

# The Professional Advisor's Partner in Philanthropy

*Flexible charitable options for your clients*



**Community Foundation  
of Southern Indiana**

*Ensuring generosity. Forever.™*

## ADD VALUE TO YOUR ROLE AS ADVISOR

*As a trusted professional advisor, your clients rely on you to help them make good charitable decisions and realize their dreams of giving back. They want you to listen for opportunities when a charitable gift may be right. They want you to explain their options and suggest solutions.*

*Now you have a partner to help enrich the charitable giving strategies of your clients – the Community Foundation of Southern Indiana. When donors establish a fund through us, they open the door to a broad range of charitable options. The Community Foundation can manage virtually any type of gift for any charitable purpose, offering everyone the opportunity to make a lasting contribution that directly benefits this community.*



*By partnering with the Community Foundation, you can make it easier for your clients to give effectively, help them receive tax benefits they may not realize on their own, and encourage support that will improve the quality of life in southern Indiana. At the Community Foundation of Southern Indiana, philanthropy is our business – our only business. We are committed to helping you assist your clients to achieve their philanthropic goals.*

*We understand the importance of your client relationships. Rest assured that we will work with the client in whatever way you like, up front or behind the scenes. Your clients will appreciate your helping them achieve more than they thought possible. Whether their needs are simple or complex, utilizing our expertise and experience will add value to your services.*

### **Offer Charitable Solutions**

We work with you to create giving strategies customized to your clients' personal and financial goals.

### **Provide Maximum Tax Benefits**

Your client's gift to the Community Foundation of Southern Indiana receives the maximum tax benefits allowed for a gift to a public charity. See "Compare the Options" on page 6 for more information.

### **Help Any Client Give Back**

Being philanthropic does not require a lot of wealth. Your clients of any income level can create a giving plan that fulfills their charitable wishes.

## **We offer a broad array of options for charitable giving**

### **Keep the Planning Flexible**

Your clients make a gift when it's the right time financially, and then recommend grants over time to the not-for-profits of their choice. They can support many different charitable interests from one fund.

### **Make the Greatest Impact**

For more than 20 years, we have helped people create meaningful, customized charitable funds that help them fulfill their dreams. Whatever their charitable objectives may be, we can be the resource for your clients to make informed grant decisions and provide them with feedback on the impact of their gifts, if desired.

### **Preserve Charitable Intent**

An endowment fund at the Community Foundation never goes out of date, even if the original charitable purpose can no longer be fulfilled. When they create the fund, your client may designate an alternate purpose of their choosing for this contingency, or the Foundation's Board of Directors will use the fund to support a cause that most closely matches your client's original intent.

### **Risk Free Planning**

It's our pleasure to work with you to explore the best options for your clients' personal and financial goals. There is never any obligation, and there is no charge for our consultation, planning or drafting.



## Customized giving strategies address your client's unique wishes, family situation, or financial need.

### If they want to give now

Clients can make their gift now, with just one transaction and one tax receipt to handle. They can support multiple causes now or later, all with one charitable fund.

### If they want to give in the future

Bequests and beneficiary designations are made simple for you, the advisor. You draft a few simple sentences in your clients' will or trust to make a future gift to the Community Foundation; we draft a fund agreement to capture all the details of your clients' future charitable wishes. To see sample language for deferred gifts, visit our website at [www.cfsouthernindiana.com](http://www.cfsouthernindiana.com).

### If they want to involve family for generations

A donor advised fund can be a more efficient and cost-effective alternative to a private foundation. Several generations can participate in grantmaking decisions from your client's fund. To compare the benefits of a donor advised fund to other family philanthropy options, review the chart on page 6.

### If they want to give to receive an income during life

Some clients may be in a position to make a charitable gift that allows them to receive an income for their lifetime. A charitable gift annuity or remainder trust provides a lifetime payment, and ultimately creates an endowment fund that will support your client's favorite causes in perpetuity.

### If they want to benefit our community

A gift to the Community Foundation with no restrictions is placed in our Community Endowment Fund. Gifts from this fund are always used to address the most pressing needs of Clark and Floyd counties in Indiana, however these needs may change over time.

By creating a fund at the Community Foundation, your client will be able to accomplish more with their gift than they might have thought possible, along with receiving expert charitable advice and personal attention – all from a local partner committed to the community.

**We work with you to simplify your clients' giving  
and realize their financial and charitable goals.**

**Contact us at 812-948-4662 or visit [www.cfsouthernindiana.com](http://www.cfsouthernindiana.com)**



## Frequently Asked Questions

### About The Community Foundation of Southern Indiana

- 1. What is a Community Foundation?** A community foundation is a local, public charity that holds and administers separate charitable funds created by individuals, families, businesses or not-for-profit organizations. Each fund fulfills its donor's unique charitable intent. Unrestricted assets gifted to a community foundation are used at the discretion of the board of directors to address the most pressing needs of the local community.

We are local. We are not a financial clearinghouse or an anonymous customer service center. We give your clients personal attention and assistance in grantmaking – answering questions about community needs and offering guidance.

We offer more options than commercial gift funds. We offer a broad array of funds and giving strategies, accept a wide variety of assets, and offer expert, local charitable planning services.

We honor your clients' charitable vision. We are committed to supporting your clients' unique charitable wishes in perpetuity. If those wishes can no longer be fulfilled, our local board makes grants that most closely match the original intent.
- 2. Can family members be involved in a Community Foundation fund?** Children, grandchildren, siblings or other trusted individuals may be named to the fund's advisory committee. When the advisory period ends, the fund will perpetually support your clients' specific charitable interests.
- 3. Can fund distribution be anonymous?** Yes, every grant can be made anonymously, or on a grant-by-grant basis.
- 4. Do all grants have to be made locally?** No, grants from individual donor funds may be made to any 501(c)(3) public charity, church or school in the United States. Grants from the Foundation's Community Endowment Fund must support organizations that benefit people living in Clark and Floyd counties in Indiana.
- 5. How does a supporting organization work with the Community Foundation?** A supporting organization is a part of the Community Foundation's organizational structure, yet it is separately incorporated with its own board of directors and investment control. Clients and their family members may serve on the board, and grants do not require Community Foundation approval. This can be an effective arrangement for a client who has significant sums to contribute and wants the independence of a private foundation with the administrative assistance of the Community Foundation.
- 6. Can someone other than the Foundation manage investment of my client's funds?** Yes, for larger funds (\$100,000 or more) a client may recommend the services of an investment advisor of their choosing, provided that the investment advisor is approved by our board and complies with our investment policies.
- 7. How much can my client's fund give away?** The Community Foundation spending rate may vary depending on the year and can be found on our website. Your client may recommend a rate greater or less than the Foundation's current rate, assuming they contribute at least \$500,000 to a new endowment fund.
- 8. What services does the Foundation provide?** The Foundation staff provides all the planning to help you create your fund, including drafting the fund agreement that governs the terms and conditions of your gift. All IRS reporting and fund accounting, as well as performing the required due diligence on your requested grants is provided. If desired, we can also provide you with information on area non-profits, causes, and issues that you want to learn more about. We can provide you with complete anonymity for all or certain grants from your fund, if you wish. All of these services are covered by the Foundation's basic administrative fee.
- 9. How can I learn more?** Visit our website at [www.cfsouthernindiana.com](http://www.cfsouthernindiana.com) or contact the Foundation at (812) 948-4662.





## Your clients have a variety of business, personal and financial needs. We offer solutions.

Your client wants a **charitable deduction by year end**, but cannot decide on the specific charities now.

Making a gift to create a charitable fund at CFSI provides for a current year income tax charitable deduction – decisions about where and how much to donate can be made later.

Estate planning reveals your client's heirs may incur **significant taxes upon death**.

Making annual gifts to CFSI now will build a significant charitable fund and remove assets from your client's estate. A bequest or beneficiary designation gift will obtain an estate tax charitable deduction at death. Either way, your client's heirs save estate taxes and the fund creates a permanent legacy for the causes your client loves.

Your client supports many different causes annually and would like to **consolidate giving and record-keeping** to save time and make tax preparation easier.

Your client's charitable fund at CFSI can make contributions to as many public charities as they like, with only one tax receipt (for the donation to CFSI) to worry about at tax time.

Your client wants to **use appreciated stock to support multiple charities**, and is seeking a simple and cost-effective method.

Donating the appreciated stock to CFSI for their fund saves taxes, while proceeds from the transfer may be used to support as many public charities as your client desires.

Your client is looking for a way to **make a gift with an unusual asset**, such as real estate or closely-held stock, and wants a convenient way to do that.

CFSI accepts unusual assets and liquidates them, putting the proceeds in your client's fund to be distributed to the charitable organizations they choose.

Your client has a **private foundation** and would like to involve their family in carrying it on to the next generation, but the administrative and financial burdens are more than the heirs want.

Converting the private foundation to a donor-advised fund at CFSI allows the children and grandchildren to actively participate in the family's philanthropic decisions, but CFSI assumes the administrative and financial responsibilities.

Your client wants to give back to **support the community's greatest needs**, without worry about naming particular charities.

An unrestricted gift to CFSI is added to the Foundation's Community Endowment Fund, and grants from the endowment are made each year to provide for our community's most pressing needs, however those needs may change over time.

**If your client is looking for greater impact, less paperwork, better tax advantages, and expert advice, the Community Foundation is your partner.**

Contact the Community Foundation of Southern Indiana at (812) 948-4662 or [www.cfsouthernindiana.com](http://www.cfsouthernindiana.com) to discuss customized solutions for your clients' unique needs.



**Bob Lanum**  
Attorney  
Stites & Harbison

From its beginnings more than 20 years ago, Stites & Harbison attorney Robert Lanum has been involved in the Community Foundation of Southern Indiana. The organization has served as a valuable resource for charitable planning for his clients and friends. The experienced staff at CFSI has helped his clients who want the benefits of a charitable foundation but don't have the time it takes to maintain their own non-profit organization. Setting up a family philanthropic fund has been a great solution for many. Clients considering how to best leave their legacy value the flexibility and ease of working with CFSI.

*“The Community Foundation has significant expertise in planned giving and can help those who want to support their favorite non-profit organizations, including schools and religious groups. My clients have been well taken care of by the Foundation. I can give the Foundation my unqualified recommendation.”*

## What are the options?

In each option below, donors make tax-deductible contributions that allow them to support their favorite charitable causes or organizations. However, there are certain key differences that you and your client should consider.

	Personal Charitable Fund at CFSI	Outright Gift to Single Charity	Supporting Organization at CFSI	Private Foundation
<b>Administration</b>				
Set up time	A few days	Immediate	6-9 months	6-9 months
Start-up costs	None	None	Varies; may include legal and accounting fees	Varies; may include legal and accounting fees
Initial gift minimum	Yes - varies depending on type of fund *	None	Usually \$2,000,000	\$5-10 million **
Separate tax return	No	No	Yes	Yes
Record keeping/Accounting	No	No	Yes	Yes
Minimum payout required (5%)	No	No	No	Yes
Excise tax on investments	No	No	No	Yes – up to 2%
Governance and oversight	CFSI Board of Directors	Charity's Board of Directors	Independent Board of Directors, named by CFSI	Independent Board of Directors
Investment decisions	Advice; CFSI Board makes final decisions	Charity's Board of Directors	Directed by SO Board of Directors	Directed by PF Board of Directors
Administrative support	CFSI professional staff	Charity's staff	Responsibility of SO Board; may utilize CFSI staff or hire own	Responsibility of PF Board; may hire staff
Grantmaking strategy assistance; information on community issues	CFSI provides	No	CFSI provides	Responsibility of PF
Confidentiality	Yes - Donor will be anonymous to public or charitable grant recipient, if desired	No - may cause new or additional fund raising solicitations	No - Donor's name is public record on 990PF tax return; may cause new or additional fund raising solicitations	No – Donor's name is public record on 990PF tax return; may cause new or additional fund raising solicitations
<b>Income Tax Deduction Limit</b> (Percentage of Adjusted Gross Income)				
Cash gift	50%	50%	50%	30%
Appreciated property – publicly traded (long term)	30% - Fair Market Value	30% - Fair Market Value	30% - Fair Market Value	20% - Fair Market Value
Appreciated property – other	30% - FMV	30% - FMV	30% - FMV	20% - cost basis
<b>Grantmaking</b>				
Able to remain anonymous	Yes	No	No	No
Donor control of grantmaking	Grant recommendations subject to approval of CFSI Board of Directors	May place restrictions on use of gift by Charity before making contribution; reliance on Charity to carry out	Direction by SO Board of Directors	Direction by PF Board of Directors

\* See website for current minimums

\*\* Source: Council on Foundations



## Community Foundation of Southern Indiana

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4104 Charlestown Road • New Albany, Indiana • 47150 • P: 812.948.4662 • F: 812.948.4678  
[www.cfsouthernindiana.com](http://www.cfsouthernindiana.com)

## Our Vision

*To be the partner and trusted resource for philanthropy in our community,  
providing stewardship of charitable intent so the impact of generosity will last for generations.*

## Our Mission

*To build enduring charitable resources used to positively impact our community by:*

- *Serving as a partner and resource for donors, their advisors, and not-for-profit organizations*
  - *Making it simple for donors to fulfill their individual goals in giving back*
- *Providing stewardship of donor gifts and charitable intent for generations to come*
  - *Fulfilling a leadership role on important community issues*

## Our Values

**Integrity/Ethical Behavior** – *Do the right thing every time*

**Stewardship** – *Preserve donor intent and charitable value across generations*

**Excellence** – *Exceed expectations in all we do*

**Passion** – *Love what we do; believe what we do makes a real difference*

**Leadership** – *Know our community and its needs; act on that knowledge*

**Donor Service** – *Create an environment of personal engagement and fulfillment of charitable wishes for each donor*



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*Confirmed in Compliance with National Standards for U.S. Community Foundations*