



GUIDE TO GIVING



Delaware County
Foundation



Giving in support of values

Whether you have a firm idea of what you hope to accomplish with your philanthropy—or an idea that’s just taking shape—The Delaware County Foundation can help you achieve your philanthropic goals.

We know that giving can be a deeply personal and inherently rewarding experience, especially when you know that your generosity is having the impact that you desire. Providing you with choices, while ensuring your gift represents your values and interests, is very important to us. This guide is intended to help you explore a personalized approach to philanthropy that is meaningful and productive.

No matter how you choose to give, our knowledgeable staff are here to make it easy. To get started, contact us at 614.764.2332 or foundation@delawarecf.org.

TIME FRAME FOR MAKING YOUR GIFT

Gifts to the Foundation may be made outright in a single transaction, pledged over a period of time, or planned as part of your estate provisions.

FUNDING GUIDELINES

- Unrestricted gifts of any amount may be added to the Foundation endowment. These funds will be used in support of Foundation-wide priorities—everything from scholarships to community action grants.
- \$25,000 or more can establish a named endowment fund restricted to a specific purpose, such as funding for arts programs.

PLEDGES

- Allow you to promise a gift and make payments over time.
- Enable you to give more generously than otherwise possible through a single transaction.
- Permit a choice of payment methods: cash; securities; credit card; or other types of assets.
- May be paid over a period of up to five years in annual, quarterly, or monthly installments with payments to begin at your convenience.



Starting a Fund

The most appropriate fund depends upon your philanthropic goals. Funds may be named for you or someone you wish to honor.

Funds can be fully expended over a period of time with an emphasis on immediate impact or endowed to last in perpetuity and have a long-term impact.

UNRESTRICTED FUND

Unrestricted Funds are not designated for a particular nonprofit, cause, or area of interest. Our Board of Directors oversees the use of these funds, setting priorities, and determining how grants will be distributed. Unrestricted Funds give us the flexibility to respond to most pressing needs in the community.

FIELD OF FUND INTEREST

A Field-of-Interest Fund enables you to support a particular issue, such as education, dance, or health care, while leaving the decision-making up to the Foundation's Board of Directors.

DESIGNATED FUND

If you know the specific charities you want to support and don't want to make decisions on an ongoing basis, a Designated Fund may be right for you. You decide which charity or charities you would like to benefit, and we take care of the rest.

SCHOLARSHIP FUND

A Scholarship Fund can benefit students at any education level or can support those attending a specific high school or university. It can be established to honor a loved one. Some donors choose to stay involved through advisory relationships, while others ask the Foundation to select recipients.

DONOR ADVISED FUND

Donor Advised Funds are established by those who wish to actively participate in the grant-making process. This type of fund makes it easy to give to multiple nonprofits. Grants from the fund can be made on a regular basis or when the need arises.

CORPORATE PHILANTHROPY FUND

Corporations can simplify giving and strengthen their impact through a Corporate Philanthropy Fund. This fund provides ease of administration and support from experienced staff focused on maximizing the impact of your corporate giving efforts, without the added responsibility and expense of a private foundation.

NONPROFIT AGENCY FUNDS

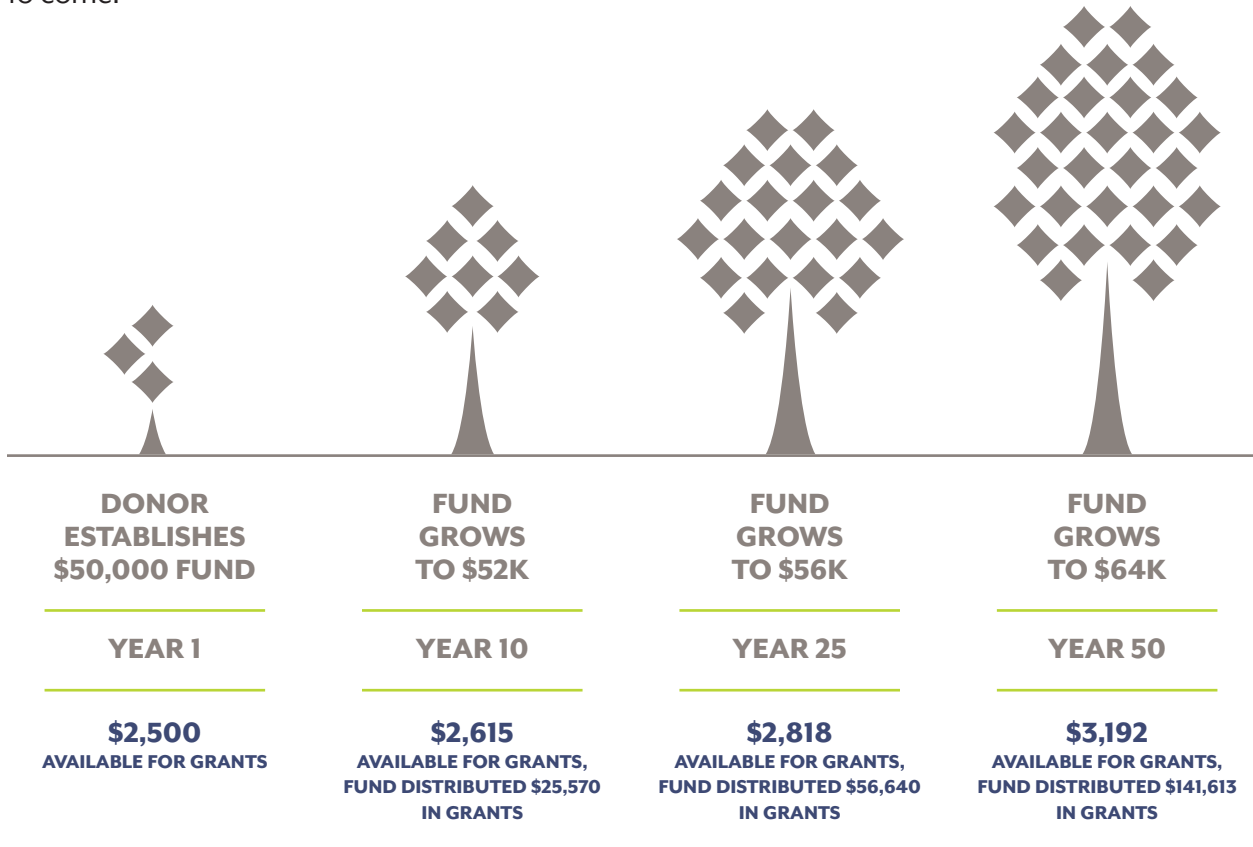
Nonprofit organizations may establish funds to help meet their current and future needs. We provide investment and administrative management, while the organization focuses on their good work in the community.

Endowments

When you make an endowed gift you create a permanent legacy of support. Created in your lifetime or bequeathed in your will, endowments provide support to fund a specific purpose in perpetuity. Each year a percentage of the fund is distributed to support the specific purpose you care most about. In this way, your funds can grow and provide support for years to come.

FUNDING GUIDELINES

- Unrestricted gifts of any amount may be added to the DCF endowment. These funds will be used in support of Foundation-wide priorities— everything from scholarships to community action grants.
- \$25,000 or more can establish a named endowment fund restricted to a specific purpose, such as graduate fellowships.



*estimates based on 7% ROI, 4% grantmaking and 1% administrative fee. Administrative fees vary by fund. No market value averaging formula is being used. Formulas assume one distribution per year.



3 THREE THINGS TO KNOW ABOUT ENDOWMENT

1. Endowments are made up of gifts that are invested to earn annual income and gains through investments in stocks, bonds, and other assets categories.
2. Endowment funds are invested on a pooled basis, in which all funds are grouped together in a shared investment strategy.
3. In addition to scholarships, endowed funds can be created for any lasting purpose.

Funding your Giving

CASH GIFTS

Cash is the easiest gift to make and can go straight to work supporting the programs that are most important to you. Your cash gift can be made by check or credit card and be supplemented by employer matching gift programs or any of the other techniques described in this guide.

GIFTS OF SECURITIES

You can make your charitable dollars go further by gifting stocks and bonds directly to the Delaware County Foundation. Donating securities directly rather than selling the assets and then donating the cash proceeds can provide substantial tax advantages for you while increasing the funds available for your charitable purpose.

GIFTS OF REAL PROPERTY

Almost half of personal wealth in the United States comes from real estate. A gift of real estate may allow you to give generously while achieving significant tax benefits. (Types of real property: home, vacation property, vacant land, farmland, ranch, or commercial property.)

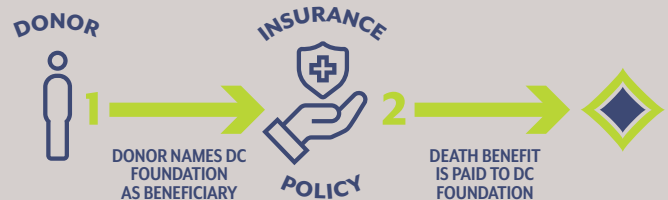
Real estate gifts require more planning than other gifts. The Foundation must evaluate legal and financial issues before deciding to accept a gift of real estate.

LIFE INSURANCE

Life insurance can be an excellent tool for charitable giving. It allows donors to make substantial donations at relatively little cost. Many donors establish life insurance policies as a tool for making gifts larger than they might otherwise be able to afford. Others choose to gift their existing policies because they no longer need the financial protection their policies provide. Either way, your gift of life insurance will have a significant impact on the communities and programs you care most about.

HOW TO MAKE A GIFT OF LIFE INSURANCE

The simplest way to make a gift of your life insurance policy is to designate the Foundation as a beneficiary. This way you can gift the entire policy to the Foundation or just a percentage.



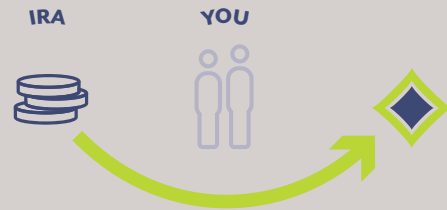
GIVING RETIREMENT ASSETS

SCENARIO A: TAXABLE



If you accept a distribution and then give the money away, it increases your total liability.

SCENARIO B: NON-TAXABLE



If you instruct your IRA administrator to make a distribution directly to the Foundation, you satisfy your RMD without adding to your taxable income.

VS.

RETIREMENT ASSETS

Using your IRA is a tax-smart way to fund your philanthropy. Individuals aged 70½ and older can give up to a \$100,000 per year to the Foundation without having to pay income taxes on the money. This popular gift option, commonly referred to as the IRA charitable rollover, allows donors to benefit even if they do not itemize their deductions.

MORE TO KNOW

- The law does not allow gifts from IRA funds to be distributed to donor-advised funds, but they can be used to establish any other fund type.
- Other retirement assets, such as pensions plans and 401k, should be considered when making planned gifts. Unlike other inheritances that can be passed to heirs free of income tax, distributions from inherited retirement plans are taxable as ordinary income to the person who receives them.

AUTOMOTIVE AND EQUIPMENT DONATIONS

You can donate any vehicle, boat, motorcycle, RV, or equipment—in any condition—and designate the proceeds to the programs you care most about.

Automotive and equipment donations are quick, easy, and tax deductible.

MATCHING GIFTS

The impact of your gift to the Delaware County Foundation could be doubled by your employer's matching gift program. Many employers match charitable contributions dollar for dollar, some companies even match gifts made by retirees and spouses.

Others provide matching funds to support employee volunteer hours. Don't miss out on a chance to maximize the impact of your gift. Check with your company to determine if it has a matching gift program for employee contributions or volunteer hours.





Charitable Bequests

Charitable bequests are a great way to provide for the programs you care most about without giving up the assets during your lifetime.

Designations in your will or trust make a statement about what matters most in your life. By directing a gift to the Foundation, you ensure that your intentions are clearly expressed, and that they will be followed by those administering your estate.

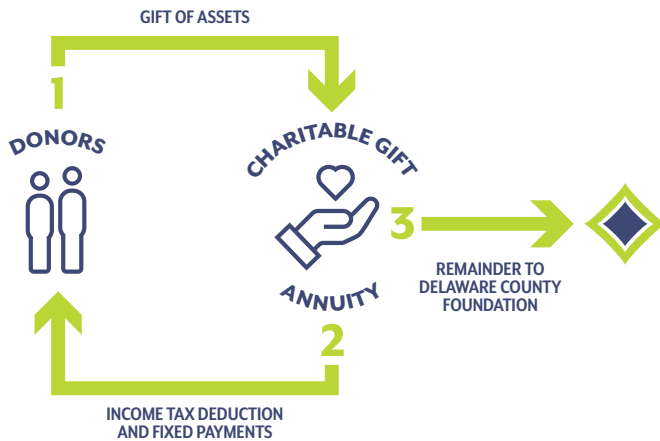
TYPES OF BEQUESTS

1. General – A designated amount of money, such as \$10,000.
2. Specific – A certain item, such as “my 100 shares of IBM stock,” “my home at 123 Main Street,” etc.
3. Percentage – A designated percentage of your estate, such as 10 percent.
4. Residuary – Gives Delaware County Foundation all or a percentage of anything left after all general and specific bequests are satisfied.
5. Contingent Bequest – Only takes effect if another bequest fails, such as “If my wife should predecease me, then my estate should go to Delaware County Foundation”.

Gifts that support the Foundation and your family.

CHARITABLE GIFT ANNUITIES

Gift annuities provide you and/or your loved one with a lifetime of fixed payments. Payment amounts are based on several factors including the size of the gift, your age, and when you would like payments to begin. Many donors defer receiving payments for several years allowing them to claim larger charitable deductions and greater annuity benefits.

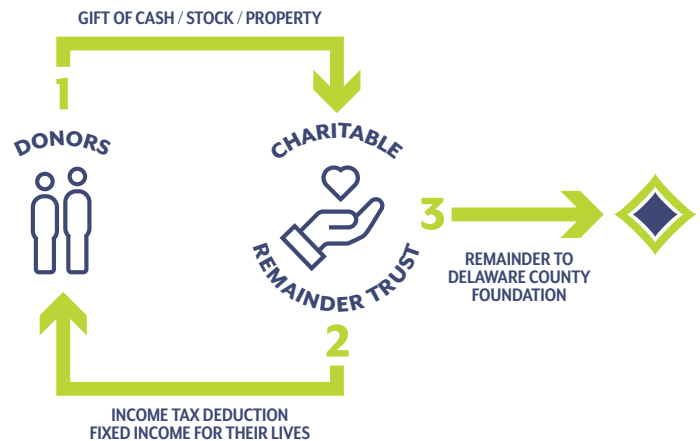


MORE TO KNOW

- Gift annuities provide substantial tax advantages—allowing you to receive a tax deduction at the time your initial gift is made, and in the future a portion of your payment may be nontaxable.
- Annuities can be funded with gifts of cash, securities, or even real estate proceeds.

CHARITABLE REMAINDER TRUSTS

Support the Delaware County Foundation and take advantage of tax benefits while providing yourself or a loved one with guaranteed income for life. Charitable remainder trusts pay beneficiaries an annual amount for life or a fixed term of up to 20 years. Assets placed in a charitable trust produce payments that can be a specific amount (annuity trust) or a fixed percentage (unitrust). When the trust ends, the remaining principal goes to fund the Foundation programs you designate.



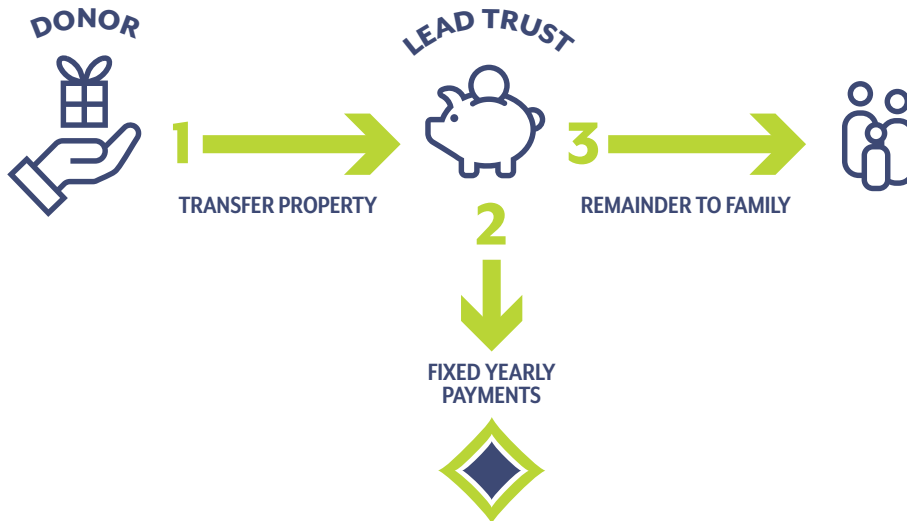


MORE TO KNOW

- Your principal is invested for a total return and grows tax free.
- Life income beneficiaries can be the donor, family members, or others.

CHARITABLE LEAD TRUSTS

You can benefit from the tax savings that result from supporting the Foundation without giving up the assets that you'd like your family to receive someday. A charitable lead trust provides financial support to the Foundation for a period of time with the remaining assets eventually going to the beneficiaries you designate – typically children or grandchildren.



MORE TO KNOW

- A charitable lead trust can be created by transferring property, such as cash, securities, privately held stock, real estate, and limited partnerships.
- Payments to the Foundation can be either a fixed dollar amount or a fixed percentage of the trust principal, revalued annually.
- At termination, the trust distributes all of its assets, including any appreciation, to your beneficiaries.





Community or Private Foundation: Which Option is Right for You?

When people want to make a difference in their community and create a family legacy, they have many options, from creating a private foundation to alternatives offered by a community foundation. While private foundations may allow for greater donor control, the administrative requirements and operating costs can be substantial. The following chart compares features of Donor Advised Funds and private foundations.

COMPARING THE OPTIONS

	TAX DEDUCTIBILITY	EASY OF USE	GRANTMAKING
PRIVATE FOUNDATION	Cash Gifts can be deducted at 30% Adjusted Gross Income (AGI); gifts of long-term appreciated securities can be deducted at 20% AGI; the deduction for real estate and gifts of closely held stock is limited to the donor's cost basis.	Require several months to establish and are typically more costly to setup and maintain. Net investment income is subject to 1-2% excise tax.	A 5% minimum annual payout required.
DONOR ADVISED FUND	Cash Gifts can be deducted at 50% Adjusted Gross Income (AGI); gifts of long-term appreciated securities, real estate, and closely held stock can be deducted at 30% AGI.	Simple and quick to establish; no startup costs; can be established in one day.	No minimum annual payout; all grantmaking services are provided by the Foundation.

Converting a Private Foundation to a Fund at the Delaware County Foundation

Though many people enjoy the experience of giving for years through a private foundation, sometimes private foundations run their course. In these cases, the Delaware County Foundation provides a good option for the transfer of funds—enabling you to terminate your private foundation yet continue its charitable mission.

WHY MAKE THE SWITCH?

- The work of a private foundation has become overwhelming, or the administrative costs seem too costly or cumbersome.
- You wish to create a lasting legacy and have no heirs, or the next generation is uninterested.
- You identify a tax planning need for the higher public charity tax benefits provided by the community foundation.
- You are interested in utilizing the community foundation's grantmaking expertise so that your charity can make a bigger impact.





Working With Your Advisors

We know that you likely have long-standing relationships with professional advisors. We welcome them to be at the table when discussing your charitable giving. Together, we can help you navigate your giving options and determine the best way to meet both your philanthropic and financial goals.



Delaware County Foundation

Connecting people to causes that matter.

www.delawarecf.org | (614) 764-2332 | foundation@delawarecf.org

The purpose of this booklet is to provide general gift, estate, and financial planning information. The Delaware County Foundation is not engaged in rendering legal, financial, accounting, or other professional services. You should consult with your own legal counsel, financial adviser, or tax accountant when considering these types of gifts.

The Delaware County Foundation is a 501(c)(3) non-profit organization (Tax ID # 31-1450786).