



Bluefin Philanthropic Fund, Inc.

Policies and Guidelines

INTRODUCTION

CONTACT

Please contact us with comments or questions

Web: www.bluefinphilanthropic.com

Email: brian.russell@bluefininvest.com

Phone: (904) 834-3309

Mailing:

3201 Sawgrass Village Circle

The Falls Building

Ponte Vedra Beach, FL 32082

ABOUT BLUEFIN PHILANTHROPIC

Bluefin Philanthropic Fund, Inc. is a 501(c)(3) public charity that operates a donor advised fund dedicated to philanthropic causes. Donations to the donor-advised fund qualify as a charitable contribution and are eligible for a federal income tax deduction.

Bluefin Philanthropic created this fund in the hope that it will encourage individuals to invest in their community by making contributions that will be used to support other worthy charitable organizations.

Bluefin Philanthropic was founded by Bluefin Investment Management, LLC (Bluefin Investments), a Florida-based independent investment company founded in 2009 that manages investment portfolios for its clients. Bluefin Investments is a Registered Investment Advisor (RIA), which requires a higher fiduciary standard than a bank or brokerage is held to.

It should be noted that Bluefin Philanthropic and Bluefin Investments are two separate entities that operate independently of each other.

WHAT IS A DONOR-ADVISED FUND?

As provided in the Internal Revenue Code's §4966(d)(2), a donor-advised account is:

(1) a fund or account owned and controlled by a sponsoring organization, (2) which is separately identified by reference to contributions of the donor or donors, and (3) where the donor (or a person appointed or designated by the donor) has or reasonably expects to have advisory

privileges over the distribution or investments of the assets.

The donor-advised structure lets you contribute to Bluefin Philanthropic and receive an immediate tax deduction, then invest that donation to grow over time, before ultimately recommending grants from your fund to charities of your choice – all while keeping costs to a minimum.

GOVERNANCE

Bluefin Philanthropic's staff and donors are subject not only to the policies and guidelines described here, but also to Bluefin Philanthropic's articles of incorporation, bylaws, and certain sections of the Internal Revenue Code. Bluefin Philanthropic is governed by a board of directors that maintains full discretion over the business and its programs, contributions, assets, investment allocations, and distributed grants.

The directors may adopt and change guidelines and policies, including those contained in this booklet, at any time, subject to the provisions of Bluefin Philanthropic's articles of incorporation and bylaws. The directors may amend Bluefin Philanthropic's articles of incorporation and bylaws consistent with Bluefin Philanthropic's status as a 501(c)(3) charity. Copies of the articles of incorporation and bylaws are available upon request.

Board of directors

The role of the board of directors is to govern the organization on behalf of its donors, account advisors, and beneficiaries and to further the organization's mission to increase philanthropy.

The board is responsible for:

- Monitoring Bluefin Philanthropic's effectiveness.
 - Establishing and implementing Bluefin Philanthropic's overall strategy.
 - Overseeing policies to promote ethical, legal, and business integrity and accountability.
 - Reviewing and approving recommended grants.
 - Overseeing Bluefin Philanthropic's financial position and investment policies and performance.
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ACCOUNTS

OPENING AN ACCOUNT

Bluefin Philanthropic accounts are individual donor-advised funds that may be opened by individuals, corporations and other business entities, trusts and estates. However, charitable organizations exempt under section 501(c)(3) of the Internal Revenue Code, such as private foundations, are not eligible.

An account may be established by completing a Donor Application and making an initial irrevocable contribution to Bluefin Philanthropic of \$5,000 or more.

Applications may be obtained and completed online at www.bluefinphilanthropic.com or requested to be sent by mail or email. Completed applications may be mailed or faxed to us. Once the account is established, Donors may make additional contributions at any time.

ACCOUNT NAME

As part of the account establishment process, Donors will be asked to name the account. This will be the name your fund will include in its correspondence with grant recipients when making grants to charities (unless anonymity is requested). Typically, Donors choose a name in honor of themselves, their families, relatives, or friends (e.g., "The Smith Family Charitable Fund"). Bluefin Philanthropic reserves the right not to approve a name for an account.

ACCOUNT DONORS

The Primary Donor is the individual who has primary responsibility for the relationship with Bluefin Philanthropic. All correspondence, with the exception of confirmations related to contributions made by Additional Donors, will be sent to the Primary Donor at the Primary Donor's address of record (or email address, if requested). Generally, Bluefin Philanthropic requires an individual to be named as the Primary Donor. The authorized representative of a trust or estate may be named as the Primary Donor.

Primary Donors may name up to three other persons in addition to the Primary Donor on an account ("Additional Donors"). Each Additional Donor will have full and equal privileges to recommend grants, to recommend changes to pool allocations, to name and remove successors to the fund, and to name and remove Additional Donors. Donors being added or removed must provide written consent to their addition or removal. Additional Donors will receive confirmations of their individual contributions to Bluefin Philanthropic only for tax purposes. Additional Donors do not receive grant confirmations, even if they are the recommending Donor.

SUCCESSORS

Donors will be asked to recommend at least one successor for the account. This successor(s) can be an individual to assume account privileges, and/or an IRS-qualified public charity to receive any remaining balance in the account after the death of the last remaining Donor.

STATEMENTS

At the end of each quarter, Primary Donors and all authorized parties receive an account statement, which summarizes the account balance, contribution and grant transactions, and all other activity from the most recent quarter. In January, the statement includes a summary of all account activity for the preceding calendar year. Statements are not intended for tax-reporting purposes.

Statements may be sent electronically or via U.S. mail.

WEB ACCESS

Primary Donors and all authorized parties will receive online account access at bluefinphilanthropic.com to view account activity, initiate contributions, and recommend grants and exchanges, if applicable. Delivery and communication preferences may be established after registering for online access.

CONTRIBUTIONS

Contributions to the donor-advised fund are irrevocable. Contributions and any future related earnings are no longer the property of the donor; they are owned by Bluefin Philanthropic and will be used solely for charitable purposes. For this reason, when contributing, the donor cannot impose any restrictions or conditions that prevent the fund from freely and effectively using the gift to further its mission.

Bluefin Philanthropic reviews all contributions prior to acceptance and reserves the right to reject a contribution if it will be difficult to process, cause excessive unreimbursed expenses, or for any other reason. Unacceptable assets delivered to the fund will be returned.

The minimum initial contribution required to open an account is \$5,000. Additional contributions of any amount are accepted any time after an account is established.

If the Fund cannot accept a contribution for any reason, the asset(s) will be returned as soon as possible.

Bluefin Philanthropic generally accepts contributions of:

- Cash equivalents
- Publicly traded securities
- Shares of most nonproprietary mutual funds

CASH EQUIVALENTS

Bluefin Philanthropic accepts cash-equivalent gifts of U.S. dollars in the form of personal check, wire, electronic bank transfer, or money order. Checks and wires must be drawn on a U.S. financial institution.

Check contributions are generally deposited on the day they are received by Bluefin Philanthropic and credited to selected investment options on the following business day. If received before 2 p.m., Eastern time, contributions by wire are generally credited to investment options on the day of receipt, assuming Bluefin Philanthropic has

sufficient notice of the wire's transmittal. (Both time frames assume prior receipt of paperwork or electronic submission in good order.)

MUTUAL FUND SHARES

Donors may contribute mutual fund shares from most other firms. Before donating mutual funds, please contact Bluefin Philanthropic to verify acceptability. Often, additional documentation is required to process mutual fund contributions. Once Bluefin Philanthropic receives the donated shares and all required authorizations, the shares will be sold as quickly as possible.

PUBLICLY TRADED SECURITIES

Securities such as stocks and bonds may be delivered to Bluefin Philanthropic's brokerage account electronically or mailed to Bluefin Philanthropic in certificate form. Bluefin Philanthropic provides documents to donors to assist with transfers; however, the holding firm may require use of its own documents. Once Bluefin Philanthropic receives both the appropriate donation documentation and the donated securities, the securities will be sold as quickly as possible, generally on the business day following their receipt. Bluefin Philanthropic will not hold the assets at a donor's request.

COST BASIS

By default, Bluefin Philanthropic uses the first in, first out (FIFO) method to identify stock shares, unless another cost basis method was already selected. If the cost basis method for the account is recorded as "Specific ID," and the donor would like to contribute a specific lot of shares, the donor must submit a letter of instruction to Bluefin Philanthropic, signed and dated by all registered owners of the account, which includes the:

- Account number.
 - Security name and ticker symbol.
 - Date the shares were acquired.
 - Quantity of shares and purchase price.
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The letter must be submitted to Bluefin Philanthropic before the assets are transferred. If the cost basis method election is any other type, no special action is required.

CONFIRMATIONS

Once an asset is accepted, Bluefin Philanthropic will send the donor a substantiation letter for tax-reporting purposes. The substantiation letter does not include a contribution value, except when the contribution is defined in dollar terms (such as a check, wire, and some mutual fund gifts). Proper gift valuation for tax-reporting purposes is the responsibility of the donor.

To assist donors with the valuation process, valuation information is provided by the IRS at [irs.gov](https://www.irs.gov). Certain contributions may require a qualified appraisal.

When the contribution process is complete, a confirmation letter is sent to all donors confirming the transaction. The letter shows a summary of account investments and the investment allocation of the net gift proceeds. This letter is not a tax substantiation letter and should not be used for such purposes.

TAX CONSIDERATIONS

Bluefin Philanthropic is a public charity, which allows donors to immediately take a charitable tax deduction.

The value of the deduction will depend, in part, on the type of asset contributed. The limits for most individual donors are summarized below:

- Cash: 50% of AGI
- Securities held *more* than one year: 30% of AGI
- Securities held *less* than one year: 50% of AGI

Contributions exceeding these limits may be carried forward for up to five years.

Rules and regulations regarding tax deductions for charitable giving vary at the state level. In addition, certain additional rules or limitations may apply with respect to your tax treatment depending on your specific circumstances. Only the owner of the donated asset is eligible for a tax deduction. Please consult your tax advisor.

Grants from Bluefin Philanthropic and account-balance fluctuations due to market changes are not tax-deductible.

This section only addresses federal taxes and is not intended as legal or tax advice. Individual circumstances and state and local tax laws vary. Bluefin Philanthropic recommends you consult a tax advisor for guidance on how your charitable giving will impact your financial situation, including federal, state, and local taxes.

COMMON TAX DEDUCTIONS

- **Cash/Check:** Your deduction is the amount of the cash contribution.
- **Publicly-Traded Securities:** Your deduction is the fair market value of the securities for those held longer than one year. We calculate the fair market value of publicly traded securities as the mean of the high and low price reported on the date of contribution.
- **Mutual Fund Shares:** Your deduction is the fair market value of the mutual fund shares contributed for those held longer than one year. We calculate the fair market value of mutual fund shares as the closing price on the date of contribution.
- **Short-Term Securities:** The deduction is limited to the cost basis or the current market value (whichever is lower) for securities (both publicly-traded and other securities) or mutual fund shares that have been held one year or less.

FEES

Bluefin Philanthropic's only compensation is through a monthly fee based on the size of your account.

Bluefin is unique in that it charges a smaller fee for months when the account is lower, which is a way to make our compensation more fair.

- Positive month: 0.08% charge
- Negative month: 0.04% charge

There is a minimum monthly fee of \$10 to cover our research, marketing, legal, accounting,

administrative, and processing costs, as well as general overhead.

Account Custodian services are provided by Interactive Brokers, who charge a \$10 monthly fee for their services. This includes free trading for commissions below that threshold and a small per-trade cost when exceeding it. Bluefin receives no compensation or kickbacks from the custodian, eliminating potential conflicts of interest.

INVESTMENTS

Investment accounts are tailored to each individual client's risk tolerance and giving objectives, based on donor recommendations.

The funds are invested with a low cost discipline, investing primarily in individual stocks or bonds, and index funds and ETF's. Purchases and sales (trades) will be placed through Bluefin Investments' custodian, Interactive Brokers. The custodian is entirely independent and neither Bluefin nor any related persons receive any form of compensation from them.

Investment recommendations from donors may be rejected for a number of reasons.

The first is if a recommendation goes against a prudent investment strategy which risks accomplishing its charitable purpose. For example, an investor with a short-term time horizon may recommend a 100% equity (stock) allocation, but this is risky and not prudent, and therefore would not be permitted. The "prudent man rule" will be used as a guide for this purpose.

The other criteria which would cause a recommendation to be rejected is if the recommendation appears to produce private benefit to a financial company, donor, or related person. In this case, Bluefin will not approve the investment option.

All investments are subject to risk. Diversification does not ensure growth or protect against a loss in a declining market. All investment allocation recommendations are subject to review and approval by the Board. Donors may not retain control of investments, including the retention or sale of any assets contributed.

INVESTMENT STYLE RECOMMENDATIONS

Growth: *For donors with a longer-term horizon before gifting to charity (5-7+ years).*

The Growth style carries the most risk, but has the highest potential for growth and has the longest term horizon. It invests primarily in stocks, both domestic and foreign, and has a smaller percentage of safer investments, like bonds.

Target allocation:
70-80% Equity
10-30% Fixed Income
0-10% Cash

Moderate Growth: *For donors with a longer-term horizon but not looking to take as much risk (4-6 years).*

The Moderate Growth style carries some risk and has growth potential, but not as much as the Growth style. A slight majority of the portfolio is invested in riskier assets like stocks.

Target allocation:
60-75% Equity
15-35% Fixed Income
5-10% Cash

Balanced: *For donors with a medium-term horizon before making gifts to charity (3-5 years).*

The Balanced style gets its name because it is a split between riskier and safer investments. It is less aggressive, but still has the potential for growth.

Target allocation:
45-55% Equity
45-55% Fixed Income
5-10% Cash

Moderate Conservative: *For donors with a short-term horizon, but looking to take a little more risk (1-4 years).*

The Moderate Conservative style leans towards safer investments, but has a slight allocation to riskier assets with the potential for growth. A majority of the portfolio is in safer investments like bonds, while the riskier investments like stocks are invested in less-risky large cap and dividend paying stocks.

Target allocation:
15-35% Equity
60-75% Fixed Income
5-15% Cash

Conservative: *For donors with a shorter-term horizon, looking to make immediate large gifts to charity (under 1 year).*

The Conservative theme carries the least risk with the least potential for growth and has the shortest-term horizon before gifting to charity. It invests primarily in safer investments like bonds. It maintains a slight exposure to stocks, though invests in "safer" stocks like large caps and dividend paying companies.

Target allocation:
5-15% Equity
65-85% Fixed Income
10-20% Cash

GRANTS

The funds in your Bluefin Philanthropic account are available for grantmaking purposes only. Donors may recommend grants at any time to qualified U.S. charities.

PROCESS

First, a grant recommendation must be made. This can be done either online or by completing the grant form found in the “Forms” section of the website.

We will then verify that the charitable organization is eligible to receive the grant.

Grants are issued in check form and mailed by Bluefin Philanthropic directly to the recipient organization’s verified address, usually on the business day after the funds are removed from a donor’s account. All checks are made payable to the legal name of the recipient organization. (A charity’s legal name may differ from a common or preferred name provided by the donor.)

Payment to the recipient nonprofit will be sent with an accompanying note, personalized to the donor’s instructions and disclosure preference. Additionally, we will send a letter to your address on record to confirm any grants that are made from an account.

Nonprofits that receive your donation will not issue a tax receipt since you cannot take a tax deduction on the donation. However, the recipient nonprofit may send a note of thanks if you choose to provide contact information.

ELIGIBLE GRANT RECIPIENTS

Grants from philanthropic accounts must be made exclusively for charitable purposes. Recipient nonprofits must be exempt under Section 501(c)(3) and classified as public charities under Sections 509(a)(1), (2) or (3), or are treated as the equivalents of public charities for federal tax purposes, like universities.

Grants cannot result in more than incidental benefit for a donor, account advisor, interested party, or family members of the donor. Prohibited grants include, but are not limited to:

- Individuals
- Private foundations
- Non-functionally integrated Type III supporting organizations
- Political campaigns, candidates, or to support lobbying activity
- Fulfill an existing pledge (an existing pledge is one you make before Bluefin approved the grant)
- Pay for dues, membership fees, tuition, goods from charitable auction, admission to charity events or other goods or services
- Receipt of anything of value in return for the grants, such as free dinner or goods or services.

NUMBER OF GRANTS

Grants are encouraged and there is no limitation on the amount of grants that may be recommended in a year.

MINIMUM GRANT

Grants may be made in any amount, however, grants under \$250 will be charged a \$10 fee to in order to curb small donations. There are no restrictions on a maximum or minimum number of grants that can be recommended in any given time period and no minimum balance is required to maintain a DAF account.

DISCLOSURE PREFERENCES

Full Disclosure – Will provide the name of the individual(s) named on the account and their mailing address, as well as any special purposes, like “Donation made in honor of ...”

Partial Disclosure – Will provide only the account name of the Donor Advised Fund (“The Smith Family Charitable Fund”)

Anonymous – Will not disclose any donor information with the grant, only providing information that the gift came from The Bluefin Philanthropic Fund, Inc.

ADDITIONAL INFORMATION

In the event of any inconsistency between this Policy and Guidelines and the Bluefin Philanthropic Fund's Articles of Incorporation and Bylaws, the Articles of Incorporation and Bylaws will control.

Donors, advisors or any related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from donor advised funds.

Bluefin Philanthropic was founded by Bluefin Investment Management, LLC as an independent, nonprofit, public charity in 2017. Although Bluefin Investments provides certain investment

management and administrative services to the Fund pursuant to a service agreement, Bluefin Philanthropic is not a program or activity of Bluefin Investments.

Each donor's tax situation is unique and is likely to be impacted by specific facts and circumstances that are beyond Bluefin Philanthropic's control or knowledge. Additionally, tax laws and regulations change frequently, and their application to a particular taxpayer's circumstances can vary widely. We strongly encourage you to consult with your tax advisor. Bluefin Philanthropic disclaims any responsibility for the accuracy or adequacy of any position taken by donors in their tax returns.

Bluefin Philanthropic Fund, Inc. is a 501(c)(3) public charity. Contributions are tax deductible as allowed by law (Tax ID: 81-5130625). A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL FREE WITHIN THE STATE, 1-800-435-7352. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE. Refer to: DTN2908880.