



TOP TEN WAYS TO USE DONOR ADVISED FUNDS

A donor advised fund is a flexible and powerful philanthropic tool that enables donors to achieve a variety of charitable and tax planning goals in partnership with The Findlay-Hancock County Community Foundation. A popular alternative to a private foundation, donor advised funds enable charitably minded individuals, groups and businesses to make contributions that are then invested in a charitable fund. Donors can recommend grants to charities in Findlay and Hancock County, as well as in other parts of the country.



1. Capture Capital Gains for Charitable Purposes. By making a gift of long-term capital gain property such as publicly traded stock to a donor advised fund, you avoid capital gains tax on appreciation and receive an income tax charitable deduction for the fair market value of the contributed securities. By giving from your assets rather than your income through a donor advised fund, you can amplify your philanthropy in a tax efficient manner while benefitting your favorite charities with grants over time.

2. Simplify Gift Reporting: One Gift, One Receipt. You can centralize your giving and cut down on the number of tax receipts you need for annual recordkeeping by making one gift to your donor advised fund. We issue a gift acknowledgment to you for tax purposes. Over time, you can request that grants be made out of your fund to the charities you recommend.

3. Terminate An Existing Private Foundation. You created a private foundation many years ago and now circumstances have changed – whether through family changes or geographic dispersion, new charitable priorities or estate planning intentions. You can terminate your private foundation into a donor advised fund at the Community Foundation and retain the best part of the foundation experience – focusing on grants

and community impact. We take care of all of the administrative aspects of managing the fund. In most cases, a donor advised fund will be far less expensive to administer than a private foundation and offers enhanced tax benefits as well.

4. Gift of Closely Held Shares, LLPs or LLC Interests. You might have charitable goals but illiquid and highly appreciated assets such as interests in closely held businesses, limited partnerships or limited liability companies (LLCs). We can receive such assets to facilitate a range of donor objectives. If given to a private foundation, such gifts are valued at their cost basis. Each gift carries its own complexities and issues – we work with you to analyze potential options that advance your charitable goals.

5. Anonymous Gifts. You want to support particular charities but do not want your name publicized. Creating a private foundation results in a public annual tax return searchable on the internet. You can create a donor advised fund at The Community Foundation and request that grants be made anonymously. Some of our largest donor relationships request anonymity so that they can decide when to be known, or not, to charities they support.

TOP TEN WAYS TO USE DONOR ADVISED FUNDS CONTINUED



6. Create a Philanthropic Inheritance for Children Now or Through An Estate Gift. You are thinking of how to create a mechanism to get your children, friends or family members civically engaged, both now and in the future. You can create a donor advised fund for your children individually or as a group from which they can suggest grants in the community – whether here or in other parts of the country. You can also name a donor advised fund at the Community Foundation as the beneficiary of a retirement account, will or Charitable Remainder or Lead Trust as a way of creating a “philanthropic inheritance” for your children, friends or family.

7. Real Estate Gifts. You might not have considered that your investment property, vacation home, commercial property or other real estate interests can be used to support your charitable interests. You might contribute an apartment building into a Charitable Remainder Trust and retain income. You might execute a Retained Life Estate on your primary residence or vacation home and live in it for your life – with the property coming to the Community Foundation upon your death. A gift of real estate to The Community Foundation allows the donor to take an income tax charitable deduction for the full fair market value of the property.

8. Engaging Family Members in Grantmaking. You like the idea of an annual family meeting to promote discussion, pass along your values and enhance family relationships and dialogue. We can work with you to create a grants budget for your donor advised fund that lets you suggest grants that you want to support as well as some that might be determined by consensus through a family meeting or a children’s committee. We can help with ideas on how to promote giving and philanthropy among family members and create a governance structure that fits your goals.

9. To Endow or Not to Endow. A donor advised fund is a flexible giving option. It can be created as an endowment, spending only a portion of its value (4.5 or 6%) from year to year with the objective of growing over time. It can be non-endowed and spend into its principal value from year to year and be supplemented with additional gifts from time to time. If you want to capitalize growth for several years to make a larger grant in later years, the fund is not required to make a grant distribution each year (unlike a private foundation). Whether you wish to grow your fund over time or consider funding options over multiple years, a donor advised fund can accommodate your objectives.

10. Co-Invest with Us Through Our Community Investment Opportunities. You are interested in particular charitable causes but unsure which charity to select. Or, you want to do something for your community but don’t know the best place to contribute. As the largest grantmaking foundation in the region we can share with you our professional insight into particular causes or organizations; share grant proposals that we receive through our work in the community that may fit your interests; or investigate charitable opportunities that might interest you. Whether you make grants directly to organizations from your donor advised fund or support these efforts through contributions to our Funds for the Common Good, you can enhance your impact on the local community

For more information on establishing a donor advised fund with The Findlay-Hancock County Community Foundation, contact Tracy McMath at (419) 425-1100 or tcmcmath@community-foundation.com.