

WHAT LEGACY WILL YOU LEAVE?





Compare the Options



	CHESTER COUNTY COMMUNITY FOUNDATION FUND	NATIONAL COMMERCIAL DONOR ADVISED FUND	PRIVATE FOUNDATION
Start-Up Incorporation Tax Exemption	No set-up fees. Easy and inexpensive to set up. Fund can be established in one brief meeting or online.	No set-up fees. Easy and inexpensive to set up. Fund can be established in one brief meeting or online.	\$3-\$10,000 in professional fees 6-12 months to incorporate, create bylaws and receive 501(c)(3) determination from IRS. Decide between charitable trust or non-stock corporate model.
Asset Size	Grantmaking allowed when asset size is over \$25,000.	Varying minimum balances for assets from \$10,000 to \$30,000.	Typically established with assets of \$10+ million.
Required Payout	No annual distribution requirements. Can accumulate toward sizeable project or grant.	Varies.	5% annual distribution required.
Excise Taxes	No excise tax on income.	No excise tax on income.	Excise tax of up to 2% of annual net investment 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 50% of adjusted gross income for cash contributions.	Deduction up to 30% of adjusted gross income
Publicly traded securities, closely held stock, &/or real estate	Deduction up to 30% of adjusted gross income for long-term appreciated property including publicly traded securities, closely- hold stock and real estate.	Deduction up to 30% of adjusted gross income for publicly traded appreciated securities.	Deduction up to 20% of adjusted gross income for publicly traded appreciated securities
Gifts of real property	Deduction of fair market value for gifts of most assets.	Many do not accept gifts of real property, such as real estate, privately held stock, S- corporation stock, or artwork.	Deduction of only cost basis for gifts other than cash or publicly traded securities
Liability, Insurance & General Administration	CCCF handles financial & administrative matters: ▪ investments and accounting ▪ legal & compliance filings ▪ annual independent audit & ▪ annual tax return.	Handles financial & administrative matters: ▪ investments and accounting ▪ legal & compliance filings ▪ annual independent audit & ▪ annual tax return.	Perform, contract, or hire staff for these services.
Grantmaking & Grant Administration	In addition to verifying tax-exempt status of grantees, CCCF offers: ▪ knowledge of community needs ▪ issues education ▪ process to evaluate grant requests ▪ expertise in appraising nonprofits & ▪ monitoring performance.	Verifies tax-exempt status of grantees. Some provide custom services to help donors review & appraise nonprofits.	Perform, contract, or hire personnel for these services.
Privacy	Anonymity, if desired.	Anonymity, if desired.	A private foundation's tax return, which includes the names of its contributors, is public record.
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 Manager Selection	Portfolio choices, medallion investment partner opportunities & separately managed accounts, subject to minimum balances.	Most have portfolio choices. Some have separately managed account options.	Perform, contract, or hire investment personnel.
Investment Management Fees	Varies.	Varies.	Varies.
Annual Costs	Annual administrative fees @ 1% of fund balance, or less with larger endowments.	Annual administrative fees vary, typically less than 1%.	Annual administrative fees are typically greater than 1% 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
Beth Harper Briglia, Vice President

28 West Market Street
Lincoln Biography Building
West Chester
(610) 696-8211
www.chescocf.org
info@chescocf.org

