

WHAT LEGACY WILL YOU LEAVE?





Compare the Options

COMPARE THE OPTIONS	CHESTER COUNTY COMMUNITY FOUNDATION FUND	PRIVATE FOUNDATION	COMMERCIAL DONOR ADVISED FUND
Start-Up Incorporation Tax Exemption	Easy and inexpensive to set up. No set-up fees. Fund can be established in one brief meeting.	\$3000-\$5000 in professional fees, 3-6 months to incorporate, create bylaws and receive 501(c)(3) determination from IRS.	No set up fees.
Asset Size	Appropriate for any asset size over \$10,000.	Typically established with substantial assets of \$10+ million.	Varying minimum balances for assets from \$10,000 to \$30,000.
Required Payout	No annual distribution requirements; can accumulate toward sizeable project or grant.	5% annual distribution required.	Varies.
Excise Taxes	No excise tax on income.	Excise tax of up to 2% of annual net investment income.	No excise tax on income.
Tax Treatment of Gifts:	Donors enjoy maximum tax advantages:	Tax treatment is not as favorable:	Tax treatment is not as favorable:
Cash gifts	Deduction up to 50% of adjusted gross income for cash contributions.	Deduction up to 30% of adjusted gross income.	Deduction up to 50% of adjusted gross income for cash contributions.
Publicly traded securities	Deduction up to 30% of adjusted gross income for long-term appreciated property including	Deduction up to 20% of adjusted gross income	Deduction up to 30% of adjusted gross income
Gifts of real property	Deduction of fair market value for gifts of most assets.	Deduction of only cost basis	Most do not accept gifts of real property, such as real estate, privately held stock, S-corporation stock, or artwork.
Liability, Insurance & General Administration	CCCF handles financial and administrative matters including investments and accounting; legal filings; annual tax return and annual independent audit.	Donor must perform, contract, or hire staff for these services.	Commercial gift fund handles these services.
Grantmaking & Grant Administration	CCCF offers knowledge of community needs, issues education, system for evaluating requests for grants and verifying tax-exempt status of grantees, and expertise in appraising nonprofits and monitoring performance.	Donor must perform, contract, or hire staff for these services.	Verifies tax-exempt status of grantees.
Privacy	Anonymity, if desired.	A private foundation's tax return, which includes the names of its contributors, is public record.	Anonymity, if desired.
Family Involvement	Donor can involve family and heirs in charitable giving.	Donor can involve family and heirs in charitable giving.	Donor can involve family and heirs in charitable giving.
Fund Establishment	Can be established during lifetime, or through trust, charitable gift annuity, or estate.	Can be established during lifetime, or through trust or estate.	Can be established during lifetime, or through trust or estate.
Investment Management Fees	Varies.	Varies.	Varies.
Annual Costs	Annual administrative fees are 1% of fund balance, or less with larger endowments.	Annual administrative fees are typically greater than 1% of fund balance.	Annual administrative fees vary, up to 4% of fund balance.

How Community Foundations Encourage Charitable Legacies



***Create customized
philanthropy solutions***

- › **Customize** gift approaches to match personal interests and tax planning needs
- › Facilitate **complex forms** of giving
- › Help people create **personal legacies** via named funds
- › Share knowledge on community needs
- › Facilitate family meetings to focus charitable priorities & grant desires
- › Provide grantmaking due diligence, impact expertise, and grants management
- › Option to give anonymously, case by case



Some of the **greatest opportunities** to make charitable gifts arise when making major business, personal and financial decisions.

What Do People Give?



Gift Sources:

- 1 - Cash
- 2 - Stocks/securities
- 3 - Real estate
- 4 - Insurance
- 5 - Artwork
- 6 - Personal property

Family Involvement in Legacy Grantmaking



Family Involvement in Legacy Grantmaking



Summary: Charitable Intentions



Tax advantages don't drive decisions to leave a charitable legacy.

They're the icing on the cake.

A. Basis for charitable intent

1. Religious
2. Philosophical
3. Humanitarian

- a. Transmit values
to children, grandchildren, friends
 - Sense of responsibility
 - Sense of purpose
 - Sense of appreciation
 - Harmony through shared charitable enterprise



B. Which charities to support?

1. What is your personal passion?
2. Do your due diligence research
 - a. Resources
 - i. [GuideStar.org](https://www.guidestar.org) = online information about IRS recognized nonprofits
 - ii. Community Foundation = resource for array of charitable information & issues
 - iii. Meet with charities of interest to you
 - Determine the organization's goals, priorities & needs; kick their tires
 - What % of revenue goes to administration vs. fundraising vs. program/services?
 - Confirm a match with your and your family's interests.
 - Does the charity have development staff to assist in your gift planning?

C. Options, Options, Options

1. Simple Bequest under will
2. Gift through new or beneficiary change in existing life insurance
3. Designate charity as beneficiary of IRA or retirement plan
4. Charitable Gift Annuity
5. Charitable Trust
6. Donor Advised Fund

D. Implementation

1. Use resources, i.e. attorney, investment advisor, accountant
2. Plan your gift with the charity
 - a. Agree upon recognition desired
 - b. Maximize gift effectiveness
 - c. Match gifting vehicle with your needs for income and tax benefits
3. Discuss with and involve your family appropriately
 - a. This can mitigate post-death conflicts
 - b. A key to creating a lasting legacy, not just a one-time gift
4. Implement your plan



Legacy Profiles



*The results of
philanthropy
are beyond
calculation.*

Chester County COMMUNITY FOUNDATION

*Connect people who care with causes that matter,
so their legacy makes a difference, now and forever.*



Karen Simmons, *President*
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