

GUIDELINES AND REGULATIONS

Overview



These guidelines describe Orchard Alliance’s Donor Advised Fund (DAF) program, as well as important policies, procedures, and benefits associated with establishing and maintaining a Donor Advised Fund with Orchard Alliance.

For any questions about this booklet, or other topics related to Donor Advised Funds, please contact our Customer Care team at 833-ORCH-ALL (833.672.4255) or service@orchardalliance.org.

Definitions

1. Orchard Alliance: Created by The Alliance to serve the Alliance family where Faith & Finance meet.
2. Donor Advised Fund: (Also referred to as “DAF”) A charitable account for the sole purpose of supporting charitable organizations you care about.
3. Donor: The individual(s) who fill out the application and provide the initial funds for the DAF.
4. Advisor: (Also referred to as “Grantor”) The donors and additional named individuals (either listed on the application or designated later) who have full and equal privileges to recommend grants, request changes to the DAF investment model, and make other permissible changes to the account.
5. Eligible Charity: (Also referred to as “Charity” or “Grantee”) A registered 501(c)3 organization currently in compliance with the IRS, or an entity eligible under a parent corporation’s IRS exemption.

Advisor Responsibilities

ACCOUNT NAMING

Account advisors are responsible for selecting a DAF name. If the DAF is to be anonymous, we recommend selecting a name that does not include the names of any donors or advisors. Orchard Alliance reserves the right to deny a name for the DAF. Possible reasons to not approve a name include, but are not limited to, the following: the selected name is identical or too similar to the name of an existing DAF at Orchard Alliance, or the name is misleading (such as the “Smith Family Giving Trust,” which would suggest the account is a trust instead of a DAF).

ADDING OR CHANGING INFORMATION

Advisors may add or change information, including naming or removing additional current advisors, changing contact information, and recommending DAF investment models.



ONLINE REGISTRATION

Each advisor may have their own individual registration for Orchard Alliance's Online Account Access. Online Access allows the advisor to research grantees, recommend grants, review statements and giving history, and update their individual contact information. One advisor's grant activity will not show up in another advisor's pending or editable grants on their own login but will be viewable on DAF statements once the grants are processed.

END OF LIFE DISTRIBUTION OPTIONS

DAFs are set up with provisions to make either continuous or final distributions upon the death of the advisors. One of the following options can be selected on the initial account application, and any advisor may make changes to the successor advisors or remainder beneficiaries at any time via written request to Orchard Alliance. See below for the end of life distribution options available for your DAF:

1. SUCCESSOR ADVISORS

This option allows your heirs or other individuals to continue making grant recommendations in your place after death or incapacity. DAFs may have one or more successor advisors, with the option to place restrictions on the granting abilities of these successors.

2. REMAINDER BENEFICIARIES

DAFs may also have one or more recommended remainder beneficiaries. If this option is selected, your DAF balance will be distributed in full to a set of preselected charitable beneficiaries.

3. ENDOWED GIVING FUND

An Endowed Giving Fund serves as an alternative end-of-life administration option for DAFs with balances over \$100,000 after final estate settlement. The Endowed Giving Fund makes ongoing payments to preselected Charitable Beneficiaries either on a percentage basis or for a term of years. In order to apply for the Endowed Giving Fund program, a separate [Endowed Giving Fund Application](#) must be submitted to Orchard Alliance.

Note: If no options are designated at the time of the last advisor's death, Orchard Alliance will distribute the remaining balance to qualifying charities at its discretion, based upon the grant history of the DAF if applicable.



ADVISORY RIGHTS

Grantors retain advisory privileges over the investment and distribution of funds in the DAF. A DAF is an irrevocable agreement in which ownership, custody, and control of the donated funds have been given to Orchard Alliance. As such, Orchard Alliance is responsible for the ultimate decision and discretion regarding these funds. Orchard Alliance's adherence to our Statement of Faith, as well as IRS regulations, will be the basis upon which recommended distributions to grantees will be evaluated. Any charities whose mission is determined by Orchard Alliance's Board of Directors to be antithetical to the Orchard Alliance Statement of Faith will be disqualified as beneficiaries of requested distributions.

Statement of Faith

1. There is one God, who is infinitely perfect, existing eternally in three persons: Father, Son, and Holy Spirit.
2. Jesus Christ is true God and true man. He was conceived by the Holy Spirit and born of the Virgin Mary. He died upon the cross, the Just for the unjust, as a substitutionary sacrifice, and all who believe in Him are justified on the ground of His shed blood. He arose from the dead according to the Scriptures. He is now at the right hand of the Majesty on high as our great High Priest. He will come again to establish His Kingdom of righteousness and peace.
3. The Holy Spirit is a divine person, sent to indwell, guide, teach, empower the believer, and convince the world of sin, of righteousness, and of judgment.
4. The Old and New Testaments, inerrant as originally given, were verbally inspired by God and are a complete revelation of His will for the salvation of men. They constitute the divine and only rule of Christian faith and practice.
5. Man was originally created in the image and likeness of God; he fell through disobedience, incurring thereby both physical and spiritual death. All men are born with a sinful nature, are separated from the life of God, and can be saved only through the atoning work of the Lord Jesus Christ. The portion of the impenitent and unbelieving is existence forever in conscious torment; and that of the believer in everlasting joy and bliss.
6. Salvation has been provided through Jesus Christ for all men; and those who repent and believe in Him are born again of the Holy Spirit, receive the gift of eternal life, and become the children of God.
7. It is the will of God that each believer should be filled with the Holy Spirit and be sanctified wholly, being separated from sin and the world and fully dedicated to the will of God, thereby receiving power for holy living and effective service. This is both a crisis and progressive experience wrought in the life of the believer subsequent to conversion.
8. Provision is made in the redemptive work of the Lord Jesus Christ for the healing of the mortal body. Prayer for the sick and anointing with oil are taught in the Scriptures and are privileges for the Church in this present age.
9. The Church consists of all those who believe in the Lord Jesus Christ, are redeemed through His blood, and are born again of the Holy Spirit. Christ is the Head of the Body, the Church, which has been commissioned by Him to go into all the world as a witness, preaching the gospel to all nations. The local church is a body of believers in Christ who are joined together for worship of God, for edification through the Word of God, for prayer, fellowship, the proclamation of the gospel, and observance of the ordinances of baptism and the Lord's Supper.
10. There shall be a bodily resurrection of the just and of the unjust; for the former, a resurrection unto life; for the latter, a resurrection unto judgment.
11. The second coming of the Lord Jesus Christ is imminent and will be personal, visible, and pre-millennial. This is the believer's blessed hope and is a vital truth which is an incentive to holy living and faithful service.

Contributions



HOW TO CONTRIBUTE FUNDS

A minimum \$10,000 initial contribution is required to establish a DAF at Orchard Alliance. Subsequent contributions have no minimum requirement. Cash may be contributed via check or ACH. ACH contributions may be set up online if desired. Stocks and other securities may be used to fund your account and can be facilitated using the Security Gift Form. Contributions of other types of appreciated assets are reviewed on an individual basis by our Gift Acceptance Committee.

ACCOUNT BALANCES AND FEES

Orchard Alliance charges a nominal fee for administering DAFs in the screened models and maintaining the investments in the DAF, per our [fee schedule](#). Fees do not apply to the Zero Fee DAF. While we have no formal DAF minimum, we do have minimum annual fees, so we recommend maintaining a DAF balance of at least \$1,000. When your DAF balance is below this recommended amount, a representative from Orchard Alliance may contact you to discuss your DAF. We typically recommend that the remaining funds either be fully granted out to a \$0 balance or that additional funds are contributed to the DAF, as we desire to see these funds go directly to ministry work and not be depleted by fees.



THIRD PARTY CONTRIBUTIONS

Many donors wish to operate their DAFs like a family foundation, where friends and supporters may contribute to the DAF. Orchard Alliance allows others to contribute cash or securities directly to your DAF. Contributions should be made payable to Orchard Alliance and indicate the DAF name and/or account number. Orchard Alliance will provide a charitable receipt directly to the contributor.

CHARITABLE DEDUCTIONS AND RECEIPTS

Your charitable contribution to your DAF will be dated depending on the type of contribution and method of delivery:

Cash contributions: If mailed via USPS, date of postmark
If mailed via UPS/FedEx or hand-delivered, date of receipt at Orchard Alliance
If transferred via ACH, wire, or other transfer method, date of receipt at Orchard Alliance

Securities: Date the security posts to our brokerage account

Appreciated assets: Date the asset is fully transferred to Orchard Alliance

Charitable contribution receipts are mailed to the donor the month after we receive the contribution. Please consult your tax advisor for how to report these deductions on your tax forms.

Grantmaking



HOW TO MAKE A GRANT

You can access your DAF to make a grant online at any time by selecting your DAF account and using the “Give a Grant” feature. You may research charities via our GuideStar search function, select the timing and frequency of your grants, and even add a personalized message to the charity. Our Customer Care team is available during business hours to assist with selecting a charity or making a grant.



TIMING AND EXCEPTIONS

Please allow 5-10 business days for processing all grant submissions. In the event that additional research is required, Orchard Alliance will reach out to you to advise of extended timing. If a specific grant requires expedited processing, please contact our Customer Care team to discuss this option. Donors may experience longer processing times than usual for grants that are recommended to supporting organizations. We anticipate that most grant recommendations to supporting organizations will still be approved. However, Orchard Alliance will need to do research to determine the supporting organization’s sub-type before making a grant, which could take time. More information on supporting organizations is provided in the section below entitled “Regarding Grants to Supporting Organizations.”

IRS/GENERAL GRANT RESTRICTIONS

Orchard Alliance makes grants exclusively for charitable purposes to qualified charitable organizations. Grants cannot be made that provide more than incidental benefits to a donor, other account holders, their families, or other third parties. The following are some examples of benefits that may be considered more than incidental:

- Goods or services received while attending a gala or fundraising event, such as a dinner or preferred seating at a sports event
- Admission to a charitable event
- Goods or services bought at a charitable auction
- Membership benefits if any portion of the membership fee is not tax deductible
- A financial obligation, such as an enforceable pledge which you have made as a legally binding obligation; however, you can express intention to recommend a grant sponsoring someone else in a walk, bike ride, or run
- Support for your own fundraising commitment, such as a walk, bike ride, or run
- Raffle tickets
- School tuition and other required fees, such as enrollment fees and deposits
- Scholarships where you and persons related to you have sole or majority discretion regarding the recipients
- Other grants will not be made in these instances:
 - The grant will be used for lobbying, political contributions, or to support political campaign activities
 - The grant will be used for improper purposes, such as personal use or non-deductible activities
 - The grant is contrary to Orchard Alliance’s Statement of Faith (as interpreted by the Board of Stewards)

While every effort will be made to approve grant recommendations received, please be advised that Orchard Alliance has the right to refuse any grant request.

REGARDING GRANTS TO SUPPORTING ORGANIZATIONS

Supporting organizations qualify as 501(c)(3) public charities because they have a close relationship with, or support, another public charity. Typically, a supporting organization carries out one or more functions of its supported public charity, like an alumni association that fundraises for a university, or a parent-teacher association that performs certain functions at a school. The IRS breaks supporting organizations into four sub-types: Type I, Type II, functionally integrated Type III, and non-functionally integrated Type III. Legislation requires Orchard Alliance and other charities with DAF programs to perform “expenditure responsibility” on grants to the fourth type, non-functionally integrated Type III supporting organizations – but not the other types. Expenditure responsibility is often a multi-step, multi-year follow-up with the grant recipient charity to determine that the grant was used for proper charitable purposes. Because Orchard Alliance does not generally perform expenditure responsibility on grants, we will not make grants to non-functionally integrated Type III supporting organizations.

NO GRANTS WHEN DONOR OR ADVISORS AND RELATED PERSONS CONTROL THE CHARITY

Similarly, the legislation requires Orchard Alliance and charities like it to perform expenditure responsibility every time it makes a grant to a supporting organization where the recommending donor, advisor, or related persons control the charity that the grant recipient supports. Again, since Orchard Alliance does not generally perform expenditure responsibility on grants, we will decline to make a grant to a supporting organization when the recommending donor, advisor, or related persons control the recommended grant recipient’s supported public charity. Donors will have to certify to Orchard Alliance that neither they nor other donors or advisors on their DAF, nor persons related to them and other donors or advisors on their DAF, control any supported organization of the recommended grant recipient supporting organization.



NON-US CHARITIES

Any grant that is made to a foreign or domestic organization that is not a controlled or a closely affiliated organization and does not have a United States based affiliated 501(c)(3) organization will be vetted appropriately in accordance with IRS requirements to ensure that any granted funds will be used for its exempt purposes. Grants to non-US charities will be considered for amounts over \$25,000.00 due to the amount of vetting required. The following documents and attachments must be provided in English to be considered as a grantee:

1. Purpose Statement of the organization and Incorporation Document or NGO Certificates
2. List of Board of Directors, officers, key personnel
3. List the purpose, budget, and projected outcome for grant application
4. Summary statement of knowledge about the grantee organization (including a brief history of the organization, previous known grants or financial assistance received, experience of the chief personnel, and the organization's overall activities and practices)
5. Relevant statutory law or provisions controlling the distribution of your assets in the unlikely event your organization were to be liquidated or dissolved
6. Upon receipt of the gifted funds, the grantee organization shall provide Orchard Alliance with a detailed accounting of the application of the funds and their charitable purposes

These grantee organizations need to complete a new vetting process every five years to maintain grantee eligibility. Orchard Alliance reserves the right to deny grants to non-US charities without completing the vetting process. Completion of the vetting process by Orchard Alliance and the grantee organization does not guarantee the distribution of funds. Due to the complexities of this vetting process, we highly recommend granting the funds to a US-based 501(c)(3) organization that will accept the funds on the non-US entity's behalf.

MINIMUM ACCOUNT ACTIVITY

There is no minimum required account activity; however, we generally recommend submitting a minimum of one grant every 24 months to retain an active status. In keeping with the spirit of a DAF, if a DAF fails to have a distribution recommendation made for a period of five successive years, Orchard Alliance reserves the discretionary right to distribute five (5%) percent of the net market value of the DAF to the organization(s) named in the most current agreement. If no organizations are named in the most current agreement, Orchard Alliance reserves the right to select a grantee organization. By written notification to the advisor, Orchard Alliance may change the limit from time to time.

Investment Options



ORCHARD ALLIANCE SCREENED MODELS

Your DAF may be invested for stability of principal or for growth potential. DAFs with balances less than \$100,000 will automatically default to the fixed income option. Those with balances of \$100,000 or more may recommend a preferred investment strategy from any of the Orchard Alliance Screened Models listed below. You may select one investment model that best fits your desired strategy. Orchard Alliance reserves the right to choose a different model should circumstances so dictate. The five equity investment models are diversified among global equities, US equities, and fixed income alternatives. Changes to your investment option may be made once every 30 days.

- Aggressive - Equity/Fixed - 90/10
- Moderately Aggressive - Equity/Fixed - 70/30
- Moderate - Equity/Fixed - 55/45
- Moderately Conservative - Equity/Fixed - 40/60
- Conservative - Equity/Fixed - 25/75
- ALL Fixed Income - Equity/Fixed - 0/100



DOCUMENTS AVAILABLE

The following documents are updated periodically and are available upon request:

- **Investment Profile Questionnaire** – a guide for selecting the most suitable investment strategy for your account
- **Investment Model Blended Performance Report** – a quarterly report of the portfolio performance for all models, including historical data for prior years
- **Investment Models Graystone Portfolio Fact Card** – a comprehensive analysis of our equity portfolios
- **Investment Models OA Securities Fact Card** – an overview of the fixed interest investment model
- **Equity Screening Criteria** – explanation of Orchard Alliance’s screening criteria to exclude investments that do not align with our Statement of Faith
- **Graystone Consulting Advisors** – a brief overview of the primary advisors at Graystone Consulting
- **Fee Schedule** – outline of service fees (note: fiduciary fees will be assessed on the portion of funds invested in equity only, in accordance with the fee schedule)

Disclaimer

These guidelines provide information that is general and educational in nature. It is not intended to be legal or tax advice, as Orchard Alliance does not provide legal or tax advice. In compliance with IRS requirements, any information contained herein is not intended or written to be used, and cannot be used, for the purpose of avoiding tax penalties under the Internal Revenue Code. Any deduction and tax information provided relates to taxation at the federal level only. Availability of certain income tax deductions may depend on whether you itemize deductions. Rules and regulations regarding deductions for charitable giving vary at the state level and based on the type of property contributed. We recommend you consult an attorney or tax advisor regarding your specific situation.

A DAF is an irrevocable agreement of which ownership, custody, and control of the donated funds are given to Orchard Alliance. Any requested distributions to charities whose mission is determined by Orchard Alliance’s Board of Directors to be antithetical to Orchard Alliance’s Statement of Faith will be disqualified as beneficiaries under the DAF administered by Orchard Alliance. DAF Advisors will abide by the DAF policies as set forth by Orchard Alliance and understand that these policy restrictions may exceed the minimum government requirements. Communication with Orchard Alliance regarding the administration of DAFs will be advisory only and the ultimate decisions and discretion regarding the funds is the responsibility of Orchard Alliance.

Even though DAFs are irrevocable, to ensure that the fund is a qualified component of the DAF charity for federal tax purposes, the Orchard Alliance, acting alone, shall have the power to modify the terms of the agreement solely to the extent required to ensure such qualification. This agreement shall be governed by the laws of the state of Colorado.