

## **Frequently Asked Questions about our ODKF Club Advised Fund Program**

### **What are the steps to start a Club Advised Fund?**

Complete the agreement form, vote by your Kiwanis Club Board to approve the agreement, send in the agreement and a \$5000 initial deposit to the Ohio District Foundation. The Foundation board will vote to approve your agreement at its next meeting.

### **What can we call our Fund?**

Your Board can vote to name the fund most any name. However, we recommend that you include your club name. Example: Anytown Kiwanis Club Advised Fund or Anytown Kiwanis Foundation

### **Do we have to list that we are a part of the Ohio Kiwanis Foundation?**

To be a Club Advised Fund you must list that you are a sub fund of the Ohio District Kiwanis Foundation. This assists you in meeting the IRS requirements to be a 501(c)(3) fund.

### **How is our money invested?**

Your deposits in the Ohio District Kiwanis Foundation are invested with all other funds of the Foundation. Our finance committee oversees the investment of all funds, based upon an investment policy that is available for your review.

### **What happens to the money earned by our investment?**

The Foundation will place any money earned by your investment into your account. You will be provided with a monthly report updating you on your account.

### **Do we have a say in how our money is invested?**

Your elected Ohio Kiwanis Foundation Directors determine how your funds are invested. You elect new Directors for four year terms. Any Kiwanis member can serve as a Director.

### **How often can we make deposits into our account?**

You can deposit money into your fund at any time.

### **Are all funds we collect tax deductible?**

Checks for deposit in your Club Advised Fund should be made out to your Club Advised Fund name with ODKF in the memo section. These checks are then deposited in your Club account for accumulation before being sent in one larger check to the Foundation for deposit in your fund account.

We suggest that you tell all donors that they should check with their accountant or tax advisor to determine if their contribution is tax deductible. All literature or materials you hand out to promote any fund raisers you conduct should list that “our Foundation or Fund is a sub fund of the Ohio District Kiwanis Foundation and donations are tax exempt under our agreement with the Ohio District Kiwanis Foundation and the provisions of section 501(c)(3) of the IRS code”. You should also state, “a portion of this donation will be used for administrative purposes” and

spell out what amount or percentage of the donation or sold item is donated versus administrative cost. Your treasurer should provide a letter of acknowledgement and receipt to each donor of over \$250.

**How often can we withdraw funds from our account?**

We ask for a reasonable notice be sent to the ODKF Treasurer via snail mail or email and a \$250 minimum for any withdrawal on your account. Requests will be processed once the ODKF executive committee of the Board approves the recommendation of the ODKF treasurer.

**What forms or reports do we have to file?**

As a Club Advised Fund, there is no extra IRS or state of Ohio forms to file. Funds deposited with the Foundation are reported to the IRS on Form 990 by the Foundation. You will not have to report those funds.

**What if we have a separate Bank account for our CAF?**

If you establish a separate local bank account for activities raising funds for your Fund, you will be asked to provide an annual summary of income and expenses. This will assist in meeting IRS tax deductibility and accounting requirements. You will need to include your Fund activity that is a part of your Club's budget and accounts as a part of your 990 form. It is not recommended that you set up a separate bank account for your CAF.

**What is the cost for setting up a Club Advised Fund?**

There is no cost to establish your account within the Ohio District Kiwanis Foundation. Once you have completed the agreement form and deposited \$5000 into your account, you are a Club Advised Fund.

**What is the cost to manage our funds?**

Your Foundation has established a fee of 1% of your portfolio balance as the annual fee for managing your fund if your fund is less than \$100,000. If your fund is \$100,000 or more, the annual fee will be .75% of your portfolio balance. Your club will also pay fees charged by the Investment Advisor this is usually .75%.

**If we have further questions, whom do we contact?**

If you need assistance or have further questions, you should contact Alan Penn, Executive Director of the Foundation at 330-421-3283 or [director@odkf.org](mailto:director@odkf.org) or Travis Humphrey, Treasurer of the Foundation at [treasurer@odkf.org](mailto:treasurer@odkf.org).