

# Contributions

- **Eligible Donors**

The HDAF accepts contributions from United States citizens, companies, trusts, and estates. An Account may be established by a single donor or two donors, typically spouses or partners, who jointly make grants and appoint successors.

- **Making a Contribution**

Donors complete a "[Donor Account Application](#)" and a minimum initial contribution of One Hundred Thousand Dollars (\$100,000). Subsequent additions may be made in any amount.

- **Types of Contributions**

You may contribute cash, mutual fund shares, stocks, bonds, and other securities, including certain private and restricted stock, and real estate. Upon liquidation, which will occur as soon as practicable after transfer to the College, the net amount realized will be assigned units of the endowment, similar to procedures in place for endowed funds, and allocated a pro rata piece of every investment held by the Hamilton endowment.

- **Approval of Contributions**

The College will review and approve all contributions to Accounts, providing donors with a receipt to fulfill IRS substantiation requirements. Rejected contributions will be promptly returned.

- **Legal Control of Contributed Amounts**

Once accepted by the College, contributions and allocable earnings to Accounts are non-refundable, completed gifts to the College, owned and held by its Trustees, subject to the terms of this Policy Document. However, donors retain advisory privileges with respect to the distributions made from their Accounts (see the section entitled "Grantmaking").

- **Testamentary Gifts and Gifts from Trusts**

In your estate plan, you may direct to your Account cash, securities, mutual fund shares, life insurance policies, and Individual Retirement Account and qualified retirement plan assets. In addition, your Account may be named as the beneficiary of a charitable remainder trust or charitable lead trust. To set up a testamentary gift or trust, please consult with your tax and legal advisor(s), as well as with the Hamilton College Gift Planning Office.

# Account Maintenance

- **Naming Your Account**

You will have the opportunity to name your Account on the "Donor Account Application" submitted with your initial contribution. This Account name will be used by the College on internal and external communications, unless anonymity is requested (see the section below entitled "Anonymity of Grants").

Typically donors choose an Account name in honor of themselves, their families, relatives, or faculty. Account names must begin with “The” and end with “Fund,” and may not contain the words “Trust,” “Foundation,” or “Endowment,” as these are legal terms for other charitable vehicles. Please be advised that the College reserves the right to reject a proposed Account name.

- **Donor Account**

Upon accepting a contribution and a “Donor Account Application,” the College will establish your Account, comprised of two Sub Accounts: The College will maintain an accounting of the donor’s contributions to, grants made from, and allocable investment returns and losses of each Sub Account. The amounts reflected in each Sub Account are assets of the College and donors have no ownership interests in them.

- The “H” (Hamilton) Account and its earnings will be irrevocably designated to the College.
- The “O” (Other) Account and its earnings will be available to be distributed to other qualified public charities or the College.

- **Investment**

Your Account will be invested in the total return pool of the College endowment.

- **Fees and Charges to Accounts**

There are no fees or charges for DAF administrative expenses. Your Account, by holding units of the College endowment, will pay its share of the comprehensive investment fee.

## Grantmaking

- **Recommendations**

Donors may recommend grants to the College from either Sub Account “H” or Sub Account “O” and to qualified public charities from Sub Account “O” by completing and submitting the appropriate “Grant Recommendation Form” subject to approval by the College.

Donors may recommend grants to be made on a onetime basis, or as recurring distributions. Annual, semiannual, quarterly and monthly grants are permitted, and a donor may recommend the start date and the number of recurring grant payments. Each distribution is subject to verification of the grantee charity’s status (see below section entitled, “Qualified Charities”). A grant to be made from a recurring grant schedule remains subject to contemporaneous approval by the College.

[“H” Grant Form Here](#)

[“O” Grant Form Here](#)

- **Qualified Charities**

Grants may be made only to charities organized in the United States that are tax-exempt under Code Section 501(c)(3). Recipient charities must also qualify as certain public charities under Code Section 509(a)(1), (2) or (3), or as private operating foundations under Code Section 4942(j)(3) (each a “Qualified Charity” and collectively, “Qualified Charities”). Grants may not be made to private foundations or foreign charitable organizations.

To determine whether a recommended organization is a Qualified Charity, the College may need to contact the recommended charity and obtain confirmation of its tax-exempt status.

- **Approval of Grants**

The College will only approve grants to Qualified Charities that are to be used exclusively in furtherance of charitable purposes (see description below in the section entitled “Other Restrictions on Grants”), and therefore reserves the right to perform any and all due diligence it deems necessary to approve a recommended grant.

If approved, the College will distribute the grant as recommended and notify the donor. If rejected, the College will notify the donor to obtain an alternative grant recommendation.

- **Other Restrictions on Grants**

Grants from the HDAF may not be used in whole or in part for any pre-existing pledge or any private benefit (such as school tuition or scholarships directly benefiting specific individuals, dues, membership fees, benefit tickets, goods bought at charitable auctions), or in any way in which the grant will confer more than an incidental benefit on a donor or successor; nor may grants be used for lobbying, political contributions, or to support political campaign activities.

The College will reject grant recommendations for improper purposes and will take remedial action if it discovers that such grants have been made, including requiring a return of the grant from the charitable organization.

- **Minimum Amount for Grants**

The College requires a minimum grant recommendation of One Thousand Dollars (\$1,000) for a Qualified Charity, while establishing no minimum amount for a grant made to the College.

- **Minimum Grant Activity**

Donors are encouraged but not required to make annual grants.

If donors do not recommend grants from their HDAF Accounts for three years, the College will diligently try to contact the donors to provide them with the opportunity to make grant recommendations. If a donor does not respond within a reasonable time, by making a distribution from the Account, the College will terminate it by transferring the remaining balance of Sub Account “H” to the purpose identified by the donor in the Donor Account Application or, if no purpose is identified, to the Hamilton Fund. Similarly, the College will transfer the remaining balance of Sub Account “O” to the Qualified Charities or Hamilton purposes identified by the donor in the Donor Account Application, if listed, or to the Hamilton Fund.

- **Timing of Grant Distribution**

The College reviews grant recommendations on a regular basis, and will make approved grants as soon as possible, preferring to process grants at the end of the month. Allow 30 days for processing. Further, during certain peak periods, such as the end of the calendar and fiscal years, grant processing may take even longer to complete. Please be aware that the value of an Account may fluctuate between the College’s receipt of the recommendation and distribution of the grant.

- **Grant Checks, Electronic Transfers and Grant Confirmations**

Grants are made by the College on checks or by electronic means bearing the name of Hamilton College. Checks are accompanied by a letter, while electronic transfers may be preceded by a telephone call, email, or letter, from the College recognizing the Account, and including the name and address of the recommending donor, unless anonymity is specifically requested. After the recommended grant is made, the donor will receive a written confirmation from the College.

- **Anonymity of Grants**

If desired, when recommending grants, donors may choose one of two levels of anonymity: communicating Account name only, or complete anonymity. If the donor requests Account name only, then the grant distribution letter will contain the Account name but will not include an address or other contact information for the Account. If the donor requests complete anonymity, no Account information or contact information of any kind will be included in the grant distribution letter.

By standard operating procedure, the grant distribution letter will contain the Account name as well as an address and/or other contact information for the donor.

- **Uncashed Grant Checks**

If a grant check sent to a Qualified Charity is not cashed or deposited within ninety (90) days of issuance, the College will use reasonable efforts to investigate the outstanding check with the Qualified Charity. When appropriate, the College will initiate a stop payment on the check and have it reissued to the Qualified Charity, or if no resolution can be achieved for an uncashed check, refund the Account, and notify the donor.

## Designating Successors

- **Account Successor Election**

At the time the Account is established, the donor may designate a person or persons, including a spouse, partner, child, other descendant, heir, or representative (each a "Successor"), to act, in the order in which they are listed, in the stead of the donor with respect to the Account for a term not to exceed a total of ten (10) years. To designate a Successor(s), the donor must complete and submit a "Successor Designation Form" to be kept on file with the College.

To succeed the donor, the Successor(s) must provide the College with written notification and sufficient proof of the death or incapacity of the last surviving donor or Successor.

Upon the death or incapacity of the last surviving donor or Successor, or the end of the ten (10) year term, the Account will be terminated with the remaining value of the Account distributed under the policy described in Grantmaking paragraph (f) Minimum Grant Activity.

- **Annual Review**

Donors are encouraged to review the Donor Account Application once a year, or more often as desired, to ensure that their intentions and the information about Qualified Charities to benefit from Sub Account "O" remain current and accurate.

# Tax Considerations

Please be advised that this Policy Document is not intended to replace professional legal, tax, or financial planning advice. In fact, you are encouraged to consult with your legal and/or tax advisors before making a gift to the HDAF. The information herein pertains to federal taxes only as individual circumstances and state and local tax laws vary considerably.

- **Charitable Deduction**

Donors will be eligible to take an income tax charitable contribution deduction for contributions to their Account, to the extent allowed by law at that time.

- **Deduction Limitations**

In the year of contribution to the HDAF, the donor may claim an income tax deduction. For cash contributions, the deduction is available up to a maximum of sixty percent (60%) of the donor's Adjusted Gross Income ("AGI"). Appreciated property, is limited to thirty percent (30%) of the donor's AGI. In either case, any excess amount may be carried forward – until exhausted – and deducted each year for as many as five (5) additional years.

Itemized deductions may be subject to certain other limitations. Please contact your tax advisor to determine tax deductibility limits.

- **Estate Planning**

Contributions to the HDAF accepted by the College and any earnings or losses related to those contributions are assets of the College and not part of the donor's taxable estate or subject to probate.

- **Tax Treatment of Fund Earnings and Grants Made To Qualified Charities**

Donors should only report contributions to their HDAF Accounts on their tax returns.

Earnings that accrue to the HDAF as a result of or in connection with a donor's contribution are earnings of the College and therefore not available as a charitable deduction on the donor's tax return. However, Account earnings are available for donors to distribute and to designate to Hamilton and one or more Qualified Charities upon its termination.

Approved grants are made from the College's assets. Accordingly, donors will not be eligible to claim an additional charitable deduction in the amount of these grants.

## Reports

The College will provide the donor with annual reports, either printed or online, as well as other financial information required by applicable law. Annual reports will include information on all Account activity for the year including: investment performance, investment fees, gifts to and grants made from each Sub Account. For this purpose, investment performance includes income as well as realized and unrealized capital gains and losses.

## Donor Recognition

Donors will receive contribution recognition credit equal to the value of any grants made to the College from either Sub Account. Also, donors or their estates will receive recognition credit equal to the amount realized by the College upon termination of the Account.

Donors over age 70 will receive “Bequest Intention” capital campaign and 50th reunion gift credit equal to the value of Sub Account “H.” The “Bequest Intention” credit will be reduced dollar for dollar for every grant made to the College from Sub Account “H.”

## Forms and Questions

To request or return any form mentioned herein, or to ask a question about this Policy Document or the HDAF, please contact the Gift Planning Office at:

Hamilton Donor Advised Fund  
Gift Planning Office  
Hamilton College  
198 College Hill Road  
Clinton, NY 13323

Tel: 866-729-0317  
Tel: 315-859-4669  
Fax: 315-859-4648