



Charitable Giving Through the Community Foundation

A Resource Guide for Professional Advisors

What is the Community Foundation?

The Eastern West Virginia Community Foundation (EWVCF) was founded in 1995 to build permanent endowment dedicated to improving the quality of life in Berkeley, Jefferson, Morgan, Hampshire & Hardy counties. The foundation facilitates the philanthropic activities of area donors and provides services that help donors make informed, meaningful and strategic gifts to charitable organizations. The Community Foundation also assists local nonprofit organizations by providing an investment mechanism to build their permanent endowments. Since its beginning, EWVCF and its affiliates have provided over \$4 million in grants to area nonprofits through its community endowment and component funds.

How does the Community Foundation assist Professional Advisors?

We work through you. You stay in control of your client relationships-we are here to help you serve your clients' philanthropic interest.

We offer customized service. We work closely with you to develop a giving approach that matches your clients' personal interests and tax planning needs. Our knowledgeable staff will help you realize your clients' giving goals and ensure that their philanthropy has a lasting impact on our community. Our goal is to make giving easy, meaningful, and effective.

We know our community. Our professional staff regularly monitors areas of local needs and the organizations whose mission it is to address those needs. We can help you learn about local agencies and programs that make a difference in the areas your client cares about most. At your request, we will get information on a specific nonprofit program or organization, or several organizations, working in a particular area of interest. We can also facilitate site visits, tours, and meetings with nonprofit leaders.

We offer you the opportunity to recommend charitable giving to your clients without recommending a specific charity. By working through the Community Foundation, your clients have the flexibility to support a wide range of charities, locally and nationally. We can assist with due diligence and can also provide anonymity as desired by your clients.

We can offer maximum federal and state tax benefits. The Community Foundation is a public charity and establishing a fund is significantly more cost-effective than starting a private foundation.

Types of Charitable Funds

Unrestricted Funds - meeting a variety of changing community needs, an unrestricted gift to the Community Foundation will allow your client to help meet a broad range of community needs- including those that cannot be anticipated at the time of the gift.

Donor Advised Funds - giving from a personal perspective, your clients can have ongoing involvement in the use of their gift by recommending grants to address issues and needs in the community that they care most about. Recommendations are submitted to our board for approval and then our staff processes the grants.

Scholarship Funds - assisting deserving students, your clients can set up a scholarship fund to support students in their pursuit of education. Your clients determine the criteria that students must meet in order to receive the scholarship and EWVCF staff will handle all the administrative details.

Field of Interest Funds - impacting a specific area of need, your clients can target their gifts to have an impact on a particular area of community life - arts, education, animal welfare, aging, environment, etc.

Designated Funds - helping to sustain local organizations, your clients can designate one or more specific nonprofit organizations that will receive annual gifts from a designated fund.

The Community Foundation offers effective giving solutions that will achieve your clients' financial and philanthropic goals. Foundation staff provide personal service to you and your clients.

As a foundation donor, your clients become part of a community of philanthropists benefiting from almost 25 years of grantmaking in the Eastern Panhandle. Our goal is to effectively help your clients facilitate their philanthropy to make an impact in the areas of the community that mean the most to them.

The chart below illustrates the benefits of working through the Community Foundation for donor advised giving.

- Ways to Give**
- ✓ Outright Gift
 - ✓ Bequest by Will
 - ✓ Charitable Remainder Trust
 - ✓ Charitable Lead Trust
 - ✓ Retained Life Estate
 - ✓ Beneficiary Designation of Retirement Funds, IRAs, and Life Insurance
 - ✓ Transfer of a Private Foundation

| | EWVCF DONOR ADVISED FUND | COMMERCIAL GIFT FUND | DIRECT GIFT | PRIVATE FOUNDATION |
|---|---|---|--|--|
| <u>ITEMS TO CONSIDER</u> | | | | |
| <u>DONOR INVOLVEMENT</u> | Donor recommends grants to qualified nonprofit groups. Grants are approved by local CF board. Donor has continued involvement over lifetime and may name spouse and/or successors | Donor recommends grants to qualified nonprofit groups. Grants are approved by national trustees of the gift fund. Donor can name spouse and/or children as successors | Donor gives a gift directly to public charity. Control is limited to the initial gift decision. Once gift is made, donor has no further involvement with the gift. | Donor appoints initial board, which controls investments and grantmaking. Family may be involved in future decision-making as members of board of directors. |
| <u>TAX STATUS</u> | Public Charity | Public Charity | Public Charity | Private Foundation |
| <u>INCOME TAX DEDUCTIONS</u> | | | | |
| <u>CASH:</u> | Up to 50% of AGI | Up to 50% of AGI | Up to 50% of AGI | Up to 30% of AGI |
| <u>APPRECIATED SECURITIES:</u> | Fair market value up to 30% of AGI | Fair market value up to 30% of AGI | Fair market value up to 30% of AGI | Fair market value up to 20% of AGI |
| <u>REAL ESTATE AND CLOSELY HELD STOCK:</u> | Fair market value up to 30% of AGI | Fair market value up to 30% of AGI | Fair market value up to 30% of AGI | Fair market value up to 20% of AGI |
| <u>GRANTMAKING SUPPORT</u> | Professional staff is available to help identify and assess grantees, provide input on community needs, and verify nonprofit status of groups. | Varies | Donor decision based on own research | Donors must arrange and support their own grantmaking and monitoring structure |
| <u>START-UP COSTS</u> | | | | |
| <u>INITIAL COST:</u> | None | None | None | Several thousands of dollars |
| <u>MINIMUM CONTRIBUTION:</u> | \$10,000 | Varies | Any gift size is appropriate | Typically millions of dollars |
| <u>ADMINISTRATIVE REQUIREMENTS</u> | Pooled administrative annual fee, EWVCF handles all tax reporting | Varies, Financial institution handles all tax reporting | Donor is responsible for all tax reporting | Legal, accounting expenses and filing fees. Staffing and direct operating expenses may apply. Annual 990PF tax form must be filed |

FOR MORE INFORMATION:

Eastern West Virginia Community Foundation - 304.264.0353 or info@EWVCF.org
 Hampshire County Community Foundation - 304.822.7200 or info@hampshireccf.org
 Hardy County Community Foundation - 304.538.3431 or info@hardycountycf.org