



FAMILY FOUNDATION *Guide*

Benefits of pairing your Family Foundation's vision with the
Community Foundation's connections and experience

THE COMMUNITY FOUNDATION *Difference*

Your private foundation can continue its operations while at the same time opening a donor-advised fund (DAF) at the Community Foundation with a portion of its assets.

Our partnership provides your foundation with anonymity for a portion of its grants, ease of administration, and flexibility on the timing of grantmaking, which is greater than that permitted to a private foundation.

Gifts to your DAF can satisfy all or part of the 5% annual giving requirement of private foundations, taking pressure off of your year-end gift decision making.

10 REASONS OUR FOUNDATION SHOULD BE *Your* FOUNDATION

1. OUR FOCUS IS PALM BEACH AND MARTIN COUNTIES

Your home, your family, your successes, and your passions are right here where the Community Foundation has been leading philanthropy for over 50 years. We share your commitment to positively impacting our community and have strong relationships with the trusted nonprofit organizations in our area.

2. YOUR INTENTIONS ARE OUR PRIORITY

Why, how, when, and where you want to direct your philanthropic attention is our top priority. We can find creative solutions to your philanthropic planning, making sure your intentions are honored now — and forever.

3. FAMILY MATTERS

We are sensitive and responsive to the various needs and interests of family members. We can help facilitate family dialogues and address practical matters that will affect assets for decades to come.

4. YOUR ADVISORS ARE ESSENTIAL

We work closely with your legal, financial, tax, and other advisors to ensure the success of your philanthropic plans.

5. TAX ADVANTAGES

As a public charity, the Community Foundation offers maximum tax advantages for most gifts under federal law.

6. STERLING REPUTATION FOR EFFECTIVENESS

Helping donors identify and deploy the “highest and best use” of philanthropic assets positions the Foundation as a consistent resource for expert service and reliability.

7. PROFESSIONAL ASSET MANAGEMENT

Whether you choose to invest your funds through the Community Foundation's investment managers or your own, due diligence is performed to preserve the investment structure of your philanthropic assets.

8. EXPERTISE ACROSS THE PHILANTHROPIC SPECTRUM

From managing complex asset portfolios to assessing diverse family and community needs, our expert staff can address a full range of challenges faced by philanthropic families.

9. INCREASED LEVERAGE

The Community Foundation can multiply the impact of your giving by pooling and amplifying it with other gifts and grants.

10. ENSURE YOUR PERSONAL LEGACY — FOREVER

You can secure control over the future disbursement of your philanthropic assets held by the Community Foundation.

HOW TO SIMPLIFY [Your Foundation's] LIFE

The Community Foundation offers knowledge about our area's challenges, connections to the trusted nonprofit organizations solving them, and convenient back-office services that keep your Family Foundation focused on what's most important: Your philanthropic impact.

	COMMUNITY FOUNDATION (CF)	PRIVATE FOUNDATION (PF)
SET-UP CONSIDERATION		
COSTS	None	Legal, accounting & filing
TIME FRAME	Immediate	Up to 6 months
MINIMUM CONTRIBUTION	No minimum	No minimum
INCOME TAX CONSIDERATIONS		
CASH	Deduction of up to 60% adjusted gross income	Deduction of up to 30% adjusted gross income
CAPITAL GAINS	30% of adjusted gross income	20% of adjusted gross income
EXCISE TAXES	No tax on fund's investment income	Generally, 1-2% on investment income
ADMINISTRATION		
ADMINISTRATION SERVICES	CF handles accounting, audit, due diligence, check writing, etc.	All costs including payroll, audit, compliance, legal, etc. are responsibility of the PF
INVESTMENT OPTIONS	Four portfolio options or donor may choose their own investment manager	Investment vehicles selected and overseen by Board
FUND DISTRIBUTION	No annual minimum	Annual required minimum distribution of 5% of assets
SET-UP CONSIDERATION		
SELF-DEALING RULES	CF provides oversight, therefore private foundation self-dealing rules do not apply	Regulations prohibit most transactions between a private foundation and its donors, related persons, and corporations
LIABILITY & RISK INSURANCE	Provided by CF	Must be purchased by the PF
VISIBILITY		
PUBLIC DISCLOSURE	No public disclosure unless donor desires	Desire for degree of visibility is determined by Board and issues own grant guidelines; PFs must disclose all of the grants they make on the IRS Form 990. PF's balance is also public information
GRANTMAKING CAPABILITIES & RESTRICTIONS		
FUTURE PURPOSE	Current and future purpose defined by donor	Purpose may be changed by future Board
COMMUNITY KNOWLEDGE	In depth knowledge of local nonprofits and community needs	PF must determine nonprofit and community needs
FLEXIBILITY OF GRANTS	Complete flexibility	Determined by Board



COMMUNITY FOUNDATION FUND vs. COMMERCIAL FUNDS

While community foundations and commercial funds share some of the same benefits, funds at the Community Foundation provide opportunities to strengthen our area.

The fees on a Community Foundation fund are reinvested into the community through programmatic work, staff support and grantmaking, a key differentiator from commercial funds where fees benefit stakeholders — not your community.

The Community Foundation handles everything, including all the back-office and administrative tasks, freeing up your team to focus on serving the community.



THE PATH TO *Perpetuity*

Path 1 | NOW

YOUR PRIVATE FOUNDATION

We can provide multiple advantages to converting your private foundation into a permanent vehicle. Moving the entirety or a portion of your private foundation into a fund at the Community Foundation allows you to:

- Minimize administration
- Leverage giving
- Reduce costs
- Maximize tax benefits
- Perpetuate effect
- Ensure initiation-stated intentions

YOUR PRIVATE
FOUNDATION
CONVERTS TO...

Path 2 | LATER

YOUR ESTATE

An endowment can be established through a bequest from your estate, allowing your philanthropy to continue after your estate is settled. The Community Foundation will ensure the enforcement of your perpetual philanthropic legacy.

YOUR ESTATE
EVENTUALLY
FUNDS...

DONOR-ADVISED
ENDOWMENT
FUND

OR

FIELD
OF INTEREST
FUND

OR

DISCRETIONARY
FUND

Your FUND OPTIONS:

- **A DONOR-ADVISED ENDOWMENT FUND** is a permanent fund managed by the Community Foundation that directs its income according to your documented, ongoing recommendations. Up to two generations of successors may be involved in the distribution of fund assets.
- **A FIELD OF INTEREST FUND** is a permanent fund managed by the Community Foundation through which your philanthropic priority area will be forever supported. Choose any charitable category as narrowly or broadly defined as you like, and the Community Foundation will make grants that honor your interests.
- **A DISCRETIONARY FUND** is a permanent fund managed and directed by the Community Foundation. The fund's income will be directed to a pressing need at the discretion of the Community Foundation.



**THE FREDERICK A. DELUCA FOUNDATION
HAS PARTNERED WITH THE COMMUNITY
FOUNDATION SINCE 2019,**

taking advantage of our deep knowledge of and engagement with the community. As a family foundation, the DeLuca team values our ability to keep our finger on the pulse of what our neighbors really need to be successful and deliver the local impact it seeks.

FULL-SERVICE *Philanthropy*

- Philanthropic planning, issue and organization research, and customized site visits
- Family meeting facilitation, tailored trainings, and succession planning
- Legacy fund preparations
- Online access to monthly statements and donor-directed grantmaking portal
- Finance and investment meetings with our Chief Financial Officer or Outsourced Chief Investment Officer (OCIO)

