

Partnering With Community Foundations: What Every Advisor Needs to Know

Philanthropy isn't what it used to be. Over the last 10 years, the field of charitable giving has changed profoundly. During this time, a network of organizations with several decades of experience has come of age, engineering many of the recent developments in the field of giving. These organizations are called community foundations and they are playing an increasingly prominent role in the relationship between professional advisors and their clients, especially in California.

Community foundations are great partners for estate, tax, and financial advisors in the arena of charitable giving—a field that is becoming highly competitive, complex, service-oriented, and values-based. Many community foundations in California offer free charitable gift planning expertise to professional advisors, including consultations, illustrations, projections and sample documents.

Whatever the client's situation or philanthropic desire — current year tax planning, a large capital gain, leaving a legacy, establishing a family foundation — a community foundation can help to create a giving plan that meets the client's needs.*

** Text adapted from winter 2002 article published in California Trusts and Estates Quarterly, authored by Chris Nicholson and Terence Mulligan.*



For good. For ever. For Solano County.

Top 10 Reasons Professional Advisors Partner with Community Foundations

- 1** Community Foundations work with Advisors to create highly effective solutions tailored to each client's charitable and financial interests.
- 2** Community Foundations provide personalized service to Advisors and to their clients.
- 3** Community Foundations work with Advisors and their clients to create personal or family legacies.
- 4** Community Foundations accept a wide variety of assets and can facilitate even the most complex forms of giving.
- 5** Community Foundations offer maximum tax advantage under state and federal law.
- 6** Community Foundations offer great alternatives to private foundations without the cost and administrative complexity.
- 7** Community Foundations are local organizations with deep roots in the community.
- 8** Community Foundations provide professional program staff with broad expertise regarding community issues and needs.
- 9** Community Foundations build endowment funds that benefit charitable causes and organizations forever.
- 10** Community Foundations offer donor advised funds to help people invest in the causes they care about most.

1261 Travis Blvd., Suite 320
Fairfield, CA 94533
707.399.3846
www.solanocf.org

Invest in the causes you care about most.



Why Establish A Donor Advised Fund Instead of A Private Foundation?

	Donor Advised Fund	Private Foundation
Tax deductions for cash	50% of AGI	30% of AGI
Tax deductions for appreciated securities	Up to 30% of AGI	Up to 20% of AGI
Tax deduction for real estate	Fair market value	Cost basis only
Excise tax	None	2%
Distribution rules	None	5%
Tax return to file	None	Yes, complex 990-PF form
Administrative paperwork	Minimal or none	Can be complex
Length of time to establish	1 day	3-9 months
Startup costs	None	\$3K-\$10K or higher
Disclosure to the public	Can remain anonymous	Yes



For **good**. For **ever**. For **Solano County**.

1261 Travis Blvd., Suite 320, Fairfield, CA 94533
707.399.3846 . www.solanocf.org