







# A Flexible, Low Cost Option

A Donor-Advised Fund offers maximum tax benefits compared to a private foundation. Plus, through THCF, you benefit from our knowledge of local nonprofits to help you support the causes you care about in our region.

	<b>Community Foundation</b>	<b>Private Foundation</b>
Maximum Tax Benefits	<b>YES</b>	No
AGI Tax Deduction Limitation – Cash	<b>60%</b>	30%
AGI Tax Deduction Limitation – Long Term Capital Gain Property (Publicly Traded Stock, Closely-held Stock and Real Estate)	<b>30%</b>	20%
Gifts of Qualified Appreciated Stock (i.e., Publicly Traded Stock)	<b>Fair Market Value Deduction</b>	Fair Market Value Deduction
Gifts of Real Estate or Closely-held Stock	<b>Fair Market Value Deduction</b>	Cost Basis Deduction
Privacy/Confidentiality	<b>YES Confidentiality Maintained</b>	No Disclosure of IRS Form 990PF* is Required
Excise Taxes on the Sale of Highly Appreciated Gifts	<b>NO</b>	Yes
Annual Excise Tax Payments	<b>NONE</b>	1 - 2% of Net Income & Net Realized Gains
Customized/Personalized Investment Program for Each Charitable Entity or Fund	<b>YES</b>	Yes
Ease of Establishing Charitable Entity	<b>SIMPLE</b>	Complex
Annual Minimum Distribution Requirement	<b>NONE</b>	5%
Personal, Local Service by a Mission-based Organization	<b>YES</b>	No
Knowledge about Local Nonprofits	<b>YES</b>	No

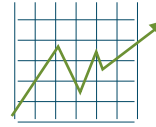
# Establishing a Donor-Advised Fund

1

Types of  
Gifts



Cash



Stocks



Other Assets

**Determine the type of gift** you will make (initial gift of \$5,000 or more). This can be a gift of cash, stock or an other asset.

2

Name Your  
Fund



Decide Who to Involve



Then, determine what to **Name Your Fund** (perhaps the name of your business or your family) and **decide any colleagues or family members you'd like to involve in giving** (either as successor advisors or additional advisors).

3

Donor-Advised  
Fund



Next, the Community Foundation will draft the **Donor-Advised Fund** Document to create your personal foundation; a **sample document** is available in the forms section of our website.

4

Grant Your  
Causes



Favorite Causes



Religious Institutions



Human Services



Schools

**Identify what types of causes you're passionate about supporting and make grants out of your fund to support them.** If you need help, your Community Foundation staff can share some community opportunities that may pique your interests.

# Investment Options

THCF offers **flexibility** to customize your fund's investments to meet your charitable goals, whether immediate or long-term. There are two ways for donors to participate. You can **select your financial advisor** to manage your fund OR you can **select your own investment** mix using the Community Foundation's investment pool.

## OPTION 1: Select Your Financial Advisor to Manage Your Charitable Fund

With this option, you can benefit from customized **investment management by an advisor** you already know and trust. If this option is right for you, simply put the Community Foundation in touch with your financial advisor and **our team will take care of the rest!** A segregated fund will be managed directly by your advisor, investing your charitable dollars in accordance with the Community Foundation's most current investment policies and standards.

## OPTION 2: Select the Community Foundation's Investment Pool

In this option, you can select to invest the assets of your charitable fund in the Community Foundation's Investment Pool. The responsibility for managing the Community Foundation's Investment program is vested in our **Board of Directors through our Investment Committee**. The Committee works closely with staff and investment advisors to set policy, establish performance benchmarks and monitor performance.

### Select Your Investment Strategy

If you select the Community Foundation's Investment Pool, you are able to match your risk tolerance and the long-term objectives for your fund. You can select an existing mix or create your own.

- Long-Term Mix:** Recommended Mix
- Risk Averse Mix:** 100% Money Market and CD Pool
- Create Your Own Mix:** Select your percentages of Money Market, Fixed Income and Equity Pools to match your fund's goals and your risk tolerance.