



# Community Foundation of Randolph County, Inc.

213 South Main Street, Winchester, IN 47394-1824

765/584-9077 Phone

765/584-7710 Fax

info-cfrc@insightbb.com

## Establishing a Fund

### *Planned giving for donors*

The Community Foundation of Randolph County, Inc. could not exist without its donors. It is the goal of the Foundation to make giving as simple as possible. The Foundation would like to work with you to make your wishes a reality. The Foundation tries to make giving as easy as possible by keeping the process streamlined and maintaining a relationship with local professionals to provide you the legal and financial answers you need. The Foundation would like to suggest the following steps to establish a fund.

#### **1. Meet with the Foundation staff.**

Knowledge is power. Arrange a meeting with the Foundation staff to discuss your charitable wishes. The Foundation staff will explain the services the Foundation can provide you and how the Foundation can meet your needs. The Foundation will take your wishes and work with you to create a fund agreement.

#### **2. Review the agreement.**

The Foundation will provide you with a custom fund agreement. It will include the name of your fund, the purpose of your fund, the distribution of your fund, any special request of your fund and all the general Foundation information. The Foundation will have the agreement reviewed by legal counsel, but it will be your responsibility as the donor to make sure that your information is correct. When you review the document, make sure that your name is spelled correctly, the name of the fund is correct, the purpose is correct and that any other special arrangements are detailed to your desires. The Community Foundation of Randolph County, Inc. will work in your best interest, but we are not financial advisors. We strongly encourage you to take your agreement to an accountant, attorney or other trusted financial advisor to review. They will be looking for your best interest and may suggest something that will enhance your charitable wishes or tax advantages.

#### **3. Make it official.**

After you have reviewed and approved the agreement, the Board of Directors will be notified at a meeting of your intent to establish a fund. The Board will vote to approve the fund. Upon approval, you and the Board president will sign the agreement. You will then make your donation and your fund will become part of the permanent endowment. The staff will keep in contact with you when distributions are made from your gift.



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## Contributions

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The Community Foundation of Randolph County, Inc. is committed to serving donors whose philanthropic goals focus on enhancing the quality of life in our local community. Donors who choose to carry out their charitable intent through the Foundation are truly building the future of our community. Because the Foundation is a permanent endowment for Randolph County, the principle of a donor's gift is preserved, and each year the income provides on-going support for charitable purposes.

There are a variety of flexible ways in which donors may make contributions to the Foundation to accomplish their charitable goals. Gifts may be designated for specific needs or unrestricted for broader use. Donors may create new endowment funds with a minimum of \$10,000 or contribute to existing funds. Endowments may be established with a single current gift, a series of gifts over time, or funded at a later time through a deferred gift.

### **Gifts of Cash – Memorial / In honor of gifts and the Community Enrichment Fund**

An outright gift of cash is simple and convenient for donors who wish to see their gift at work during their lifetime. Gifts of cash are deductible for income tax purposes. Cash is especially popular among donors making smaller gifts and are typically:

- ❖ In honor of gifts - Recognize holidays, birthdays, anniversaries, retirements or any other special occasion with a gift to the Foundation. The individual receives acknowledgement of the gift and the persons favorite charity or community receives a gift that will live forever.
- ❖ Memorial gifts - Recognize a person's life with a gift that will live on forever. The family will receive notification of the gift made in their memory.
- ❖ Community Enrichment Fund – A contribution to the Community Enrichment Fund provides on-going support to our local non-profit agencies. These contributions provide grant dollars which allow the Foundation to provide assistance where the need is greatest within Randolph County.



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## **Contributions (continued)**

### *Planned giving for donors*

#### **Charitable Remainder Trust**

Donors may choose to place specific assets in a trust to provide annuity income for themselves and/or a spouse during their lifetime. The balance in the trust after the annuity is no longer paid goes to the Foundation. A current income tax deduction is allowed for the remainder value as determined in accordance with IRS regulations

#### **Appreciated Securities**

Contributions of securities are especially attractive for donors who have held stocks or other securities for a long period of time and their value has increased substantially. Donors enjoy a charitable tax deduction equal to the fair market value of the securities and avoid capital gains tax.

#### **Bequests**

Donors may incorporate a gift to the Foundation in their will. In order to provide for loved ones while at the same time giving back to the community, donors may choose to describe a specific amount or percentage bequest, a residual bequest, or a contingent bequest.

#### **Charitable Lead Trust**

A charitable lead trust is similar to a remainder trust, but the periodic payments are made to the Foundation first for a set term of years. What remains in the trust at the end of the term reverts to the donor and/or other beneficiaries. For some donors, this is an effective means of fulfilling philanthropic goals while reducing or eliminating certain types of taxes.



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## Advantages of working with a Foundation

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Giving to the Community Foundation of Randolph County, Inc. provides many advantages to the donor. The following is a list of some of the advantages of working with the Foundation to further your charitable wishes.

### **Taxes**

The government looks favorably at charitable donations by providing tax advantages. Gifts to the Community Foundation of Randolph County, Inc. qualify for the maximum tax advantages allowed by the law. When considering a charitable gift, consider the following tax issues:

- ❖ A gift made during your lifetime receives both state and federal income tax credit. The gift is not subject to estate taxes.
- ❖ A gift of an asset receives a double tax advantage. First, a gift of an asset receives a tax deduction at its fair market value, which means more advantage if the asset has appreciated. Secondly, the gift is not subject to capital gains tax. Giving an asset is very effective for donating appreciated securities. To avoid estate taxes, consider giving gifts that will be taxable to your heirs, to a charity.
- ❖ If looking at planned giving through a charitable remainder trust, the advantages include: a lifetime charitable gift, no capital gains tax, an income tax deduction and no estate tax on the gift.

### **Simplicity**

A gift to the Community Foundation of Randolph County, Inc. is as easy as calling the Foundation and working through a fund agreement.

### **Permanence**

A permanent charitable resource is one of the founding premises behind the Community Foundation of Randolph County, Inc. This means that the principle from your gift will never be touched and the income will be used to support your charitable wishes, forever.



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## **Advantages of working with a Foundation (continued)**

### *Planned giving for donors*

#### **Flexibility**

Whether it be your church, your favorite youth sport, your alma mater or the community in general, the Community Foundation of Randolph County, Inc. offers you a variety of choices only limited by your imagination.

#### **Efficient professional management**

The Community Foundation of Randolph County, Inc. has a dedicated Board of Directors and Staff who will ensure that your charitable wishes are handled efficiently and responsibly. From creation of your agreement, to financial stewardship of your fund, your funds are monitored closely to make sure that your intent will be met. Because your fund is part of a pool, the costs are shared and thus lower than if they were handled separately.

*When considering any gift, we encourage you to talk with your financial advisor and a staff member at the Community Foundation of Randolph County, Inc.*

*An approved 501(c)3 charitable organization - All funds are operated in compliance with Internal Revenue Service regulations and are fully tax deductible.*