



SIGNIFICANCE FOUNDATION DONOR ADVISED FUND GUIDE

The Board of Directors of Significance Foundation (“the Foundation”), an Oklahoma not-for-profit corporation, has determined that the Foundation shall be operated in accordance with the following:

1. General Purpose of the Foundation. The Foundation was formed for charitable and educational purposes. To those ends, the Foundation will utilize its resources to alleviate human suffering and ignorance, primarily by supporting those charitable and educational organizations, programs and activities in the United States which are worthy of support including, but not limited to, those which promote the enlightenment of mankind and the implementation of various means to promote individual and community health, healing, and physical well-being.
2. Foundation Priorities. The Board of Directors of the Foundation (the “Directors”) has determined that the following categories of projects are best suited to meeting the needs within the Foundation’s general purposes:
 - a. Care of indigent persons needing various medical services within the United States;
 - b. Religious, scientific and educational projects and programs which are related to the alleviation of human suffering or will improve the human condition; and
 - c. Education for the public, interested groups and individuals regarding the need for and application of such projects and programs.

The Directors reserve the right to establish and authorize funds to be used for other categories of projects, which they believe to be consistent with the Foundation’s general purposes.

3. Operational Policies in Support of Foundation Purposes. The Directors are empowered to determine the manner by which Foundation assets will be utilized in furtherance of its purposes. The Directors will ensure that the Foundation’s general charitable and educational purposes are carried out. The Directors may solicit advice regarding investment, administration and expenditure of funds from those who contribute to the Foundation. However, the Directors have the ultimate responsibility and authority to carry out the Foundation’s purposes. Accordingly, the Foundation will sponsor Donor Advised Funds to the extent permitted by law and the Internal Revenue Code and Treasury Regulations issued thereunder. In so operating, the following general policies will be observed:
 - a. Status of Assets Contributed to the Foundation. All assets transferred to the Foundation will be held in fee simple by the Foundation in its name or that of an agent, shall be administered by the Foundation in a manner consistent with one or more of its purposes as a charitable organization, shall be subject to the ultimate control and authority of the Directors who shall freely employ such assets and the

income from such assets for the purposes of the Foundation.

- b. Independence of Directors. The Directors shall not be compensated by the Foundation for their services as Directors. However, the Foundation may reimburse the Directors for reasonable expenses incurred in their capacity as Director and may provide compensation to any person serving as a Director for performing services in a capacity other than as a Director.
- c. Donor Advised Funds. Assets contributed by a Donor-Advisor may be held in a fund that bears the name of the donor or his or her family. The Directors may agree to use the assets for purposes recommended by the Donor-Advisor so long as the recommended purposes of the fund and the use is consistent with the charitable and educational purposes of the Foundation. The Directors at all times shall exercise ultimate and direct authority and exclusive legal control over all Funds in order to ensure that the purposes of the Foundation are followed.
- d. Successor Advisors. Using the *Successor Advisor* form available on the Foundation's website, Donor-Advisor(s) may designate Successor Donor-Advisor(s) who will upon the death, incapacity, refusal to serve, or other disqualification of all the original Donor-Advisor(s) assume this role if so desired by the original Donor-Advisor(s). This role is advisory only.
- e. Distributions from Donor Advised Funds.
 - i. The Foundation will only make donor advised grants to organizations described in Section 501(c)(3) of the Internal Revenue Code (the "Code") that are also described in Section 509(a)(1) or 509(a)(2) of the Code (which would exclude private non-operating foundations) that will further the Foundation's charitable and educational purposes.
 - ii. The Directors will seek advice from the Donor-Advisor in determining how principal and income of a designated Fund will be distributed in furtherance of the Foundation's purposes. However, the Directors will not be bound by such advice and will utilize other sources of information in determining whether the designated Fund shall be utilized in a particular way, including making independent investigations to determine whether the Donor-Advisor's advice is consistent with specific charitable needs.
 - iii. If a Donor-Advisor recommends that the Foundation distribute assets from the Donor-Advised Fund established with his or her contributions to a particular charity, such Donor-Advisor must complete a "Distribution Request" attached hereto as Exhibit A. The "Distribution Request," requires the Donor-Advisor to provide the Foundation with information about the potential recipient organization and the purpose of the distribution. The "Distribution Request" will also require the Donor-Advisor to affirm that the grant will not be used to confer a personal or more than incidental benefit on the Donor-Advisor or other disqualified person. No grants will be made to satisfy charitable pledges, for participation in fund-raising events, or raffles, or to pay for goods or services received by Donor-Advisors, the family member(s) of any Donor-Advisors or any other person.
 - iv. Before the Foundation will provide a grant to a recipient organization, the Foundation will perform due diligence, including, but not limited to, affirmation of the recipient organization's status as a Public Charity, the absence of a pledge or personal benefit, and confirmation that the grant and all subsequent communications are handled in accordance with

- applicable law and the policies of the Foundation before approving the grant.
- v. Once the Foundation has completed its due diligence regarding the Distribution Request, Foundation staff with the appropriate credentials, experience, and training will determine whether the Foundation should provide a grant to such organization. In making this determination, the Foundation staff will consider the gift policies and other policies and procedures put in place by the Foundation's Board of Directors, the "Distribution Request," whether it appears that the grant will result in any private benefit, whether the recipient organization appears in Publication 78, and may consider whether the organization has been reviewed by the Better Business Bureau or other similar charity rating organization. If the Foundation staff determines that additional information is required before the Foundation can make a distribution to the organization, the Foundation staff will conduct a follow-up examination of the recipient organization. If the Foundation staff determines that a particular grant may not be in the best interests of the Foundation, the Chief Operating Officer shall have legal counsel and/or the Board of Directors review the request to determine whether the grant should be approved. The Foundation will approve only those requests that are consistent with the Foundation's purposes and do not violate the Foundation's gift policies, which have been approved by the Foundation's Board of Directors.
 - vi. The Foundation will provide Donor-Advisors with guidelines to help them make appropriate recommendations.
- f. Investment.
- i. The Foundation has the sole responsibility and authority for investment of the assets of each Donor Advised Fund. Decisions with respect to the retention, investment or reinvestment of assets will be made by the Directors. Assets in Donor Advised Funds will be accounted for separately and apart from other funds of the Foundation, but may be commingled with other assets of the Foundation for investment purposes.
 - ii. All contributions to each Donor Advised Fund, and all income generated therefrom, as well as all future appreciation, realized and unrealized, attributable to the assets held in each such Donor Advised Fund, shall be credited to each such Donor Advised Fund.
- g. Required Grant Distributions. Each year the Foundation may grant distributions equal to or exceeding 5% of the Foundation's average net assets on a fiscal year rolling basis or such other amount that applies to similarly situated organizations under applicable law or regulation. The Foundation will regularly review its assets to ensure sufficient liquidity to allow for annual distributions of at least 5% or such other amount as determined under law or regulation of the Foundation's net assets. Such obligation and liquidity requirements will be considered in accepting all gifts, including assets, which are not readily marketable such as life insurance.
- i. If this level of distribution is not attained, the Foundation will identify the Donor Advised Funds from which grants over the same period totaled less than 5% or such other amount as determined under applicable law, regulation, or policy of each account's average assets.
 - ii. The Foundation will contact Donor-Advisors to the funds identified as potentially inactive or insufficiently active to request that the Donor-

Advisors recommend qualifying distributions of at least 5% (or other amount identified by the Foundation) and, if these recommendations are acceptable to the Foundation, it will make the requested distributions.

- iii. If a Donor-Advisor does not provide the recommendations, the Foundation will terminate the advisory rights of the Donor-Advisor and any successors and transfer the entire balance of the fund to the general fund of the Significance Foundation.
- h. Inactive Donor Advised Funds. If a Donor-Advisor fails to provide qualifying distribution advice for a period of two years, the Foundation will terminate, upon written notice to the Donor-Advisor, the advisory rights of the Donor-Advisor and any successors and transfer the entire balance of the fund to the general fund of the Significance Foundation. Such termination shall not relieve the Donor-Advisor of any outstanding obligations to the fund.
- i. Oversight.
 - i. When the Foundation approves an organization for a grant, the Foundation will send a check directly to the recipient organization with a letter stating that the recipient charitable organization must use the funds only for the intended purpose and that the Foundation has the authority to withhold and/or recover grant funds when such funds are, or appear to be, misused.
 - ii. The Foundation may require each recipient to send it periodic reports to provide the Foundation with information about how the recipient has been using the funds. The Foundation may also require recipient charitable organizations to provide it with a final report and accounting once the recipient has exhausted the funds.
- j. Record Keeping. The Foundation will keep adequate records of correspondence between the Foundation and the Donor-Advisors and between the Foundation and the recipient charitable organizations.
- k. Fees. The administrative fee for each Donor Advised Fund of the Significance Foundation presently is 1% per annum of the Fund's assets with a minimum of \$550 per year and a maximum of \$5,000 per year. This fee assists in covering the accounting and reporting associated with the Fund and other general and administrative costs of the Significance Foundation. The Significance Foundation reserves the right to adjust this schedule at any time without notice. In addition, each Donor Advised Fund bears its proportionate share of the investment fees and expenses of the invested asset pool and operating costs of the Foundation not covered by the administrative fee.
- l. Recognition of Donor Advised Funds. Unless otherwise requested by a Donor-Advisor (e.g., anonymity requested), any distribution from a Donor Advised Fund will identify to the grantee the Foundation and the name of the Fund from which the distribution is made.

Acknowledged:

DONOR ADVISED FUND NAME _____

DONOR NAME _____

Signature of Donor-Advisor _____ *Date* _____

Signature of Donor- Advisor _____ *Date* _____