



COMMUNITY
FOUNDATION

of

ORANGE and SULLIVAN

Fund Representative Handbook

Policy and Procedures
for contributions, disbursements, fundraising and
scholarships

30 Scott's Corners Drive, Suite 203

Montgomery, NY 12549

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OVERVIEW

Thank you for partnering with the Community Foundation of Orange County, Inc. d/b/a Community Foundation of Orange and Sullivan (CFOS). As an advisor of a fund at CFOS, you play a key role in increasing charitable resources in the Hudson Valley region. We have developed this guide to help make partnering with us easy and enjoyable. It contains information that will help you fulfill your obligations as a fund advisor and also lays out CFOS's responsibilities in meeting federal and state legal requirements as the tax-exempt entity for your fund. Please contact our staff with any questions.

The Community Foundation offers a wide range of services to donors to make their philanthropy easy, efficient, and effective.

- When you establish a fund at the Community Foundation you gain the benefits of professional management of charitable assets.
- You join a community of generous people who support the ever-changing needs of the region.
- You can ask for guidance from people who work with nonprofits daily – people who can help you ask the right questions, understand nonprofits better, and assess the requests you receive.
- The Foundation provides educational programs.

The Community Foundation was incorporated under the laws of the State of New York in 1999, has been granted public charity tax-exempt status by the Internal Revenue Service under Section 501(c)(3) of the code, and is a registered charitable organization with the State of New York. The Community Foundation is a member of the Council on Foundations in Washington, DC.

The Community Foundation is governed by a volunteer board of directors comprised of civic leaders who work or live in the Orange and Sullivan County area. All Community Foundation activities are overseen by its board and are carried out in compliance with its charter and bylaws as amended, the laws of New York, and the regulations of the Internal Revenue Service.

This handbook is designed to answer your questions about managing your philanthropy through a fund at the Community Foundation. It summarizes policies and procedures that apply to all funds held by the Community Foundation of Orange and Sullivan, in order to assist you in the establishment and administration of your charitable fund.

MISSION:

We enable charitable individuals and organizations to become meaningful donors by providing trusted support and expertise for their contributions to make a difference in our community, now and forever.

VALUES:

We support our local community through:

1. *Excellence* in achieving the highest standards in all aspects of the organization.
2. *Stewardship* by ensuring the planned legacy of donors through sound financial management.
3. *Strategic partnerships* to understand and address the needs of individuals and organizations in our region.

EDUCATIONAL PROGRAMS

The Foundation conduct's educational programs, publicizing to donors and other interested persons in the community served by the Foundation. Such educational programs may be part of a larger effort of the Foundation to educate the public about the scope of the Foundation's charitable services.

As an integral part of this program, information is disseminated in order to encourage additional contributions to the Foundation. The purposes of the program shall include:

1. Acquainting potential donors and others in the community served by the Foundation with charitable needs and organizations worthy of support through its various types of funds.
2. Demonstrating the expertise and knowledge of the Foundation board and staff in evaluating and serving such needs.
3. Developing donor confidence in the Foundation as an organization effectively serving the charitable needs of the primary area to be served.
4. Encouraging a creative and meaningful interaction between the Foundation and members of the community to utilize the broadest base for ascertaining and evaluating the community's changing charitable needs.
5. Attracting funds from a wide segment of the primary area to be served for the Foundation's charitable purposes.

The Foundation board and staff shall always be alert to the views of donors and others who call attention to charitable needs or organizations which may not have been served in the past but which are currently deserving of support.

ACKNOWLEDGEMENT OF DONATIONS

When the Community Foundation receives a donation of any amount to your fund, we send an acknowledgement letter to the donor for tax purposes. In accordance with IRS regulations, we can only acknowledge the individual, business or organization whose name appears on the check.

DEPOSITS OF NON-GIFT PROCEEDS

The Community Foundation does not acknowledge contributions for which the donor received something of equal or more value in return (e.g. tickets to an event or an auction purchase for which the price paid is below equal to fair market value). This type of contribution is not tax deductible. If you would like to thank the donor for such a contribution, please keep your own list, as these names and amounts are not added to our database.

TIMING AND PROCESSING

The Community Foundation processes donations as quickly as possible, usually within 2-6 business days. However, during high volume periods of the year (June & December), please allow additional time for donations to be processed.

DONOR REPORTS

When the Community Foundation receives donations to your fund, the fund's authorized representative will receive a letter notifying them of each donation on a monthly basis. This information includes the names and addresses of the donors. This keeps you informed about each addition to the fund, even if it is sent directly to us. Fund Statements are provided on a quarterly basis. *Information about donations to your fund may not be shared or sold to any group or individual.*

TYPES OF CONTRIBUTIONS

CHECKS AND MONEY ORDERS

Because the Community Foundation is the tax-exempt entity for your fund, checks and money orders must be co-payable to the Community Foundation (CFOS) and the name of the fund, or simply to the Community Foundation with the name of the fund noted on the memo line of the check. Checks can be mailed directly to the Community Foundation.

If you are collecting checks and forwarding them to the Community Foundation, please deliver the donations to us within seven business days from the date you received them. Please include a count of the number of checks and a spreadsheet with the total dollar amount and name of donor, so that we can confirm your total. If addresses are not included on checks, it is important that you attach an address list so that we may properly acknowledge all donors.

CASH DONATIONS

Cash donations must be hand delivered to the Community Foundation. A staff member must work with you to sign off on the amount of cash delivered. Please make an appointment for deliveries of cash so that two staff members may be present at the count-in. Please provide the name and mailing addresses of the donors so we can process acknowledgement letters.

In order for a cash donation to be acknowledged, the gift must be submitted as cash, money order or bank check. In accordance with IRS regulations, acknowledgements can be sent only to the person whose name is on the check, even if it represents another individual's cash donation.

CREDIT CARDS

Credit card donations can be made through the Community Foundation's website www.cfosny.org. All credit card donations are processed securely through Pay Pal for a small fee which will be deducted from your fund.

STOCK DONATIONS

Gifts of DTC eligible securities are acknowledged according to the date the shares are transferred, either directly into the Community Foundation's account or delivered to the Community Foundation with the appropriately executed stock power. Before sending stock, the donor's financial advisor must call the Community Foundation to receive the necessary transfer instructions so that the stock is transferred to the appropriate fund. Without this information, the bank will not accept the stock. Stock gifts must be received into the Community Foundation's account by 5p.m. on December 15th for the donor to claim a tax deduction for the year.

REAL ESTATE AND PLEDGES

Please discuss the acceptance of these types of gifts with the Community Foundation's President/CEO at 845-769-9393.

SOLICITATION, PROMOTION AND PRINTED MATERIALS

Because the Community Foundation is the tax-exempt entity for your fund, all solicitations, promotional and printed materials must include the following: "The (name of fund) is a component fund of the Community Foundation of Orange and Sullivan." Please be sure to state clearly that checks and money orders must be made co-payable to the Community Foundation (CFOS) and the name of the fund, or simply to the Community Foundation with the name of the fund noted on the memo line of the check. The Community Foundation staff must review materials before they are printed.

GOODS AND SERVICES

If goods or services are provided in exchange for a donation, certain *quid pro quo* disclosures are required to be made upon solicitation and in written acknowledgements, including a good faith estimate of the value of the goods or services provided. For example, if an event with a \$75 ticket price involves a dinner valued at \$25, the invitation might read “\$50 of this ticket is in excess of the value of your dinner and is tax deductible to the extent provided by law.” The Community Foundation will assist in providing wording. [See IRS publication 1771: Charitable Contributions-Substantiation and Disclosure Requirements for more information.]

IN-KIND GIFTS/SERVICES

The Community Foundation will provide an acknowledgment letter describing the gift and/or service provided. It is the responsibility of the donor to consult with their accountant regarding a charitable tax deduction.

PLANNING A FUNDRAISING EVENT

Fundraising event organizers must review the Community Foundation’s Donor Initiated Fundraising Policy and obtain the Community Foundation’s approval for an event at the start of the formal planning. Refer to page 9 for the Donor Initiated Fundraising Policy. A fundraising event application is enclosed in the Policy. Please appoint one contact person from your group to serve as the main source of communication and to meet with the Community Foundation staff, to inform them of your plans and make sure they comply with the Community Foundation’s guidelines.

TAX-DEDUCTIBLE CONTRIBUTIONS

The Community Foundation staff will assist event organizers in determining which contributions qualify as tax-deductible.

INSURANCE

The Community Foundation staff will assist event organizers in determining insurance needs. All events connected with the Community Foundation must have proof of insurance for liability purposes. The Community Foundation must be named as an insured on the policy.

LEGAL COMPLIANCE

Your group is responsible for obtaining all required permits and approvals for compliance with all laws relating to your event. Please inform the Community Foundation that you have received the required permits and approvals.

OTHER EVENTS

Please contact the Community Foundation for additional information.

REQUESTING DISBURSEMENTS

In accordance with IRS regulations, disbursements from your fund must be in the form of a written request signed by the fund representative (see page 8 Grant Recommendation-Fund Disbursement Form). Please contact the Community Foundation if you need a grant/disbursement request form.

RECOMMENDING GRANTS

Please allow up to 30 days for the processing of your grant recommendation to be approved through the Grants Distribution Committee and the Board of Directors of the Community Foundation. Please submit written request (see page 8 – Grant Recommendation-Fund Disbursement Form). Please contact the Community Foundation if you need a disbursement/grant request form.

REIMBURSEMENTS

In accordance with IRS regulations, reimbursements are prohibited from certain funds. Please contact the Community Foundation for prior approval. If approved, corresponding paid receipts must accompany requests for reimbursements.

PAYMENT TO A VENDOR

All Vendors must fill out a W-9 prior to any payments being disbursed (please call for a form). Vendor invoices must accompany requests for payment to a vendor. Please instruct vendors to mail the invoice to you directly so you can complete the required disbursement form. This will insure that payment is not delayed. Please note that payments to vendors made by the Community Foundation are not subject to sales tax.

PAYMENTS TO INDIVIDUALS OR SOLE PROPRIETORS, OR PARTNERSHIPS

As required by our auditors, all such payment requests must be accompanied by a signed Form W-9. For payments of \$600 or more to an entity, the Community Foundation will issue a Form 1099 at year end.



Community Foundation of Orange and Sullivan

GRANT RECOMMENDATION FORM

INFORMATION

Name of Fund:

Note: Requests for grants to 501(c)(3) public charities must have copies of these IRS and CFOS required documents attached, or on file: Grantee's Tax Exempt Determination Letter____, and most recent IRS Form 990 ____ or audited Financial Statements____. (Check all that apply)

Grantee Name:

Grantee mailing address:

City:

State:

ZIP:

Grantee EIN:

Contact Name:

Is this grant anonymous? Yes No

Mail check to Grantee Hold check for Fund Advisor Pick Up

Amount Recommended:

I Understand that the final approval of my grant recommendation rests with the Board of Directors, whose charge it is to see that all grants are within the charitable purposes of the Foundation. I do not expect any tangible benefit from the agency listed above as a result of this grant recommendation, and this recommendation does not represent payment of a personal pledge or any other financial obligation.

Fund Advisor Name (please print):

Fund Advisor Phone # and E-mail:

Signature:

Date:

Purpose of Grant:

Fully describe the purpose of the grant and attach supporting documentation (if applicable)

COMMUNITY FOUNDATION OF ORANGE AND SULLIVAN

Address: 30 Scott's Corners Drive, Suite 203

City: Montgomery

State: NY

ZIP: 12549

Phone: (845) 769-9393 Fax: (845) 769-9391 E-mail: admin@cfosny.org

APPROVAL BY COMMUNITY FOUNDATION OF ORANGE AND SULLIVAN

Approved by:

Date approved:

Comments:



Community Foundation of Orange and Sullivan

FUND DISBURSEMENT FORM

INFORMATION

Name of Fund:

Payee Name: (Who the check should be made payable)

Payee mailing address:

City:

State:

ZIP:

Contact Name:

Mail check to Payee Hold check for Fund Advisor Pick Up

Amount Recommended:

Please allow 5 to 7 Business Days for Processing

Fund Advisor Name (please print):

Fund Advisor Phone # and E-mail:

Signature:

Date:

Purpose of disbursement:

Fully describe the purpose of the disbursement and attach invoice and/or supporting documentation (if applicable)

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APPROVAL BY COMMUNITY FOUNDATION OF ORANGE AND SULLIVAN

Approved by:

Date approved:

Comments:

POLICY

DONOR INITIATED FUNDRAISING

Thank you for establishing a fund with the Community Foundation of Orange and Sullivan (Community Foundation / CFOS). We value your confidence and partnership and always endeavor to provide you with the very best possible service.

Occasionally, groups that want to increase the amount of money in a particular fund at the Community Foundation consider undertaking some form of fundraising to benefit the Fund. This fundraising might take the form of requesting money through an appeal letter to friends and associates or organizing a golf tournament or dinner.

To help you understand the ways you can do this and to clarify the role of the Community Foundation in such endeavors, we provide the following information.

What are the ways that individuals or groups use fundraising to build the assets of a fund of the Community Foundation?

The three most common ways that Funds of the Community Foundation receive money from a fundraising event are:

- 1. Proceeds from an event/solicitation sponsored by a 501(c)(3) organization with a fund at the Community Foundation*

Organizations with their own IRS 501(c)(3) status sponsor a fundraising event/solicitation and deposit the proceeds into their Fund held by the Community Foundation. The organization issues its own acknowledgment letters, and the donors receive a charitable deduction for their gifts because the sponsoring organization has its own charitable tax status. In these instances, the attached Policies and Procedures are not applicable.

- 2. Proceeds from an event/solicitation for which donors were **not** offered a tax deduction*

The net income is forwarded to the Community Foundation and designated for a particular fund. The Foundation has neither endorsed the activity nor been involved in its planning or execution. The Community Foundation does not acknowledge the individual contributors of the dollars, and no one receives a charitable deduction for participating in the event. A receipt for the net amount received is sent to the organizing group. Any published materials related to the fundraising event should have the following wording: "The net proceeds of this event will go to the XYZ Fund of the Community Foundation of Orange and Sullivan."

- 3. Proceeds from an event/solicitation for which the individual contributions are acknowledged by the Community Foundation*

In those instances when a fundraising event/solicitation is organized to benefit a Fund of the Community Foundation and participants are told to make their checks payable to the Community Foundation of Orange and Sullivan (CFOS) or the XYZ Fund, the Community Foundation must play a larger role. In this case, the IRS and the State of New York will hold the Community Foundation responsible for providing appropriate receipts and oversight.

What is the first step in undertaking a fundraising event for a Fund at the Community Foundation of Orange and Sullivan?

******If you are considering a fundraising event, solicitation or project of any kind for a Fund of the Community Foundation, you must discuss your plans with the Community Foundation in advance. You can call, send a letter or arrange a meeting at your convenience.******

If it is determined that only the net proceeds of the event will come to the Fund, and no charitable deductions for individual contributors are desired, then no further action is needed.

If you are considering an event or solicitation that involves using the Community Foundation's tax status to offer donors a charitable deduction for their participation, then the Community Foundation will review with you the *Guidelines for Planning and Executing a Fundraising Event and/or Guidelines for Soliciting Contributions on behalf of a Fund of the Community Foundation*.

One of the areas covered in the guidelines is liability insurance. The Community Foundation does not provide Special Event General Liability Insurance, and it is important that you make arrangements to purchase your own policy, at any Insurance Agency, such as a General Liability Policy at limits of \$1 million and that you include the Community Foundation of Orange and Sullivan as an additional insured. This type of policy would provide Bodily Injury and Property Damage Legal Liability coverage as well as Product Liability coverage for your event.

Your cooperation in adhering to these guidelines will ensure that your event will have the necessary liability coverage, your donors will be entitled to claim a charitable deduction for their contributions, and the Community Foundation will be protected from penalties for failing to make proper solicitation disclosures.

May an individual or group apply for funding from other foundations and/or local, state or federal agencies on behalf of a Fund?

The Community Foundation must review each circumstance on a case-by-case basis. Please do not seek this type of funding without discussing your plans with the Community Foundation. Often, grant proposals such as these involve managing programs in order to carry out a project. It is the policy of the Community Foundation that it will not serve as the fiscal agent for state or federal funds.

Questions: Please contact the Community Foundation of Orange and Sullivan: (845) 769-9393

PROCEDURES

For Planning and Executing a Fundraising Event on Behalf of a Fund of the Community Foundation

The Approval Process

1. The Fundraising Organizers must submit a written application detailing the event and obtain written approval from the Foundation before proceeding. An application form is attached.
2. Since your request may require board approval, please allow up to four weeks for a decision to be made regarding your proposal.
3. In view of the Community Foundation's administrative resources and IRS regulations, we have identified a spectrum of activities to which the Community Foundation cannot lend its name or that of any of its charitable funds:
 - Casino nights, raffles or events that use professional fundraising solicitations that involve registration with the State of New York;
 - Events that might endorse or oppose political candidates;
 - Activities involving pledges;
 - Activities involving sales of goods or personal property involving payment of sales tax or where the Community Foundation must determine market values

Advertisement and Promotional Materials

All publicity materials must be reviewed and approved by the Community Foundation in advance. This approval shall include a beginning and ending date for authorized use of the publicity material. If media coverage is expected, please discuss this in advance with the Community Foundation. All fundraising materials should make clear that funds are being raised "*for the benefit of the XYZ fund of the Community Foundation of Orange and Sullivan*" or "*for the benefit of XYZ, a component fund of the Community Foundation of Orange and Sullivan.*"

If the fundraising organizers provide goods or services in exchange for a donation, the fair market value of any benefits received by the contributors must be disclosed upon solicitation. For example, a dinner is being planned to raise dollars for a particular fund, and the fundraising organizers have decided to charge \$100.00 per person. In establishing this ticket cost, the organizers determined that the actual cost of the dinner was \$40. For the contributor, only the difference (\$60) can be considered a charitable deduction, even if the dinners were donated. This limitation on the deduction is known as "quid pro quo disclosure." Treasury regulations stipulate that contributors must be informed of this breakdown. Failure to do so could subject the Community Foundation to significant penalties and could jeopardize the contributors' tax deductions. The fair market value amounts and the appropriate disclosure language must be stated on all printed materials prior to any solicitations being made. You must work with the Foundation to determine the fair market value of goods or services being offered.

Liability Insurance

Depending on the type of event being planned, liability insurance may be needed. The Community Foundation can help you assess this need. Should liability insurance be required, the fundraising organizers must obtain a General Liability policy at limits of \$1 million and add the Community Foundation of Orange and Sullivan as an "additional insured." This type of policy should provide Bodily Injury and Property Damage Legal Liability coverage as well as Product Liability coverage for your event. A Certificate of Insurance must be given to the Community Foundation prior to the

distribution of invitations or other public announcements of the event. The policy may be purchased at any insurance agency.

Liability for Losses

The fundraising organizers will be responsible for all losses incurred for events. The Community Foundation will not be held responsible for such losses.

Payment of Expenses

All expenses associated with the fundraising event must be met by the fundraising organizers either through contributions from event participants or from underwriting. How expenses will be paid MUST be discussed with the Community Foundation and determined prior to the event. The Community Foundation is limited by IRS Guidelines on reimbursement to individuals for expenses from the fund. Please consult with the Community Foundation regarding any disbursements from your fund. If any expenses are approved to be paid out of the fund, each Vendor must fill out a W-9 form and return prior to payment disbursement. Each organizer is responsible for having the W-9 filled out prior to any expenses being disbursed. Organizers can NOT set up a bank account in the Community Foundation's name, nor use its Federal ID Number. The Fundraising Organizers are responsible for all expenses and maintenance of appropriate financial controls and records related to fundraising events. The Fundraising Organizers provide the Community Foundation with a projected budget in advance of the event as well as copies of invoices and receipts at the conclusion. The Fundraising Organizers are responsible for all losses incurred by events and/or solicitations.

Accounting for the Receipt of Cash and Checks:

- The Community Foundation has prepared a sample budget and an accounting worksheet which may be tweaked to suit the needs of the fundraising event. Both forms must be submitted at the end of the event for the Foundations Audit Records, and to comply with IRS Guidelines.
- Contribution checks should be made payable to the **Community Foundation** and the name of the fund should be written on the memo line of the check or made payable to **CFOS / the XYZ Fund**.
- Any donations over the price of a ticket should be recorded appropriately on accounting worksheet.
- Cash receipts are to be deposited intact. That is, cash receipts are not to be used to pay expenses and then the net cash amount deposited.
- All proceeds, checks and cash, must be delivered to the Community Foundation along with an accounting of all moneys received by the fundraising organizers on a weekly basis and within one week after an event. This accounting should include:
 - All revenues and expenses itemized;
 - Copies of all invoices and receipts associated with the event;
 - Date and amount of each contributor's donation with the complete name and address of each contributor (see accounting worksheet);
 - Names of any contributors who, *prior to the event*, waived their right to tickets or to attend the event. In this situation, Federal tax law allows contributors to deduct the full amount of their charitable contribution. Note, this applies to contributors who opted to do this *before the event took place*; this is not applicable to those who purchased tickets but did not attend the event.

Acknowledgment of Contributions:

The Community Foundation will receipt all eligible donations in compliance with Federal and State regulations. At a minimum, **the Fundraising Organizers will provide:**

- the donor's complete name and address;
- the date and amount of the contribution;
- a description of the donation (e.g. cash or check, etc.)
- a detailed description and valuation of any goods and services provided in exchange for the contribution.

The **Community Foundation will provide** tax substantiation letters to donors for contributions over \$250. The Fundraising Organizers will be responsible for all other thank you notes, for example, for donated services & goods (i.e. in-kind gifts), volunteers, etc.

The **Community Foundation will not provide** tax substantiation for:

- Donations from fundraising events for which the value of goods and services received matches or exceeds the amount of the donation;
- Contributions of services;
- Donations under \$250 (unless requested, additional fee applies)
- Raffle tickets;
- Rummage sale purchases;
- Sponsorship by a business or corporation under \$250.00 unless requested (additional fee applies)
- Other donations defined as not eligible by the Community Foundation.

The **Community Foundation cannot:**

- Provide funding for expenses from its general operating fund
- Pay for insurance or liability coverage from its general operating fund
- Provide its mailing lists of donors or vendors
- Provide staff to manage or assist at an event
- Determine the fair market value of goods or services

GUIDELINES

For Soliciting Contributions for a Fund of the Community Foundation

The Approval Process

- The fundraising organizers must submit a written application detailing the type of solicitation being considered and obtain written approval from the Foundation before proceeding. An application form is attached.
- Since your request may require approval of the Community Foundation's Board of Directors, please allow up to four weeks for a decision to be made on your application.

Advertisement and Promotional Materials

All written materials must be reviewed and approved by the Community Foundation in advance. This approval shall include a beginning and ending date for authorized use of the material.

Payment of Expenses

How expenses will be paid will be discussed and determined prior to the solicitation.

Accounting for the Receipt of Contributions:

- The Community Foundation will work with the organizers of the solicitation to develop a workable record-keeping system for the receipt of contributions.
- Contribution checks should either be made payable to the Community Foundation and the name of the fund should be written on the memo line of the check or made payable to CFOS / the XYZ Fund.

The Community Foundation will acknowledge in writing the following contributions to the solicitation:

- For contributions of over \$250, the acknowledgement letter will set forth the amount of cash contributed (or if the contribution was other than cash, a description of the property – but not its value); the date on which the contribution was made and a description and good faith valuation of the goods and services, if any, that were provided in exchange for the contribution.
- *The Fundraising Organizers will be responsible for other acknowledgments.*

The Community Foundation does not provide its mailing lists or staff assistance in fundraising campaigns.

If you have questions or need additional information, please contact:

Community Foundation of Orange and Sullivan
30 Scott's Corners Drive, Suite 203
Montgomery, NY 12549
845-769-9393
www.cfosny.org
stacey@cfosny.org

Recommended Procedures for Organizing a Fundraising Event

With Net Proceeds Only going to the Community Foundation

- Speak with the Community Foundation regarding your fundraising event.
- Verify that **all** publicity materials have one of the following statements: *“The net proceeds of this event are for the benefit of the XYZ Fund of the Community Foundation of Orange and Sullivan”* or *“The net proceeds of this event are for the benefit of XYZ, a component fund of the Community Foundation of Orange and Sullivan.”*
- Call the Community Foundation to determine if your event requires liability insurance.
- Set up a mechanism for receipt of checks and cash, and payment of expenses, i.e.,
 - To whom will the checks be made payable?
 - Will your group need to establish a checking account with a bank for the event? Please note that neither the Community Foundation’s name nor its Federal ID Number may be used to set up such accounts.
- Please remember that sponsorship checks or checks for admission to the event cannot be made payable to the Community Foundation because this is a “net proceeds” event.
- Deliver the net proceeds from the event to the Community Foundation within a week after the event. A receipt for the net amount received will be sent to the organizing group. Any cash proceeds will be counted by the Fund Representative and the Finance Administrator together.

NOTE: Individuals who are not participating in the event or sponsoring the event but who wish to make a direct contribution to the Fund, should either make their checks payable to the Community Foundation of Orange and Sullivan and write the name of the fund in the check’s memo line or made payable to CFOS / the XYZ Fund. These checks should be sent to the Foundation either by the individual or by the organizing group. The Foundation will acknowledge contributions to the Fund.

Questions: Please contact the Community Foundation of Orange and Sullivan: (845) 769-9393

**Application for Approval of an Event/Solicitation for a Fund at the
Community Foundation of Orange and Sullivan**

Date of submission: _____

Fund at the Community Foundation that is to be the beneficiary of the event/solicitation:

Contact Person _____

Address _____

Phone (work) _____ (home) _____

Email _____ Fax _____

Since your request may require board approval, please allow up to four weeks for a decision to be made on this application.

Section I – Event/Solicitation Description

Name/Description of Event and/or Solicitation/s _____

Event Location-including address (if applicable) _____

Date of Event _____ Time of Event _____

Solicitation Beginning/Ending Dates – Begins: _____ Ends: _____

Ticket Price(s) _____

By invitation only? _____ Open to the public? _____

Expected Attendance _____

Is this a new event or has it taken place before? _____

Estimated gross revenue _____

Estimated expenses _____

Estimated proceeds _____

Please attach a projected event budget. Include all categories of expenses and revenues.

Section II - Publicity and Promotion

Please describe how you intend to publicize your event. The Community Foundation must review and approve all materials that will include the Foundation's name in advance of publication.

Section III

I have read and I understand the Community Foundation of Orange and Sullivan's Policies Governing Fundraising Events and Solicitations for Funds of the Foundation and agree to comply with the policies if this application is approved.

Signature _____ Date _____

Printed Name _____

Please include the required attachments and return to:

Community Foundation of Orange and Sullivan
30 Scott's Corners Drive, Suite 203
Montgomery, NY 12549
Phone: 845-769-9393 FAX: 845-769-9391

<i>Community Foundation of Orange and Sullivan Administration</i>	
<input type="checkbox"/> Approved	
<input type="checkbox"/> Declined	
Signature _____	Date _____
<input type="checkbox"/> Applicant Notified (Date) _____	(Staff Initials) _____

SAMPLE

NAME OF FUND
 NAME OF EVENT
 DATE OF EVENT

*Enter Values in Green Cells only.

			ACTUAL	BUDGET
Revenues				
Sponsorships	Price	Number		
Donations				
Ticket Sales				
Golf				
Dinner				
T-Shirts				
			-	
Total Revenues			\$ -	\$ -
Expenses				
Catering	Price	Persons		
Individual settings			\$	
Service Charge - 18%			\$	
Gratuity			\$	
Invitations/Printed Materials	Price	Multiplier		
Flyers / Brochures				
Printing of Invitations			-	
Mailing of Invitations (bulk mailing)			-	
Postage			-	
Advertising				
			-	
Other Costs:				
			-	
			-	
			-	
			-	
			-	
Total Expenses			\$ -	\$ -
Net Income from "name of event"			\$ -	\$ -

NOTE: Please feel free to change revenue/expense categories to apply to each individual need.

SAMPLE

Name of Fund
 Name of Event
 Date of Event
 Accounting Worksheet

	A	B	C	D	E	F	G	H	I	J	K	L
1	Date	Last Name	First Name	Company Name	Dollar Amount	Check #	Street Address	Golf	Dinner	Donation	Sponsor	T-Shirt
2	5/14/2010	name	your	xyz co.	\$ 500.00	5125	123 Anyway Dr. Montgomery, NY 12549	\$300.00	\$ 80.00	\$ 100.00		\$ 20.00
3												
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24												
25												
26												
27	TOTALS LINE				\$ 500.00			\$300.00	\$ 80.00	\$ 100.00		\$ 20.00
28												
29												
30	*Headings may be changed to accomadate individual event											

DONOR-ADVISED FUND GUIDELINES

What is a Donor-Advised Fund?

A Donor-Advised Fund, as defined by federal legislation, possesses three characteristics:

1. The Fund is owned and controlled by a sponsoring organization, for example the Community Foundation of Orange and Sullivan.
2. The Fund is separately identified with reference to the contributions of a Donor or Donors. For example, the Smith Family Fund (established by the Smith family).
3. The Donor or persons appointed by the Donor expect to have the privilege of providing advice with respect to the Fund's distributions.

Getting Started

A Donor-Advised Fund can be created with a simple letter of agreement between a Donor and the Community Foundation. Donors may be individuals, families, businesses or charitable organizations. A Donor-Advised Fund is activated upon receipt by the Community Foundation of an initial gift of \$5,000 or more. Donor-Advised Funds are typically not endowed, allowing the original Donor(s) to suggest grants made from principal. The Advisor(s) named in the agreement may recommend grants from the Fund to qualified charitable organizations. Once all Advisors, or successor Advisors (if any), are deceased or incapacitated, the Fund becomes part of the Community Foundation of Orange and Sullivan's unrestricted funds, a field of interest fund or a designated beneficiary fund depending on the Donor's intent at the time the Fund is established. The Donor may name the Fund, subject to approval by the Foundation. Unless the Donor requests that a Fund be anonymous, it will be listed by name in the Community Foundation's annual report. The Fund and its Advisor will be identified to grant recipients unless the Advisor requests anonymity, on a case-by-case basis.

Contributing to a Fund

Gifts to a Fund are irrevocable. The assets of a Donor-Advised Fund are owned and controlled by the Community Foundation. Contributions to a Fund may be made in any amount, although a Fund must maintain a balance of \$2,500 to remain active. Contributions may be made using cash, publicly traded securities or other property, including closely held stock, partnership interests, real estate, personal property, trusts and life insurance. Contributions may be added at any time and in any amount, subject to the gift acceptance policy of the Foundation. Contributions should be clearly designated by Fund name: "CFOS - The XYZ Fund." Many Donors make contributions using appreciated, publicly traded stock that has been held for longer than a year, to enjoy maximum tax benefits. Contributions of property that may not have immediate liquidity are accepted at the discretion of the Foundation, and subject to completion of our due diligence procedures. Donors considering a gift in any form other than cash should contact the Community Foundation to discuss its appropriateness and to obtain delivery instructions.

Recommending Grants

Once a Donor-Advised Fund has been activated and as long as it maintains a fund balance of at least \$2,500, the Advisor(s) named in the agreement may recommend distributions to qualified charitable organizations. Each recommended grant should be for at least \$250.00. Unless otherwise restricted in the agreement, grants may be recommended out of the original principal, as well as accumulated investment earnings, if any. Grant recommendations can be made at any time during the year, although

Advisors are encouraged to avoid the traditional year-end giving season. (Distributions from a Donor-Advised Fund have no tax impact for the Donor because the tax-deductible gift was made at the time of the Donor's gift to the Fund.)

Recommendations for grant distributions should be submitted to the Community Foundation using the Grant Recommendation-Fund Disbursement Form.

The Community Foundation encourages gift Advisors to distribute at least 4% of the Fund balance annually.

Eligible Grantees

Qualified charities generally include those described in Section 501(c)(3) of the Internal Revenue Code that are not also private foundations, and certain governmental organizations. These include charitable, religious, and educational organizations, as well as school districts, public libraries and other units of government. Examples of organizations NOT eligible for distributions from a Donor-Advised Fund include fraternal orders, organizations whose primary purpose is lobbying, cemetery associations and funds set up to provide emergency relief to specific individuals or families. If an Advisor is concerned about a particular recommendation, the Community Foundation can pre-screen an organization for eligibility.

Once a recommendation is received, the Foundation will perform due diligence to verify that the organization is a qualified charity and that its status is current. For most organizations this process can be completed in a few days, depending on volume. For grants to unfamiliar organizations, the Foundation may require an affirmative response from the organization before awarding a grant. This process may take longer. It is the Foundation's practice generally to follow the Advisor's recommendation. However, the final decision about all recommended grants is the Foundation's. Once the Foundation approves the grant, a check and letter will be issued. Grant distributions are normally processed once per month.

Grant Restrictions and Prohibitions (IRS regulations)

Grants from a Donor-Advised Fund cannot result in the Donor, Advisors or any related parties receiving an exchange of goods or services or any personal or material benefit that is not provided to the general public (for example newsletters). Prohibited benefits include tickets, memberships, meals, preferred parking, preferred seating, discounted merchandise or other preferential treatment from a recipient organization.

Donor-Advised Fund grants also cannot be used to satisfy all or a portion of a pre-existing personal pledge or other financial obligation of the Donor, Advisors or any related parties. Advisors may, however, recommend that a grant be paid out over multiple years, subject to grant approval and annual due diligence.

Provisions of the Pension Protection Act of 2006 prohibit Donor-Advised Funds from making any grants to individuals such as scholarships, emergency hardship grants or disaster relief grants. This includes checks written directly to an individual or checks written to an entity for the benefit of a specified individual. For example a grant to a university for the benefit of a designated student is prohibited.

Donors, Advisors or any related parties may not receive grants, loans, compensation or similar payments (including expense reimbursements) from Donor-Advised Funds.

Grant Acknowledgment

Unless other arrangements have been made (e.g. anonymity requested), the grant letter will indicate that the contribution is from “The XYZ Fund of the Community Foundation of Orange and Sullivan” and that it has been given upon the recommendation of the named Advisor. The recipient organization is encouraged to acknowledge the gift to the Advisor and also to the Foundation. Additional language confirms that no benefits have been offered or provided to the Foundation or the Advisor in exchange for the accompanying grant. If the recipient organization publishes a news release or a list of donors, it is asked to indicate the contribution as a grant from “The XYZ Fund of the Community Foundation of Orange and Sullivan.”

Successor Gift Advisors and Ultimate Use

The original Donor—who is often the original Advisor—has the opportunity to name successor gift Advisors at the time the Fund is established. Frequently these are the children of the original Advisor.

Generally, when an Advised Fund is established, people representing up to two generations—the Donor’s and one additional generation may, upon the Donor’s request, advise the Fund. The Donor (and the successor Advisors) will be encouraged to take advantage of the knowledge and expertise of the Community Foundation grant making staff.

Following the death or incapacity of the last Advisor, Fund assets will be transferred to the unrestricted endowment pool of the Community Foundation in support of the Foundation’s mission. The original Donor has the option, however, at the time the Fund is created, to name a field of interest, designate organizations that should benefit from the Fund or establish a permanently endowed Fund, all subject to the Foundation’s variance power. The Foundation may establish minimum account sizes for designated or permanently endowed Funds.

Restrictions and Limitations

If a Fund is dormant for three years, the Foundation will make every effort to contact the Advisor(s) to encourage them to recommend one or more gifts. If the Advisor does not respond by recommending at least \$250 in grants within a reasonable time, the Foundation will transfer the entire balance of the Fund to its unrestricted endowment pool to support the Foundation’s mission.

If the value of a Donor-Advised Fund is less than \$2,500, the Foundation will contact the Advisor(s) to encourage them to contribute additional assets to the Fund. If no additional contributions are made within a reasonable time, the Foundation will transfer the entire balance of the Fund to its unrestricted endowment pool in support the Foundation’s mission.

Investment & Reporting

Assets of Donor-Advised Funds are normally commingled with the investment assets of other Funds for investment purposes. The Community Foundation offers a variety of pooled investment funds permitting the donor to select one pre-set asset allocation strategy or to create a customized asset allocation strategy. These investment pools are all managed by professional money managers and monitored by an investment committee. More detailed information about each investment pool is available as a separate exhibit.

A donor establishing a Fund of \$250,000 or greater may request a segregated account and recommend a financial advisor to work with the Community Foundation’s Finance and Investment Committee. The selected financial advisor will be responsible for the management of the assets of the designated Fund,

and he/she will do so in accordance with the most current Finance and Investment Policy of the Foundation.

In accordance with Internal Revenue Code regulations, the Community Foundation has the final authority regarding the investment of assets and the selection of financial advisors.

The activity and balance information for each Fund is reported quarterly.

Scholarship Fund Guidelines

Your Guide to Awarding Scholarships through the Community Foundation

Contents

- Your Scholarship Fund
- Management of Your Scholarship Fund
- Your Available Scholarship Award Dollars
- How to Add to Your Scholarship Fund
- Opportunities to Build Philanthropy in Orange and Sullivan Counties
- Consider Your Scholarship Fund in Your Estate Planning

Your Scholarship Fund

OUR COMMITMENT TO YOU is to ensure that we fulfill the intent of your Scholarship Fund Agreement. If your scholarship is a multi-year award, we actively monitor the recipient's progress toward the goals you put in place. Whether you are supporting a particular school, field of study, or rewarding academic achievement and personal qualities, we strive to accomplish your goals and your dreams for the future.

The Community Foundation is partnering with you to achieve positive results by:

- *Helping you define the criteria for your Scholarship Fund.*
- *Ensuring that your scholarships are awarded to accredited educational institutions.*
- *Preparing scholarship award letters and checks to include your scholarship's name, purpose, and instructions for acknowledging your generosity.*
- *Communicating with your scholarship recipients, annual review of credit hours (if applicable), and verification of enrollment.*
- *Tracking multi-year scholarship awards.*
- *Forwarding correspondence from scholarship recipients to you.*

Do you wish to award anonymously?

Some individuals wish to remain anonymous – to avoid being added to mailing lists or published rosters of donors. To make your scholarship awards anonymously, occasionally or on a permanent basis, contact the Community Foundation at 845-769-9393.

Your Available Scholarship Award Dollars

The Community Foundation's Board sets the Spending Policy that determines the amount available for your scholarship or alternatively, you may request a pre-set amount that is awarded on a regular basis. The current recommended spending policy is set by the Board of Directors as follows:

For a fund Established for 5 Years or More (that does not have a pre-established award amount):

Example

The quarter ending balances from September 2007 through June 2012 would be averaged together, then multiplied by 4% to determine amount available to grant. This amount is determined each year at the Community Foundation's fiscal year end in June.

For New Scholarship Funds: Once your fund reaches a minimum fund balance of \$25,000, your fund may begin making scholarship awards. While your scholarship fund is growing, the Foundation allows pass-through contributions toward scholarships.

You will receive a quarterly Fund Statement detailing your Scholarship Fund's activity, including investment performance, service and investment fees, and grants made.

How to Add to Your Scholarship Fund

You may add to your Fund at any time – or create a new Fund for a different purpose or goal.

The Community Foundation has the expertise to accept a wide range of assets:

- *Cash*
- *Securities*
- *Life Insurance- either partially paid up or fully paid up policies*
- *Fundraising Events (please refer to our Donor Initiated Fundraising Booklet)*
- *Real Estate*
- *Tangible personal property*
- *Qualified retirement plan assets and IRAs*
- *Assets from other trusts and private foundations*

In many cases, you can realize significant tax benefits through gifts of appreciated stock or real estate. To discuss opportunities available to you, please contact the Community Foundation.

Consider Your Scholarship Fund in Your Estate Planning

The following language may be used to include a provision for your Scholarship Fund in your will or trust:

Suggested language:

"I give, devise and bequeath to the (*your Scholarship Fund name*) at the Community Foundation of Orange County, Inc., a nonprofit corporation organized under the laws of the State of New York, currently located at 30 Scott's Corners Drive, Ste. 202, Montgomery, NY 12549, and successors and assignees, (*you may specify a particular sum of money; designate a certain asset such as a block of stock or a piece of real estate; name the Foundation to receive all or a percentage of your residual estate; or do any of the forgoing with the Foundation as a contingent beneficiary*).

You may also establish a new fund for a separate purpose through your estate plans. Examples include:

- *A Donor Advised Fund for granting by your children, grandchildren, or friends.*
- *A Designated Fund to support specific organization(s) such as your alma mater, your place of worship, or another organization special to you.*
- *A Field of Interest Fund that directs grants to an area of interest, such as conservation, the arts, medical research, early childhood education, parks and recreation, etc.*

You may name the Community Foundation in your will or trust and specify your wishes through a Letter of Intent that can be revised as often as you like and, at no charge, if your charitable intentions change over the course of your lifetime.

Additional opportunities include naming your Scholarship Fund as beneficiary of a life insurance policy or retirement plan assets. In particular, using such assets to make end-of-life charitable gifts can be quite advantageous from a tax standpoint.

With your permission, estate gifts are recognized and honored during your lifetime and in perpetuity.

For Further Assistance

Why are scholarship awards determined by a committee?

When you made your gift to establish a Scholarship Fund, you received a tax deduction. Your gift became the property of the Community Foundation and subject to its legal control and variance power, required by federal law. Variance power means the Community Foundation's Board has the authority and responsibility to exercise complete oversight and discretion when approving scholarship awards.

By law, scholarship recipients are selected in an objective, non-discriminatory manner, based on pre-determined criteria at the time the fund agreement is written. These committees are typically comprised of educators, guidance and career counselors, community members, staff, and occasionally donors. Donors may participate although they may not comprise the majority of the committee.

Attached Documents:

- Fee Schedule
- Ways of Giving Guide

We hope this handbook serves as a helpful guide to your Scholarship Fund. Please contact us for any additional information we can provide. The following members of our staff are available to provide service:

President/CEO:
Elizabeth Rowley
Elizabeth@cfosny.org

Finance Manager:
Stacey Muller
Stacey@cfosny.org

Director of Development:
Michelle Hathaway
Michelle@cfosny.org

Communications & Program Coordinator:
Sarah Pruschki
Sarah@cfosny.org

Community Foundation of Orange and Sullivan
Fee Schedule
 Effective 7/1/2017

ADMINISTRATIVE FEES

Fund Type	Up to \$1 million	The next \$2,000,000	The next \$2,000,000	The next \$5,000,000 +
Donor Advised Funds	1.00%	0.80%	0.50%	0.25%
Designated Funds	1.00%	0.80%	0.50%	0.25%
Field of Interest Funds	1.25%	1.10%	0.50%	0.25%
Scholarship Funds	1.50%	1.30%	1.00%	0.75%
	Up to \$500,000	\$501,000 - \$999,999	\$1,000,000- \$4,999,999	\$5,000,000 +
Agency Endowment Funds	1.00%	0.75%	0.50%	0.25%

All Funds:	Grant/Loan Check Disbursement Fee	\$50.00 per check	Minimum grant of \$250
	Fund Closure Fee	\$200.00	
	Minimum Annual Fee	\$150.00	
	Pass-Through Gifts	2.00% on inception of gift	

Services Included in Administrative Fee:

- Receipt and written acknowledgement of all donations
- Quarterly fund statements
- Availability of staff to meet with professional advisors to discuss vehicles and strategies to grow fund
- Marketing Support as needed (Press releases, social media, etc.)
- Creation and maintenance of page on CFOS website with PayPal donation link
- Invitations to exclusive seminars and workshops for fund representatives
- Listing in Annual Report
- Annual Audit to assure financial accountability
- Successor Advisor follow-up (if appropriate)
- Access to CFOS staff for assistance with all areas of fund including financial matters, communications, grant and scholarship distributions, development and fundraising.
- Research and vetting of nonprofit organizations receiving grants (local and national)

FUNDRAISING EVENT FEE: \$200.00

- If the net proceeds from an event are given to the Foundation as one contribution to the fund, there will not be an extra administrative fee, except for costs to cover credit card, stock transfer, or online donation fees.
- If the Foundation is responsible for handling income and expenses for the fundraiser, including but not limited to taking in individual contributions, handling sponsorships, sending acknowledgement letters for contributions \$250 or greater, paying expenses, processing credit cards, etc., the fund will be assessed an additional fee of \$200.00.

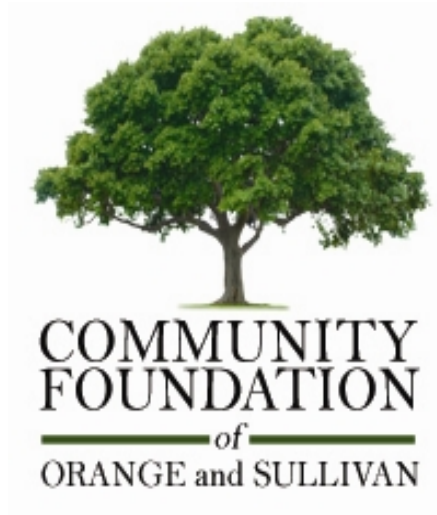
INVESTMENT MANAGEMENT FEE

Additional charges from investment managers are passed along at the cost of those services, and are a blended fee. Currently, Hudson Valley Investment Advisors, Inc. is .56% (56 basis points) and BNY Mellon Wealth Management is .63% (63 basis points), for an approximate blended fee of .60% (60 basis points). Visit www.cfosny.org for the current investment management fee.

EXTRAORDINARY SERVICES FEE: \$75 per hour

Fees associated with the preparation of fiduciary tax returns for Trusts are charged to charitable trusts based on the cost of executing such services. When unusual or extraordinary services are requested or required, reasonable additional charges will be assessed for the duties performed. The cost is charged as an additional expense to the fund.

Fees are charged on a quarterly basis, based on the average daily balance, at one fourth of the annual rate. The fee schedule may be amended from time to time.



WAYS of GIVING

A guide
for
Individuals
Accountants
Bank Trust Officers
Corporate Executives
Estate Financial Planners
Lawyers
and
Tax Consultants

Community Foundation of Orange and Sullivan
30 Scott's Corners Drive, Suite 203
Montgomery, NY 12549
Phone: 845-769-9393 Fax: 845-769-9391
e-mail: admin@cfosny.org

The Community Foundation is a union of many gifts and bequests contributed by the people of our community for the benefit of our community.

The Community Foundation is organized to help individuals, families, organizations and agencies achieve their charitable giving goals by providing professional management services for a wide variety of funds. As a vehicle for charitable giving, the Foundation offers the advantages of tax savings, simplicity and flexibility, administrative convenience, as well as sound fiscal management. The Community Foundation encourages and facilitates philanthropy. There are a variety of options presented here to stimulate your thoughts.

Please feel free to contact us to discuss any charitable ideas you might be contemplating.

We're Here for Good!

Ways of Giving

Gifts of Cash _____ 4
Gifts of Securities _____ 4
Gifts of an Interest in a Residence, Farm or Other Real Estate _____ 4
Gifts of Life Insurance _____ 4
Gifts of Business-Related Stock _____ 4
Gifts of Closely-Held Securities _____ 5
Gifts of IRA Accounts or Other Retirement Plans _____ 5
Charitable Bequest _____ 5
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Transfer of Private Foundation _____ 6
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Designated Fund for One or More Organizations _____ 8
Agency Endowment Fund _____ 9
Part Designated/Part Field-of-Interest Fund _____ 9
Scholarship Fund _____ 9

Ten Reasons to use your Community Foundation

1. Personalized service, flexible, responsive.
2. Accept a wide variety of gifts: cash, stock, retirement assets, life insurance assets, tangible assets, life estates, real estate.
3. Maximum tax advantages.
4. Prudent stewardship and investment practices tailored to donor's needs.
5. Extremely modest fees.
6. All IRS reporting and filing for your fund included.
7. All planned giving expertise to grow your fund included.
8. Options for establishing a charitable fund, and options for grantmaking.
 - *You can get started with as little as \$25k (\$5k gift can open your fund).*
 - *It's easy and simple! An endowment fund can be established in as a little as an hour or even by e-mail.*
9. Recognition or anonymity – your choice.
10. You can *leave a legacy* without the cost and overhead of creating a private foundation.

GIFTS of CASH

When you give to a charity—like the Community Foundation—you first think of giving cash.

You simply write out a check for your donation. The Donation becomes part of the assets of the Community Foundation's General Endowment Fund and the income from the assets is used to make charitable grants in the community. Or, you establish YOUR NAME FUND with the Community Foundation and write out a check. The fund grows. During some years you may wish to contribute more—in some years, less. You receive a full income tax deduction for your contribution in the year you make it. You may ask that only the income generated by the money you contribute to the fund be distributed. Or you may ask that we pay out the principal periodically. Such a fund has great flexibility and gives you immediate and maximum tax deductibility.

GIFTS of SECURITIES

With appreciated securities—stocks or bonds that are now worth more than they were when you bought them or were given them— you may discover how you can give more at a lower cost than giving cash. To distribute shares of these securities as gifts to a number of charitable organizations can be cumbersome.

You may, however, choose to direct them to the Community Foundation's General Endowment Fund or to YOUR NAME FUND in the Foundation. In addition to receiving an income tax deduction, you also avoid paying capital gains tax on the appreciated value of the securities.

GIFTS of an INTEREST in a RESIDENCE, FARM or OTHER REAL ESTATE

Your home, farm or other real estate has appreciated greatly in value and you want to use it to provide a benefit to the community.

You may make a gift of the remainder value of your home, farm or other real estate, but retain the right to use it for your lifetime. For this gift, you receive a charitable income tax deduction in the year the transfer is made equal to the value of the Community Foundation's interest in the property. At the time of your death, there will be no estate taxes on the gifted portion. When the property is eventually sold, the proceeds will be used to establish a permanent fund in the Community Foundation.

GIFTS of LIFE INSURANCE

You have been paying premiums on life insurance for years, and now the protection it offered earlier is really no longer needed. The policies have some value and you would like the benefit to go to charity.

You donate the policies to the Community Foundation, either to the General Endowment Fund or to YOUR NAME FUND. You receive an immediate tax deduction—usually in an amount equal to the cash surrender value. If you wish, you can ask the Community Foundation to maintain the policy. For partially paid-up policies, you contribute the annual premium each year and receive a charitable tax deduction.

GIFTS of BUSINESS-RELATED STOCK

You are an executive of a business which has enjoyed successful and dynamic growth. You have acquired a sizeable amount of stock in your company at a low cost through bonus and stock option plans. You would like to begin sharing some of this wealth charitably with your community.

You make a gift to the Community Foundation's General Endowment Fund or YOUR NAME FUND, with your publicly-traded stock. Your fund becomes a permanent vehicle for sharing your success and for carrying out your charitable wishes.

GIFTS of CLOSELY-HELD SECURITIES

As a majority shareholder of a closely-held business, you are looking for an effective strategy to transfer ownership while minimizing your tax liability.

You arrange to donate your closely-held stock, with the guidance of a knowledgeable tax advisor, to the Community Foundation. With this gift, you can claim a charitable deduction for the fair market value of the stock, provided that the Community Foundation is under no legal obligation to sell the stock at the time of the gift. The fund grows and charity benefits if the stock is redeemed by your company or sold to other existing stockholders, thereby reducing retained earnings which may need to be distributed.

GIFTS of IRA ACCOUNTS or OTHER RETIREMENT PLANS

You have an IRA account, or other retirement plan, and have accumulated sufficient assets to meet your family's future needs. You wish for charity to benefit from the balance in your retirement plan after your lifetime.

You name the Community Foundation as the beneficiary of your retirement plan. The proceeds of the account are normally taxable to the beneficiary; however, the community Foundation is tax-exempt and no income tax is required. Directing that your retirement plan balance be distributed to the Community Foundation through your Will can reduce your estate taxes as well.

CHARITABLE BEQUEST

You have enjoyed a successful life. You have provided for your loved ones and you also want to provide for your community.

You can make a bequest in your will to the Community Foundation of a specific amount, a particular asset, or a remainder interest. You can request that the bequest be used to establish YOUR NAME FUND, or be used for unrestricted purposes, designated charities, or to support a particular field of interest.

Your estate planner can contact the Community Foundation for suggested language for such bequests.

Example: I give \$_____ (or _____% of my residuary estate) to the _____ Fund of the Community Foundation or directly to the Community Foundation.

GIFTS of CHARITABLE RESIDUE

Your Will provides for the benefit of your spouse and children. But you are still concerned about the disposition of your estate should these beneficiaries die in a common disaster or not survive you.

A common disaster or contingent beneficiary clauses in your Will can prevent your assets, dispersal to distant relatives or from escheating to the state of your legal residence. Naming the Community Foundation as contingent beneficiary insures that your assets will be used for your local community's good. A bequest to the Foundation's General Endowment Fund, or to YOUR NAME FUND will provide a permanent symbol of your benevolence.

LIFE INCOME~FIXED AMOUNT

You find yourself in later life with a fairly comfortable accumulation of assets. You would like an assured income for you and your spouse for the rest of your lives. Eventually, you may wish for charity to benefit after both of your lifetimes.

You establish a Charitable Remainder Annuity Trust, with the remainder assigned to the Community Foundation's General Endowment Fund or to YOUR NAME FUND. You receive a tax deduction, which may reduce your income taxes for up to six years. You and your spouse will receive an income for life, the same amount each year. When either dies, the survivor will continue to receive the income. Your estate taxes will be reduced and charity will benefit. If you prefer, you may accomplish this in your will providing a life income for your spouse. Because of the charitable deduction to your estate, the surviving spouse may actually receive a larger income than otherwise would be the case.

LIFE INCOME~VARIABLE AMOUNT

You are in the same situation as stated in the last example but find yourself concerned about inflation. A fixed income may buy less and less each year. You would like a chance to have the income grow over the years.

You arrange for a Charitable Remainder Unitrust instead of an Annuity trust. You specify a percentage (e.g., 5%) of the fund's assets paid to you each year for life, instead of a fixed number of dollars. If the assets grow, your income grows. Again, if you prefer, this can be accomplished through your Will for your surviving spouse. The charitable deduction to your estate can mean that the survivor may get a larger income because the assets remaining after taxes would be greater.

CHARITABLE ORGANIZATION CLOSING

You are on the board of directors of a charitable organization with a problem. The service the organization offers is no longer practical. Costs are outrunning income and there is little prospect for relief. It would be logical to close the agency but there are still some assets, a building perhaps, or some restricted funds that remain.

You open a fund with the Community Foundation, probably in the name of the charitable organization. Assuming appropriate legal procedures are followed, you can liquidate the assets and transfer them to the Community Foundation. You can specify that grants from the fund will be used for services or programs similar to those of the charitable organization. The mission of your organization is thereby continued in the years ahead.

CHARITABLE LEAD TRUST

You have a sizeable estate and are trying to plan for the future. You are able to provide amply for your children even though estate taxes will be considerable. But, now you are concerned about the welfare of your grandchildren. Will much be left after the taxes on your children's estates?

You set up a Charitable Lead Trust. You donate part of your estate to the trust now, and the income goes to the Community Foundation's General Endowment Fund, or to YOUR NAME FUND for a designated number of years. Your estate taxes are reduced and the donated property is not taxed to your children. When your grandchildren reach maturity, the trust terminates and the assets are used for their benefit. You have contributed to charity during all those year, the trust has grown tax-free, and now your grandchildren will receive much more than they would have otherwise.

TRANSFER of PRIVATE FOUNDATION

You are the trustee of a private foundation and some of the fun has gone out of the job. The government keeps laying down more rules about what you can and can not do. They tax part of the foundation's income and require detailed annual reports. There is a risk of personal liability. A better arrangement is required for its administration.

You establish a fund in your private foundation's name with the Community Foundation. You arrange to transfer your foundation's assets to YOUR FOUNDATION FUND and then dissolve the foundation. With the Community Foundation administering your fund, there is no more tax to pay, more dollars are available for charity, the Community Foundation's professional staff takes care of all government required paperwork, and investment decisions are handled by our professional investment advisors. Most importantly, you have the satisfaction of knowing that your foundation's purpose will be carried on in perpetuity.

GIVING OPTION for PRIVATE FOUNDATION

Again, you are the trustee of a private foundation but not all of your fellow trustees can agree on transferring the foundation's entire assets to the Community Foundation. Isn't there a more moderate step that can be taken in order to test such a relationship? You can set up a fund in the Community Foundation, most likely with the name of your private foundation. You arrange for your private foundation to contribute part or all of the current year's income to the fund. The trustees get to know the Community Foundation. This arrangement, if mutually desirable, can go on indefinitely until the trustees are ready to take full advantage of the Community Foundation's administrative and fiscal management.

CORPORATE GIVING in COMMUNITY

You are an executive in a large corporation, responsible for corporate giving. Part of the job is easy—support the typical charities, do “good-citizen” things in cities where you operate and give to projects of importance to you and your employees. But what about the abundance of requests you get from other charities? Who is to decide whether to support such programs?

You can establish a fund in the Community Foundation, either with the name of the corporation or an anonymous name. There are many options for your company. You divide the corporate giving into two parts. One part is to cover those charities you want to provide for annually. The other part is discretionary and you assign the task of its distribution to the Community Foundation's Board of Directors and staff.

ESTATE or TRUST~GIFT to CHARITY

You are the Executor or Trustee under a will. The will requires you to allocate a certain amount of money to charity, but either the organizations and amounts are not named or the tasks of carrying out the charitable provisions are too burdensome for your role as Executor or Trustee.

You set up a fund in the Community Foundation in the name of the person who died. With the approval of the court, if necessary, you arrange to have the charitable portion of the estate paid to the Community Foundation. The Foundation is usually fully qualified to receive the charitable portion of the estate. The burden of carrying out the charitable provisions would remain under the guidance of the Community Foundation.

GROUP MEMORIAL FUND

You and your friends are deeply saddened by the death of a dear and valued friend. Couldn't something be done to preserve your friend's memory and the goodness of that person's life?

You set up a fund in the Community Foundation in the name of the individual who died. You ask interested friends to contribute to the fund. You dedicate the purpose of the fund to the field-of-interest which would have pleased the individual. The fund becomes a permanent living memorial to your friend.

UNRESTRICTED FUND

After your lifetime you want to make a charitable contribution which will ensure the best quality of life for your community. You believe that a group of living men and women are better able to assess current situations than a written document from the past, no matter how perceptive.

You provide in your will a charitable bequest designated as an unrestricted fund in the Community Foundation. You require only that all grants be given in your name. You give the Community Foundation the entire responsibility to select the most appropriate organizations to receive grants at that time. Grants may be made in any of the major areas of philanthropy ~health, education, arts and culture, human services or the environment. Such unrestricted gifts are, of course, the most flexible in meeting any new emerging charitable needs.

DONOR-ADVISED FUND

You would like the advantages of a charitable fund with the Community Foundation now but would like to make periodic suggestions regarding which charities should be supported. As a general rule, a donor attaches conditions to a gift at the time the gift is made. However, it is possible, if certain guidelines are followed, for a donor to maintain an advisory role concerning the gift.

You set up YOUR NAME FUND with the Community Foundation as a donor-advised fund. Your contributions to the fund qualify for an income tax deduction in the year in which they are made. You can then make suggestions for grants from YOUR NAME FUND from time to time.

We verify that your recommendations are consistent with the Community Foundation's grantmaking policies. It must be recognized that ultimate control over donor-advised funds is in the hands of the Foundation's Board of Directors. We welcome advice from donors and others, but cannot be bound by it.

FIELD-of-INTEREST FUND

You wish to support a particular field-of-interest—like health, education, arts and culture, human services or the environment—but do not wish to restrict your money to just one organization that over time may cease to serve the purpose that you had originally intended.

You set up YOUR NAME FUND with the Community Foundation as a permanent field-of-interest fund. You describe this field as broadly or as narrowly as you wish. You may make substantial gifts during your lifetime to YOUR NAME FUND, or you may make a charitable provision in your Will, or you may do both. The work of identifying the appropriate organizations is done by the Community Foundation.

DESIGNATED FUND for ONE or MORE ORGANIZATIONS

You have been supporting one or more favorite charities with annual gifts and you would like to have this support continued after your lifetime. You are planning a new Will and each charity could be left with an individual bequest. You are concerned, however, that the charity may not always perform well in the area that interests you.

In your Will, you provide a bequest to the Community Foundation to establish a permanent endowment fund. You ask the Community Foundation to send the net income to one or more of your favorite charities. These donations are then sent in your name each year. The Foundation monitors the use of these donations by designated agencies to be sure there is always a need.

AGENCY ENDOWMENT FUND

As a member of the board of directors of another charitable organization, you recognize that an endowment fund would help stabilize the organization's revenue needs, but you and your fellow board members were chosen for your knowledge of the charitable service not for the management of endowment funds.

The charitable organization can establish an agency endowment fund within the Community Foundation, which can receive funds from the organization and from interested individuals. The advantages of this type of arrangement are that funds will be invested with professional investment managers. Additionally, both the board and donors are assured that the funds will always be available for charitable purposes, even if the charitable organization ceases operations.

PART DESIGNATED FUND/ PART FIELD-of-INTEREST FUND

You have a number of charitable interests. You modify your list of contributions each year—a few organizations are always eager to receive your contributions, but the rest are ever changing. Is it possible to continue giving in this random manner after your lifetime?

You set up YOUR NAME FUND with the Community Foundation and, in your will, provide a bequest to the fund. You ask the Community Foundation to divide up a portion of the fund's income each year—say, a third to a half—among your favorite charities. With the balance, you specify your fields-of-interest— for example, youth services, aid to the elderly, education, arts and culture, or any other field. The Foundation's Distribution Committee will select charities in your field-of-interest to be helped by your philanthropy, and your charitable interests are kept current.

SCHOLARSHIP FUND

You wish to establish scholarships in your name for deserving young people. You realize, however, that the administration of scholarship programs takes a great deal of time and consideration and must conform strictly to standards of impartiality and integrity.

You set up YOUR NAME FUND as a scholarship fund in the Community Foundation. You may, if you wish, specify either the schools the students have graduated from or the ones to which they will be admitted. The scholarships may be for any level of education you specify. The Community Foundation will present scholarship awards to qualified educational institutions and monitor the process annually to make sure your purpose is fully respected.

The information contained herein is not intended as legal, tax or investment advice. If you are interested in additional professional advice, the Community Foundation can connect you with a team of professional advisors to answer questions specific to your situation.

The information provided in this guide is the work of many Community Foundations across the country, and in particular the New York Community Trust. We are grateful for the generous collaborations of our colleagues.