



Creating a Donor Fund Within the Comerica Charitable Trust

Americans have long been known for their generosity and their ability to meet the needs of others; this was never more evident than was witnessed during recent world events. However, these same world events have caused the more sophisticated donor to seek alternatives in meeting current philanthropic goals, while providing the means to protect and prolong the legacy they create. These realistic requirements motivated the creation of the Comerica Charitable Trust. The Comerica Charitable Trust provides an efficient, effective and simplistic method of creating a fund that will benefit a donor's favorite charitable organization(s), now and potentially in perpetuity.

The Trust serves the needs all types of donors: individuals, families, corporations, and nonprofit organizations. Comerica Bank & Trust, N.A. is the Trustee of the Trust. The Trust is administered by the Comerica Charitable Services Group, a specialty group within the Private Fiduciary Services group business unit of the Wealth and Institutional Management area of Comerica Bank.

The Comerica Charitable Trust is a 501(c)(3) Organization. Therefore, creating a fund within its borders will generate all of the potential charitable tax and economic benefits that a donor expects from any public charity. In addition, a fund created within the Comerica Charitable Trust can involve future generations of your family as the philanthropic advisors to your fund, and firmly establish your charitable intent now and in the future.

Since the donor fund you are about to create is a reflection of you, your family, and your beliefs; it is important that you be completely comfortable with the vehicle; how it functions and the various options a donor can incorporate into the fund. The following overview is an explanation of the various advantages and formats of this beneficial vehicle.

Types of Donor Funds

A donor fund functions in a manner similar to a *private foundation*, in that it enables the donor to establish a charitable vehicle that will make gifts, or "grants" to specific charitable goals or organizations. In essence, it organizes the donor's charitable gifting. There are two distinct types of donor funds:

- **Expendable Fund** - meaning the "grants" will be made from income and principal. Many view an Expendable Fund as a "charitable check book"; assets or cash are regularly gifted to the fund and distributed to the named charitable entities shortly thereafter.
- **Endowed Fund** - meaning that regular "grants" will be made in accordance with an established distribution policy established by the Trustee of the Comerica Charitable Trust. [The amount is typically 5% of the average annual Fair Market Value (FMV) and based upon the past fiscal year.] The distribution policy can vary periodically due to changes in regulation and prudent fiduciary policy.

Even within these two types of Fund, the Donor may further customize the fund to function as an:

Advised Fund – meaning that your fund will make “grants” to any recognized 501(c)(3) charitable organization within the United States based upon the suggestion(s) made by the donor/advisor. An Advised Fund can be established for a predetermined number of years or in perpetuity. Further, Successor Advisors can be named to continue the charitable legacy.

- ***Designated Fund*** – meaning the specific charitable organizations, or specific types of charities are selected by the donor(s) at the time the fund is created. This form is normally selected by donors with specific goals for specific charities who want their support to last (without variation or amendment to their goal) for a determined number of years or in perpetuity.

There are situations in which a fund will be a “hybrid” or combination of these types of funds. For example, a donor may create an *Expendable Fund* during their lifetime, which will become an *Endowed Fund* at their passing, or by the direction of their named successor family advisors. This is a further example of how the fund can be customized to meet exact charitable goals.

How to establish a Donor Fund

- 1. Complete the Donor Fund Data Form.** The “Donor Fund Data Form” is a tool which is used to establish the goals for the fund, or the donor intent. It can also be useful to assist donors in formulating potential ideas or begin the process toward goals for your fund to achieve. Additionally, the questions on this form will assist the Comerica Charitable Trust in establishing the correct parameters of your fund. For example, aside from charitable goals, this form establishes the longevity of the fund, as well as the advisors the donor wishes to name and establishes the succession plan for fund that will last in perpetuity. The data listed on this form will assist the Comerica Charitable Trust in meeting the donor’s charitable intent at all times.
- 2. Establish the Name of the Donor Fund.** Also listed on the Donor Fund Data Form is the *Proposed Fund Name*. Once again, this fund is intended to meet the customized goals of its founder or the donor. Recognition or anonymity can be very important to the customization of this vehicle. A fund name should be selected that meets the intent of the donor and reflects their personal view on philanthropy.
- 3. The Donor Contribution Agreement is prepared.** This is the actual governing agreement that establishes the goals and objectives for the fund. This document should be reviewed by the donor(s) and their legal advisors for compliance and an accurate depiction of the donor intent.
- 4. Asset Selection and Funding.** While the first three steps are being reviewed and completed, the donor(s) should meet with the Financial Advisor to select the best asset or assets that accomplish the gift value and provide maximum tax benefit. When this schedule of assets (which can be cash, publicly-traded securities, or other appreciated assets agreed upon by the Trustee) is established, the fund can accept the assets and the gifting process is completed and the fund is operational.

Policies relating to Donor Funds

1. Each donor fund is assessed a fee by the Comerica Charitable Trust and paid by the fund in accordance with the published schedule of fees.
2. The donor/advisor will receive a quarterly statement from the Trustee depicting the financial holdings of the fund, income earned, expenses, as well as the grant disbursements.
3. There is a \$50,000.00 minimum contribution to establish a fund with the Comerica Charitable Trust.
4. Additional contributions to the fund may be made at any time in any increment thereafter.
5. The number of successor advisors named in a donor fund is unlimited and perpetual. Succession planning may be established to perpetuate family participation for generations.
6. Donor advisors may also recommend the type of investment for their fund from a selection of best of class investment funds and/or a customized investment program will be established for funds of a specific fair market value and anticipated grant disbursements.
7. The minimum grant made from any fund is \$250.00.
8. All grants must be made to recognized 501(c)(3) charitable organizations within the United States of America. No grants will be made to foreign charities.
9. No grants will be made to individuals.
10. Grants may not be made for purchases, sponsorships or personal donor benefit.
11. No fund raising expenses may be paid from the fund.
12. The fund may not employ anyone.
13. The fund cannot be utilized to satisfy a personal pledge.
14. Total grant distributions for a given year from a donor fund are recommended to equal 5% of the fund's average value (Fair Market Value) over the previous fiscal year.
Note: This is a recommendation only and is not a requirement. However, the Trust will notify advisor(s) as to the recommended distribution amount each year. This distribution policy is subject to amendment and modification by the trustee.

COMERICA CHARITABLE TRUST
Donor Fund Data Form

To Create a Donor Fund please complete the form below and return to the Comerica charitable trust at the following address:

101 north main, suite 100, Ann Arbor, Michigan 48104.

A donor contribution agreement will then be prepared and returned to you for your signature(s). your fund will then be ready to receive your contribution.

Donor/Founder Information:

Name(s): _____

Address: _____

City State Zip Code

Telephone: () _____ Alternative Telephone: () _____

Email Address: _____

Social Security Number(s): _____

Date of Birth: _____

Driver's License Number: _____ Expiration Date: _____

Proposed Fund Name: _____

Is this Fund to be anonymous? _____ Yes _____ No

[Anonymous meaning the Founder identity will not be disclosed and the Fund need not be listed]

Advisor [or Successor Advisor] to the Fund:

Advisor Name: _____

[if different from Founder(s) or is a Successor Advisor]

Address: _____

City State Zip Code

Telephone: () _____ Alternative Telephone: () _____

Email Address: _____

Relationship to Founder: _____

Social Security Number(s): _____

Date of Birth: _____

Fund Financial Information:

Intended Gift Amount: \$ _____

Will this Gift be Cash? _____ Yes _____ No

If not Cash, please describe the asset(s) being gifted to this Fund: _____

The gift to the Fund will be completed in the following manner:

- _____ Check
- _____ Securities Certificate Transfer (currently held at _____)
- _____ Securities Electronic Transfer (currently held at _____)
- _____ Other _____

Investment Recommendations:

- _____ Money Market
- _____ Balanced Portfolio (for Funds \$100,000 or more)

Declaration of Donor Intent and Execution:

It is my/our intent to create a Donor Fund with the Comerica Charitable Trust. I/We understand completely that the transfer of the property described above and in my/our Donor Contribution Agreement is an irrevocable gift. I/We further understand that by executing said agreement, the Fund created will be subject to the terms stated within.

For the Donor(s):

Signature Date

Signature Date

For the Comerica Charitable Trust:

Signature Date

Title

For more information on creating a Donor Fund, please contact the Comerica Charitable Trust, in care of the Comerica Charitable Services Group, 101 North Main Street, Suite 100, Ann Arbor, Michigan 48104, or call Toll Free (877) 405-1091.