

# Bank of America Charitable Gift Fund Program Guidelines

The following Guidelines govern the Bank of America Charitable Gift Fund and donor-advised funds established with the Charitable Gift Fund, including the handling of contributions, grant recommendations, investments, fund reporting, tax information, and fees.

*These Guidelines are designed to provide general information about the Charitable Gift Fund. Information contained on any of its related documents/forms or websites is not intended to constitute legal, tax or investment advice. Consult a personal tax or legal advisor before making tax-related or investment decisions. This information should not be deemed an offer or solicitation with respect to the sale or purchase of securities.*

*The Charitable Gift Fund is governed by the Bank of America Charitable Gift Fund Trust Document under which Bank of America, N.A. is the named, sole Trustee. All activities of the Charitable Gift Fund are subject to the Trustee's discretion directly or through Bank of America employees and/or other agents.*

## APPLICATION

A completed Charitable Gift Fund Donor Application must accompany all first-time contributions to a donor-advised fund account. The Donor must be a US taxpayer and at least 18 years old. If the Donor works with a Merrill financial advisor or Bank of America Private Bank advisor, a signed original application is required to open an account. The signed original application must be delivered to the Charitable Gift Fund. Other Donors, not affiliated with a Merrill or Bank of America Private Bank associate, must submit the application online at [www.bankofamerica.com/donoradvised](http://www.bankofamerica.com/donoradvised) and do not need to submit the signed application.

All applications and contributions are subject to review and approval by the Trustee prior to acceptance. The Trustee reserves the right to reject any new account, Donor or contribution. Contributions not accepted will be returned in a timely manner.

The Charitable Gift Fund does not permit the name of an account to include the words “foundation” or “trust”, except by exception approval. Charitable Gift Fund donors retain only the advisory privileges set forth in these Guidelines, and the Charitable Gift Fund has exclusive legal control over the assets contributed to a donor-advised fund.

Initial contributions of securities, cash or other assets from new donors to the Charitable Gift Fund may require additional time for approval. The Charitable Gift Fund provides a gift receipt as confirmation of all accepted contributions. The gift receipt becomes available when the contribution proceeds are reflected in the account balance. For contributions of publicly traded securities or cash, gift receipts will include the value of the asset for tax reporting purposes. The Charitable Gift Fund is unable to provide a value for contributed non-publicly traded assets. Donors should consult their tax advisors regarding applicable qualified appraisal and other substantiation requirements for such contributions.

The Charitable Gift Fund requests that Donors report any possible gift receipt errors immediately.

## CONTRIBUTIONS

The Charitable Gift Fund is a public charity as described in the Internal Revenue Code of 1986, as amended (the “Code”). (Please see Code sections 501(c)(3), 509(a)(1) and 170 (b)(1)(A)(vi)).

The minimum initial contribution to establish a donor-advised fund account with the Charitable Gift Fund is \$25,000. All contributions to the Charitable Gift Fund are irrevocable gifts, are not refundable and can be accepted in the form of publicly traded securities, mutual fund shares or cash. Other securities (including restricted stock and closely held business interests) and other non-financial assets may be accepted as donations at the sole discretion of the Trustee. The Charitable Gift Fund does not accept low-priced securities or fractional shares of stocks.

The minimum amount for subsequent contributions is \$250.

## ADDITIONAL CONTRIBUTION NOTES

If a donor-advised fund account is established but no contributions are received and accepted within a 90-day period, the Charitable Gift Fund reserves the right to close the account which cannot be reopened once closed.

**Delivery of securities** – Contributed, publicly-traded securities will be sold the business day following receipt or as soon as practical upon receipt of paperwork in good order and approval by the Charitable Gift Fund. Receipt typically occurs the day after the transfer is initiated. Contributions generally require 5 – 7 business days to allow for liquidation, settlement and investment in the account's chosen investment objective. Once assets are liquidated, the Charitable Gift Fund has no ability to return the asset or unwind the trade.

The gift receipt will reflect the fair market value of the contributed assets as of the date the Charitable Gift Fund receives the contribution. The net proceeds from the sale of the asset may differ.

Following transfer of contribution proceeds into the Donor's account, any additional income or dividends received of \$250 or more will be transferred directly to the Donor's account. Any residual income less than \$250 will be transferred to the Charitable Gift Fund's General Fund (the "General Fund"). Assets within the General Fund are directed in the sole discretion of the Trustee and are used for charitable purposes.

**Delivery of cash contributions** — Cash contributions must be in U.S. dollars and may be delivered by check or wire transfer directly to the Bank of America Charitable Gift Fund. Merrill and Private Bank client teams have detailed instructions for check and wire delivery. Delivery instructions can also be found on the Asset Transfer Form, available in the Donor Resources tab of the Charitable Gift Fund portal.

The Charitable Gift Fund generally processes cash contributions the same business day as received, provided all paperwork is in good order.

**Delivery of complex assets** – Contributions of complex assets (including thinly traded public securities, restricted, and closely held business interests, real estate, timberland, farms, ranches, and gas, oil and mineral rights) are permitted but are approved on a case-by-case basis at the sole discretion of the Trustee. The minimum contribution for non-publicly traded financial assets (except for real estate) is \$250,000. Please note, some transactions may involve additional fees and time as the acceptance and receipt of assets of this nature can be complex. Donors and financial advisors should consult with the Charitable Gift Fund well in advance of any deadline or desired timeframe to complete such a transaction.

**Testamentary gifts and gifts from trusts and Individual Retirement Accounts** — The Charitable Gift Fund may be named the beneficiary of a bequest of cash or securities, including mutual fund shares. The Charitable Gift Fund may also be named the beneficiary of a charitable remainder trust, charitable lead trust, Individual Retirement Account (IRA) or life insurance policy. Donors or their attorney should contact the Charitable Gift Fund to request suggested language for such gifts to the Charitable Gift Fund. The Charitable Gift Fund does not give tax advice. Please consult with your independent tax and legal advisors concerning your particular tax and estate planning situation.

**Contributions from an Individual Retirement Account** — The Charitable Gift Fund can accept contributions from Individual Retirement Accounts. However, if the Donor is making a current lifetime distribution, (i.e., not at death), from an IRA to a donor-advised fund account, the donation would be included in the Donor's taxable income and the Donor may be allowed an offsetting income tax charitable deduction. Donors should consult their tax and legal advisors.

**Third party Contributions** – Third parties can make contributions to a donor-advised fund account held by the Charitable Gift Fund and will receive a receipt for tax reporting purposes. They will have no advisory privileges with respect to such account (unless otherwise named as an Advisor).

**Contributions from Private Foundations** - The Charitable Gift Fund does not accept contributions from private foundations to Charitable Gift Fund accounts to meet all or part of the foundation's required 5% minimum distribution.

## GRANT RECOMMENDATIONS

Donors and Advisors can recommend grants to charitable organizations. Grant recommendations should be completed online via the Charitable Gift Fund portal.

All grant recommendations are reviewed and approved by the Charitable Gift Fund. This review includes verification that the recommended charity is organized in the United States and described in Section 170(b)(1)(A) of the Internal Revenue Code, as well as public charities that are described in Internal Revenue Code Sections 501(c)(3) and 509(a)(1), (2), or (3) (a "Qualified Organization.")

Grants for which the Internal Revenue Code requires the Charitable Gift Fund to exercise expenditure responsibility will not be approved. This includes charities designated as private non-operating foundations as well as Section 509(a)(3) non-functionally integrated Type III supporting organizations.

The Charitable Gift Fund distributes approved grants directly to charitable organization and notifies Donors accordingly. If the Charitable Gift Fund cannot accept a recommendation, the Trustee will notify the Donor or the financial advisor. Grant recommendations cannot be processed until the account balance has sufficient funds and the Donor's selected investment objective has sufficient liquidity to pay the grant.

For Donors not submitting grants online, paper Grant Recommendation Forms may be faxed, scanned, or emailed if the grant recommendation is for less than \$250,000. Paper grant recommendations of \$250,000 or more must be submitted on an original signed form. Grants submitted in paper form require additional processing time.

**Minimum Grant Recommendation Amount** — The minimum amount for each grant recommendation is \$250, or the balance of the account, whichever is less.

**Restrictions on Grants** — Grants may not be used in whole or in part to:

- (a) satisfy a legally binding pledge or personal obligation or commitment.
- (b) provide any private benefit (such as school tuition, membership fees with benefits, athletic funds that provide points or benefits, or support for designated individuals including scholarships earmarked for specific individuals), dues, benefit tickets, items purchased at charitable auctions or sponsorships that include tickets or entry to an event.
- (c) provide more than an incidental benefit to Donors, Advisors or other disqualified persons (as defined under the federal tax laws).
- (d) for lobbying, political contributions or to support political campaign activities.
- (e) as payments for goods or services.
- (f) indicate a portion of a bifurcated gift. The Charitable Gift Fund does not allow for bifurcation (subtracting out the non-deductible portion of a larger gift and paying the deductible portion from the donor-advised fund account). Please reach out to The Charitable Gift Fund with questions regarding specific scenarios.

The Charitable Gift Fund will reject grant recommendations for disallowed purposes and will take remedial action if it discovers that grants have been made for disallowed purposes. Grants that benefit individuals, Donors, Advisors or anyone who is a Disqualified Person are prohibited. If Donors or Advisors are found to have inaccurately represented information in a Grant Recommendation, they may be required to take remedial action and indemnify the Trustee, the Charitable Gift Fund and the specific donor-advised fund account.

Recommendations for grants to international organizations will not be approved. However, the Donor may make grant recommendations to Qualified Organizations in the U.S. that function as intermediaries facilitating international charitable giving.

**Anonymous Grants** — Donors and Advisors may request that any grant be made anonymously. In such cases, both the Donors and Advisor names and the name of the donor-advised fund can remain anonymous.

**Grant Distributions and Confirmations** — Grants are issued via checks bearing the name of Bank of America Charitable Gift Fund. Checks will only be delivered directly to the legal mailing address for the recipient charity via the United States Postal Service first class mail. Distributions are accompanied by information specifying the account name and the name of the Donor or Advisor, unless anonymity is requested. After a recommended grant is made, the Donor or Advisor will receive an email confirmation from the Charitable Gift Fund.

Please note that a grant is not a tax-deductible event. The deduction was realized at the time of the contribution into the donor-advised fund account.

**Timing of Grant Distributions** — The Charitable Gift Fund generally processes approved grants within ten (10) business days provided that no additional due diligence is required; the account has sufficient liquidity; and no other delaying factors apply. Grant recommendations for which additional diligence is required will be processed as soon as practicable after the required information is received. Grants are reviewed in the order in which they are received.

A grant recommendation to distribute the entire balance of a donor-advised fund account may require additional processing time. Please be advised that investment values may change between the time of a grant recommendation and the distribution.

**General Fund** — The General Fund is the Charitable Gift Fund's endowment fund. On an annual basis, at the sole discretion of the Trustee, grants are made from the General Fund for charitable purposes. Donors and Advisors may not make recommendations for grants from the General Fund to charities, but they may recommend grants from their accounts to the General Fund.

**Trust Distribution Policy** — The Charitable Gift Fund's trust distribution policy requires that, on an overall basis, the minimum total of annual grants is equal to the total net income that is earned by the Charitable Gift Fund. Future changes in the governing law for donor-advised funds, or a change in the distribution pattern of granting activity by Donors, may require the Charitable Gift Fund to alter its policies to meet this requirement. This may include adjusting the minimum grant activity required per account.

**Number of Grants** — The Charitable Gift Fund generally allows unlimited grant activity; however, the Trustee reserves the right to charge additional fees for extraordinary services including an unusually high volume of grants.

## **YEAR-END CONTRIBUTION AND GRANT TIMELINES**

The Charitable Gift Fund provides year-end timelines for asset transfers, grants, and other transactions applicable from October 1<sup>st</sup> through December 31<sup>st</sup>, to enable Donors to anticipate the required processing timelines at year-end.

## **ADVISOR AND SUCCESSOR DESIGNATION OPTIONS**

Donors may assign Advisor and Successor advisory privileges associated with their donor-advised fund account to one or more individuals. Authorized Advisors and Successors must be United States taxpayers. Donors may also add or remove Advisors or Successors at any time by completing and submitting a signed Advisor or Successor Form to the Charitable Gift Fund.

An Advisor enjoys the same powers that the Donor has during the Donor's life with respect to the donor-advised fund, including recommending grants, reallocating investments, and naming Successors. Advisors hold these privileges only during the lifetime of the initial Donors.

A Successor takes on these advisory privileges only upon the death of all initial Donors. To ensure that an Advisor can continue to exercise advisory privileges after the death of the Donor, the Advisor must be named as both an Advisor and a Successor. Please note the succession plan must be in place with respect to the account prior to the death of the Donor. The Charitable Gift Fund cannot honor succession or beneficiary plans outlined in a will, trust, or other estate planning documents.

After providing notification and a copy of a death certificate, the Successor will assume all privileges and obligations of the Donor, including the ability to recommend grants and name a subsequent Successor. If the Successor is a minor, and an action is required with respect to the account, the Trustee requires that the minor's legal guardian act on behalf of the minor.

Instead of choosing an individual as a Successor, the Donor may recommend that one or more qualified charitable organizations receive the balance of the account subject to the review and approval by the Trustee.

If an account is held jointly, upon the death of one Donor, the surviving Donor(s) continue(s) to have the same privileges uninterrupted. If an account does not have a designated Successor (individual or charitable organization) upon the death of the last remaining Donor, the Trustee will distribute the remaining account balance to the General Fund.

## NOTIFICATIONS

All notifications to Donors and Advisors will be sent via email to the email addresses on file. If the Charitable Gift Fund does not have an email address, notifications will be sent via United States Postal Service. To change your election, contact the Charitable Gift Fund.

## INVESTMENTS

Donors must select one of eight (8) objectives for their account: a principal preservation option or one of seven (7) investment objectives, each available as either actively managed portfolios that include separately managed accounts (SMAs) or passively managed portfolios. The principal preservation investment objective utilizes a money market fund.

Donors should select an investment objective based on their expectations for their account's timeline and use. Donors may recommend a new objective up to four (4) times per calendar year but no more frequently than once every thirty (30) days. Please note, initial funding of an account is considered an investment reallocation and subject to a one (1) month holding period. Investment reallocation requests received the last two (2) business days prior to the quarter end will not be processed until after the fourth (4th) business day of the next quarter.

A description of each of the eight (8) objectives is provided below:

**Principal preservation** — This investment objective focuses on capital preservation and income generation through short-term cash investments. Income is moderate to low and varies as short-term interest rates change. Although there is no capital appreciation, account growth can be achieved through income accumulation and reinvestment. Investors with this objective should be willing to accept a low level of portfolio volatility and risk of principal loss in seeking to achieve current income.

**All fixed income** — This investment objective focuses on current income generation. Due to its focus on fixed-income securities and other appropriate asset classes, the general stability of principal value should be maintained, but is not guaranteed. Investors with this objective should be willing to accept a modest level of portfolio volatility and risk of principal loss in seeking to achieve current income.

**Current income** — This investment objective focuses on current income generation with a modest potential for capital appreciation. Investments are primarily in fixed-income securities with a modest allocation to equities and, where appropriate, other asset classes. Investors with this objective should be willing to accept a modest level of portfolio volatility and risk of principal loss in seeking to achieve current income with potential for capital appreciation.

**Balanced income** — This investment objective focuses on current income generation through a higher allocation to fixed income with a secondary emphasis on capital appreciation utilizing equities and, where appropriate, other asset classes. Investors with this objective should be willing to accept a moderate level of portfolio volatility and risk of principal loss in seeking to achieve current income and capital appreciation.

**Balanced** — This investment objective focuses on the potential for both current income and capital appreciation with corresponding allocations to fixed income and equities and, where appropriate, other asset classes. Investors with this objective should be willing to accept a moderate level of portfolio volatility and risk of principal loss in seeking to achieve capital appreciation and current income.

**Balanced return** — This objective focuses on capital appreciation with a secondary emphasis on current income through a higher allocation to equities than fixed income and, where appropriate, other asset classes. Investors with this objective should be willing to accept a moderately high level of portfolio volatility and risk of principal loss in seeking to achieve capital appreciation and current income.

**Balanced appreciation** — This objective focuses on capital appreciation with a potential for current income through a higher allocation to equities than fixed income and, where appropriate, other asset classes. Investors with this objective should be willing to accept a high level of portfolio volatility and risk of principal loss in seeking to achieve capital appreciation and potential for current income.

**Appreciation** — This objective focuses on capital appreciation with a modest potential for current income generation. Investments are primarily in equities with a modest allocation to fixed-income securities and, where appropriate, other asset classes. Investors with this objective should be willing to accept a high level of portfolio volatility and risk of principal loss in seeking to achieve capital appreciation.

## **DONOR-ADVISED FUND ACCOUNT REPORTING AND TAX INFORMATION**

**Account records and tax reporting** — The Charitable Gift Fund provides quarterly reports of account holdings, as well as confirmations of contributions and grants. Contribution confirmations will serve as a legal tax receipt and show the date of receipt and the fair market value for publicly traded securities or cash. The Charitable Gift Fund does not provide a value for securities that are not publicly traded. Any fair market value listed on a confirmation is a good faith determination on the part of the Charitable Gift Fund. We recommend that Donors consult with their tax advisor before claiming any charitable deduction. Contribution confirmations are issued directly to the individual or entity making the contribution.

**Deductions for contributions to the Charitable Gift Fund** — Subject to certain limitations and other requirements, the Donor may claim an income tax charitable deduction for a contribution to the Charitable Gift Fund for federal income tax purposes. The Charitable Gift Fund is a publicly supported organization as described in Internal Revenue Code Sections 509(a)(1) and 170(b)(1)(A)(vi). While donors should consult their tax advisors to review their personal tax circumstances, information from IRS Publication 526 may be useful regarding the amount of your charitable deduction as it is affected by the type of asset contributed to the Charitable Gift Fund.

**Contributions of publicly traded securities** — For publicly traded securities held for more than one year, the value of the contribution will equal the mean of the high and low prices (i.e., market rate) reported on the date the security is received by the Charitable Gift Fund. For mutual fund shares held for more than one year, the amount of the deduction will equal the closing price on the date of the contribution (i.e., market rate.) For publicly traded securities or mutual fund shares held for one year or less, the amount of the contribution is the lesser of the cost basis or the fair market value as determined above. The Charitable Gift Fund does not track cost basis for the determination of tax deductions.

**Cash contributions** — The deduction will equal the amount of the cash contribution received by the Charitable Gift Fund.

**Contributions of securities that are not publicly traded** — Per IRS guidelines, for securities that are not publicly traded which have been held for more than one year, the amount of the gift will equal the fair market value on the date of the contribution. The amount deductible for securities held for one year or less is the lesser of the cost basis or the fair market value. Consult with a tax advisor regarding qualified appraisal and other substantiation requirements. If the securities are sold or otherwise disposed of by the Charitable Gift Fund within three years of the date of gift, the Charitable Gift Fund is required to file a Form 8282 with the IRS to report the sale price and provide the Donor with a copy. The Charitable Gift Fund sells all contributed securities as soon as practicable following receipt.

**Deductions as a percentage of Adjusted Gross Income** — Cash contributions to the Charitable Gift Fund may be deducted up to a limit of 60% of Adjusted Gross Income (AGI) in the tax year in which the contribution is made. Deductions for contributions to the Charitable Gift Fund of appreciated securities or other appreciated capital assets held for more than one year are subject to a 30% of AGI limitation. Any excess amount that may not be deducted because of these percentage limitations may generally be carried forward for up to five (5) years until fully used. Ability to claim an income tax charitable deduction may be subject to certain other restrictions or limitations. Please contact a tax advisor for specific guidance.

**Grants are not eligible for deduction** — Once a tax-deductible contribution has been made to the Charitable Gift Fund, no further deductions for those funds are allowed. Legally, when the Charitable Gift Fund makes a recommended grant to a qualified charitable organization from a donor-advised fund account, the Charitable Gift Fund is granting its own assets. As such Donors cannot claim an additional charitable deduction for grants made from their donor-advised fund accounts.

**Income earned by the Charitable Gift Fund** — Income that accrues to a donor-advised fund account is income to the Charitable Gift Fund, not income to the Donor. Donors may not claim a charitable deduction for the value of this income, nor will it be subject to income tax.

**Estate and probate considerations** — Contributions made during lifetime to the Charitable Gift Fund and any earnings related to a contribution are not part of a Donor's gross estate for federal estate tax purposes and are not subject to probate.

## FEES AND CHARGES

Fees and charges are comprised of the general administrative fee (based on account balance at the end of the previous month), the investment management fee (based upon a fixed annual rate for all accounts) and the investment expenses (determined by the underlying manager or fund fees of the selected investment strategy). Fees are annualized and charged monthly. Fees are reflected under expenses on quarterly statements.

To receive a copy of the fee schedule: Visit the Charitable Gift Fund portal, Donor Resources tab; contact your Merrill or Private Bank Advisor; or contact the Charitable Gift Fund at 888-703-3436.

**Minimum balance** — If a donor-advised fund account balance falls below \$250, the Donor will receive a notice from the Charitable Gift Fund. The Donor will have 90 days to add a minimum of \$250 to the account. If the Donor fails to do so, the Trustee reserves the right to terminate the account and transfer its remaining account balance to the General Fund.

**Fund Closing** – If a final grant recommendation is made to close an account near the end of a month, the grant recommendation will not be processed until after the current month's fees are processed during the subsequent month. Fees are typically processed by the fourth (4<sup>th</sup>) business day of the month.

After a recommendation to distribute the entire account balance has been honored, any residual cash received in excess of \$250 will be distributed to the last grant recipient. Any balance of \$250 or less will be transferred to the General Fund. The account will be closed after the quarter in which the final grant was made.

**Minimum Activity** — If a Donor does not make any contributions or grants within a five (5) year period, the Charitable Gift Fund will attempt to contact the Donor and Advisor. If the Donor and Advisor do not make a grant or a contribution, the Charitable Gift Fund reserves the right to transfer the remaining account balance to the General Fund.

**Termination** — If a Donor's or Advisor's advisory rights are terminated for any reason by the Charitable Gift Fund, the Donor or the Advisor may make a grant recommendation to a Qualified Organization or grant the remaining assets to another donor-advised fund in each case after payment of all applicable fees and charges. If the Donor or Advisor fails to do so, the remaining assets will be transferred to the General Fund. The right to terminate is in the sole discretion of the Charitable Gift Fund.

**Additional Charges** — Additional charges may be applied in cases of extraordinary services or unusual expenses, including, but not limited to, attorney fees related to the account's activities. Accounts will bear any taxes attributable to its activities or assets. The Trustee will assess any charges for special services, unusual expenses, or taxes to the account. Remedial action and indemnification may be required from the Donor or Advisor in cases of inaccurately represented information in a grant recommendation or other prohibited activity.

**Modification** – All activities of the Charitable Gift Fund and participation by its Donors and Advisors are governed by the Trust Document. The relationship between Donors and Advisors and the Trustee is established in the Trust Document. In the event of any inconsistency between the terms of these Program Guidelines and the Trust Document, the terms of the Trust Document will govern. The Trustee reserves the right to modify the Trust Document or these Guidelines at any time. All modifications to the Trust Document or the Program Guidelines will govern both existing and new donor-advised fund accounts. The Charitable Gift Fund is currently administered by Bank of America Private Bank.

## Contact Us

**Mailing address:**

Bank of America Charitable Gift Fund  
100 Federal Street  
MA5-100-10-21  
Boston, MA 02110

**Telephone:** 888.703.3436

**Email:** [charitablegiftfund@bofa.com](mailto:charitablegiftfund@bofa.com)

Donor-advised fund and private foundation management are provided by Bank of America Private Bank, a division of Bank of America N.A., Member FDIC and a wholly owned subsidiary of Bank of America Corporation.

Donor-advised fund management is provided by Bank of America Private Bank, a division of Bank of America, N.A., Member FDIC and a wholly owned subsidiary of Bank of America Corporation ("BoFA Corp."). Trust, fiduciary, and investment management services are provided by wholly owned banking affiliates of BoFA Corp., including Bank of America, N.A. and its agents. Brokerage services may be performed by wholly owned brokerage affiliates of BoFA Corp., including Merrill Lynch, Pierce, Fenner & Smith Incorporated (also referred to as "MLPF&S" or "Merrill"). Merrill is a registered broker-dealer, a registered investment adviser and Member SIPC.

**Investing involves risk. There is always a potential of losing money when you invest in securities.**

Investment Products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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