



Important Information for FJC Donor Advised Fund Account Holders Related to Operations During COVID-19

Updated December 21, 2020

Main Takeaways

- We are operating remotely and very much open for business.
- FJC is highly discouraging any paper checks or correspondence via US Mail.
- We are transitioning to 100% paperless payment processing.
- Keep those grant recommendations coming!

FREQUENTLY ASKED QUESTIONS

Is FJC operating?

Yes! Due to the pandemic we transitioned to 100% remote operations in 2020. At FJC we stand committed to working with our donors to provide the necessary support to the charitable sector, particularly in times of crisis. **During this time of crisis, nonprofit organizations need your support more than ever.**

Is FJC able to process grant recommendations?

Yes! Please continue to recommend grants to the charities of your choice. Your favorite charities need your support now more than ever, and we remain committed to processing recommendations quickly and funding approved grantees.

We highly recommend that you make grant recommendations through FJC's online [Account Portal](#). Email is also an option. (You may contact our grants administrator Christian Hartig at Hartig@fjc.org). We are sending staff into the office when we can, but if you mail in a request form via US Mail, you may experience delays in processing times.

How are you distributing grants to nonprofit organizations?

We have stopped using paper checks as the primary means of distributing grants, and we have begun making nearly all grants using bank-to-bank transfers (Automated Clearing House, or ACH). In addition to keeping our staff safe and healthy, we believe this is more efficient for grantees, many of whom are also unable to get into their offices to deposit paper checks.

What does this mean for me as a donor? Will I have to change my processes for recommending grants?

No, with one minor exception. We don't anticipate substantial changes to the process from the donor's perspective. You should continue to recommend grants as you always have. The main process changes will be from the grantee's perspective. The one exception is, our donor portal will request that you provide an email address at the organization to facilitate the grant getting received and deposited (see below).



What is ACH and how will grantees receive their grants?

ACH stands for Automated Clearing House, which is a network that coordinates electronic payments and automated money transfers. ACH is a way to move money between banks without using paper checks, wire transfers, credit card networks, or cash. If you have ever paid a bill through your bank's online bill pay system (or e-filed your taxes), chances are you have probably used an ACH platform.

To enable our ACH payment system, FJC set up a master account with a company called Bill.com, a provider of cloud-based software that automates back-office financial operations for small and midsize businesses. We researched a number of cloud-based payment systems and chose Bill.com because it best fits our current systems and provides the highest degree of safety and security for our account holders and grantees.

When a donor recommends a grant to a nonprofit charity, FJC will go through its typical approval process. Instead of cutting a check, each grantee will receive an email from us notifying them that they have received a grant from FJC. The email will contain all of the language that has typically accompanied our checks, plus a link to the Bill.com site. The first time a charity receives this email, they will need to set up a username and password and enter their banking account information. (This assumes that they don't already have a Bill.com account, and many charities already do). If they receive subsequent grants, they will need to log in to receive grants, but they will not need to re-enter their account information unless their bank account changes.

It seems like this would impose additional work for my grantees! What if the organizations don't open the email or can't figure out how to open the Bill.com account?

We agree this is a change to what your grantees have been used to. There may be a learning curve to get up to speed on the Bill.com process, but it's really no different than opening up any online service. It's actually pretty easy. We think the fact that there are grant funds waiting for the organizations will be a great motivator.

We also believe in the long run, this will be a better and more efficient system for getting grants to nonprofit organizations. We will reduce the amount of paper, cut down on checks lost in the mail (which happens more often than we'd like), and reduce the number of checks that need to be voided and reissued for various reasons. We will run a report every 30 days to see which grants haven't been accepted and will reach out to every organization to troubleshoot and help them access their grant funds. (When checks were our main method of distributing checks, we would go through a similar process for undeposited checks every 60 days).

Have grantees been using Bill.com?

Yes. About two-thirds of FJC's grantees successfully open a Bill.com account and receive the ACH payments electronically.

For the remaining one-third, we try a few times to get them to sign up for the account. If they don't respond we direct Bill.com to send them a paper check through the mail. This can add many days to the check-clearing process, because the process relies on the US Postal Service and introduces more room for error. For example, checks may get lost in the mail, or



organizations may not always immediately deposit paper checks. Furthermore, like many small businesses, many nonprofits are facing operational challenges during the Covid-19 pandemic that can slow down routine transactions.

How can I help my grantees sign up for Bill.com?

You can help FJC to accelerate the grantmaking process by helping our grantees embrace the electronic payment protocols. For example, during the grant recommendation process, we encourage donors when prompted to provide an email address at the organization, particularly someone who will be responsive to our communication. Very often we send emails regarding Bill.com accounts and payments to grantees' generic email addresses, which may not be checked or responded to promptly. If you have relationships at your organizations, please help us connect these dots.

Is ACH the same as wiring funds?

They are similar electronic payment processes, but they rely on different clearinghouse intermediaries. Wires tend to be faster (same day). ACH transfers can sometimes take up to six business days to clear. Also, in terms of fees, ACH payments tend to be cheap for the sender and free for the receiver. Wires can cost both parties.

Can I request that my grants are made by wire?

In some limited cases we will issue grants via wire with our customary \$30 processing fee.

Can I request that my grants are made by check?

Yes. We can ask Bill.com to issue a check instead of an ACH payment.

Are there any additional fees associated with Bill.com?

None that we will pass along to donors or grantees. FJC will shoulder the cost of our arrangement with Bill.com as part of our cost of doing business, which will be offset by a reduction in postage and other check issuing costs.

What about cybersecurity?

As you can imagine, any changes to our operations means reducing some risks and introducing others. We are very mindful of the risks to security and data integrity in moving to a cloud-based platform. Bill.com is an established company that is compliant with all Federal and state regulations governing financial data. The company undergoes a rigorous Service Organization Controls Report (SOC Report) process that audits and tests their security systems. We are confident that Bill.com is taking aggressive measures to mitigate the risk that data breaches may compromise FJC grantees' banking data.

From a donor's perspective, our engagement with Bill.com will not introduce any additional risk regarding donor data. Bill.com will require grantees to enter banking information, but will not require any information from donors (unless a donor chooses to use Bill.com to make donations to FJC).



Can I still make donations to my Donor Advised Fund account by check? What if I have special circumstances or particular hardships related to electronic transactions?

Yes, but we are highly discouraging it. We ask that all cash contributions are sent by credit card, ACH, or wire transfer. Using electronic payments ensures the most efficient crediting of your account and also reduces the risk of our staff's exposure to Covid-19.

For special circumstances, please contact our CFO Regina Rodriguez by email (Rodriguez@fjc.org) or phone (212-714-0001 x7425) and we will assist you.

So, how can I make donations to my Donor Advised Fund account?

If making cash donations, make donations to your account via credit card, wire, PayPal, or ACH (bank-to-bank transfer) rather than mailing a paper check. (Donations of appreciated stock are, of course, always welcome). Visit the [Donate page](#) of our web site for more information.

What's the best way to communicate with FJC?

Although we are working remotely, we are using all our usual modes of communication. We recommend email for routine questions and correspondence. You can find our email addresses [on our website](#) or contact us at FJC@FJC.org. All phone calls and voicemails will be promptly returned.

