundation into a personal charitable giving fund at Charityvest are not eligible for additional tax deductions.

Deductibility

U.S. taxpayers generally qualify for tax deductions for their charitable contributions to Charityvest. The ability to claim a charitable contribution depends, in part, on whether the donor itemizes tax deductions or claims the standard deduction. As discussed in the *AGI Percentage Limits* section, donors to Charityvest are eligible to offset the maximum taxable income allowed by law for charitable contributions because Charityvest is a public charity and not a private foundation.

Only the owner of the donated asset is eligible for a tax deduction.

AGI Percentage Limits

Tax deductions for charitable contributions to Charityvest may be limited each year depending on the form of the gift. In general, the maximum charitable contribution deduction a donor can take in a year is based on a percentage of the donor's adjusted gross income (AGI), which is defined by the IRS as gross income minus adjustments to income. Charityvest currently only accepts cash contributions, meaning that the full value of the donation may be deducted, up to 60% of AGI. Contributions exceeding AGI limits may be carried forward on tax returns for up to five years, as long as the donor takes the maximum available deduction each year.

Gift valuation

The tax regulations provide guidelines for gift valuation. In general, a contribution's value is based on the type of asset donated and date of contribution, which ordinarily is the date when the asset is transferred to Charityvest and unconditionally removed from the donor's control.

Under IRS guidelines, the donor is responsible for determining the valuation date and corresponding fair market value for donated securities.

Fees and Expenses

Zero Fees

Charityvest charges no fees to donors to deposit and grant funds, and no fees to nonprofits to receive funds.

100% of funds contributed to your Charityvest personal charitable giving fund can be granted to any qualified nonprofit in the US for free.

Charitable Dividend

At the end of each fiscal year, Charityvest will allocate any Net Income to users of the Charityvest platform as a “Charitable Dividend” which will increase the balance of charitable assets in their personal charitable giving fund. Because they are contributed by Charityvest to users, Charitable Dividends are not considered tax-deductible contributions for the user.

Revenue

Currently, Charityvest’s sole sources of revenue are earned interest on the balances held in its customers’ donor-advised fund accounts, and donations made to the nonprofit outside of contributions intended for personal charitable giving funds.

In the future, Charityvest or Vennfi may charge fees to donors for premium features such as non-cash contributions, fund investment options, or a personal advisor. In the event that Charityvest cannot generate sufficient revenue to continue its operations for basic, fee-free funds over a sustained period of time, Charityvest reserves the right to charge fees to such accounts in order to continue its operation and cover its direct costs.

Charityvest or Vennfi may also charge fees to nonprofits to use the Charityvest platform.

Expenses

Charityvest has extremely limited direct operating expenses, due to its comprehensive agreement with Vennfi.

Charityvest receives the first 0.25% of annualized return from its donor-advised fund assets. If the annualized return is more than 0.25%, Charityvest pays Vennfi a variable fee, capped at 1.25% of annualized return.

Charityvest then earns 51% of any remainder of annualized return, while Vennfi earns 49%.

Under this agreement, Charityvest never owes Vennfi any out-of-pocket amounts, as the agreement has no minimum fixed cost.

About Us

About Charityvest, Inc.

Charityvest, Inc. (“Charityvest”) is a nonprofit organization whose purpose is to advance and improve how charitable resources are deployed.

Charityvest was incorporated in the State of Georgia, and is recognized by the IRS as a tax-exempt public charity under Internal Revenue Code §501(c)(3) for its tax-exempt status, and §509(a)(1) and §170(b)(1)(A)(vi) for its tax-deductible contribution status.

Charityvest’s primary activity is the sponsorship of donor-advised accounts, which we call personal charitable giving funds. The Internal Revenue Code §4966(d)(2) describes a donor-advised account as:

- (1) a fund or account owned and controlled by a sponsoring organization (Charityvest),
- (2) which is separately identified by reference to contributions of the donor, and
- (3) where the donor has or reasonably expects to have advisory privileges over the distribution or investment of the assets.

Vennfi and Charityvest

Charityvest, an independent, nonprofit, public charity, was launched in conjunction with Vennfi, Inc. (“Vennfi”), a for-profit corporation.

Vennfi provides services to Charityvest through a service agreement. Through this agreement, Vennfi earns taxable for-profit income, while Charityvest receives services at or below fair market value.

Although Vennfi provides these services, Charityvest is not a program or activity of Vennfi. Charityvest and Vennfi are separate entities and are referred to in this booklet accordingly.

A majority of Charityvest’s Board of Directors are independent of Vennfi. Any Charityvest Director who has a relationship with Vennfi is not permitted to make decisions related to the Vennfi relationship, subject to Charityvest’s Conflict of Interest policy.

Charityvest is committed to financial accountability, operational transparency, and high ethical standards.

Substantial transparency reporting is available at Charityvest.org, or upon your request.

For more information, please see *Fees and Expenses* in this document.

Governance

Charityvest's staff, donors, and recipient charities are subject not only to the policies and guidelines described here, but also to Charityvest's articles of incorporation, bylaws, and applicable sections of the Internal Revenue Code. Charityvest is governed by an independent Board of Directors that maintains full discretion over the business and its programs, contributions, assets, investment allocations, and distributed grants.

The directors may adopt and change guidelines and policies, including those contained in this booklet, at any time, subject to the provisions of Charityvest's articles of incorporation and bylaws. The directors may amend Charityvest's articles of incorporation and bylaws consistent with Charityvest's status as a 501(c)(3) charity. Copies of the articles of incorporation and bylaws are available upon request.

Board of Directors

The role of Charityvest's Board of Directors is to govern the organization on behalf of its donors and to further the organization's mission to increase philanthropy.

The board is responsible for:

- Monitoring Charityvest's effectiveness.
- Establishing and implementing Charityvest's overall strategy.
- Overseeing policies to promote ethical, legal, and business integrity and accountability.
- Reviewing and approving all recommended grants.
- Overseeing Charityvest's financial position and investment policies and performance.
- Electing Directors and Officers of the organization.

The board may appoint several committees to assist with meeting its responsibilities. Such committees may include:

- Executive Committee to inform strategic decisions of the organization.
- Governance Committee to monitor governance and recommend updates to the board as needed.
- Audit Committee to monitor the establishment of effective internal financial controls, review results of the annual independent audit, and assess compliance with legal and regulatory requirements.
- Investment Committee to review investment guidelines and performance, and approve changes as needed.
- Vendor Committee which manages relationships with third-parties, such as Vennfi.

Contact Us

Please contact our team with any comments or questions.

Customer Support and FAQs:

Please visit [Charityvest.org](https://charityvest.org)

Email: support@charityvest.org

Phone / Fax:

Charityvest provides support exclusively via its online Customer Support channels.

Primary mailing address:

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