

# FREQUENTLY *Asked* QUESTIONS



## WHAT IS A COMMUNITY FOUNDATION?

A community foundation is a tax-exempt charity that is dedicated to improving the lives of people in a particular geographic area. In partnership with donors, community foundations direct resources to effective local nonprofit organizations. A banker established the first community foundation in 1914 in Cleveland, Ohio.

## WHAT IS THE ROLE OF THE COMMUNITY FOUNDATION IN THE PALM BEACH AND MARTIN COUNTIES COMMUNITY?

The Community Foundation was founded in 1972 to support three main initiatives:

- Serve as a vehicle for our donors to direct their grantmaking to the causes closest to their hearts.
- Support the nonprofit partners that address pressing issues through competitive Community Impact grantmaking.
- Support students in our region through annual college scholarships.

## WHY SHOULD I GIVE TO THE COMMUNITY FOUNDATION INSTEAD OF DIRECTLY TO MY CHARITY OF CHOICE?

Giving through the Community Foundation creates an opportunity to make a broader difference on an entire cause in addition to specific charities. We encourage you to do both.

## WHY SHOULD I INVEST THROUGH THE COMMUNITY FOUNDATION INSTEAD OF A BANK?

By pooling your dollars into our portfolio — which has assets of more than \$240M — your money grows. Our portfolio is broadly diversified across several asset classes and our performance is just as strong as a bank's. *Our difference:* We are closest to your community's needs and solutions, we advocate for the community you love, and we can be a strong partner with your professional advisor.

## WHY SHOULD I GIVE DIRECTLY TO THE COMMUNITY FOUNDATION?

Philanthropy is more than a transaction; our work together is personal, and we offer the full resources and expertise of our organization with each donor. As a civic leader, the Community Foundation counts on funds that sustain our work to address real issues critical to the economic competitiveness and health of our area. Our continued success depends on two areas: **endowments**, which permanently support our work; and **annual support**, which helps us operate with excellence and innovation each year.

## DOES THE FOUNDATION COMPETE WITH OTHER NONPROFIT ORGANIZATIONS?

No. Although the Community Foundation is a nonprofit organization, we are a partner to thousands of organizations that we have supported over 50 years through grants. We aim to bring donors and charitable organizations together for mutual benefit.

## WHAT IS A DAF? HOW DOES IT WORK? WHY SHOULD I BE THINKING ABOUT IT?

Donor-Advised Funds (DAFs) are the fastest-growing type of charitable giving account. They allow individuals, families or businesses to make a charitable distribution, and you get to recommend how the funds should be distributed. Donors receive an immediate tax deduction for a contribution and the funds are invested and grow tax-free.

## WHAT TYPES OF GIFTS ARE ACCEPTABLE?

The Community Foundation is equipped to accept many different types of gifts, including cash, checks, securities (marketable and not readily marketable), real estate, real estate with retained life interest, tangible personal property, bequests (outright, residuary, and contingent), charitable gift annuities, charitable trusts, insurance policies, and retirement plans. A donor may make a one-time gift or a pledge payable over multiple years.

## WHAT ROLE DO MY ADVISORS PLAY AT THE COMMUNITY FOUNDATION?

The Community Foundation works with you and your advisors to fulfill your intentions. Your attorneys, family office representatives, financial advisors, investment and wealth managers, and other trusted advisors are important to you and to us. You may even choose to invite your investment managers to continue managing your assets with the Community Foundation. Many of our donors have been referred to us by their advisors, who recognize the value of partnering with the Community Foundation.

## WHY SHOULD I MOVE MY PRIVATE OR FAMILY FOUNDATION TO THE COMMUNITY FOUNDATION?

With the Community Foundation, it's easier. We offer many benefits of a private foundation without the complexity, administrative burden, or added expenses. You can take advantage of our community expertise and resources to leverage your impact on an issue. And the Community Foundation's structure is here forever — moving your private or family foundation under our auspices ensures your legacy will endure.

## CAN I DONATE PRIVATE STOCK?

Yes, private stock can be donated to a Donor-Advised Fund. Donors receive an immediate deduction based on present value and can keep their voting rights on the stock.

## AT WHAT POINT DO I HAVE A TAXABLE ESTATE?

The estate tax-threshold (the amount you can give to heirs tax-free) is \$11.2 million for individuals and \$22.4 million for couples. For more information on how the new tax law affects your giving, please consult your tax advisor.

## DOES THE COMMUNITY FOUNDATION CHARGE MANAGEMENT FEES FOR ITS SERVICES?

Yes, a small fee helps to professionally manage your funds and facilitate your grantmaking.

