community foundation

# WHY WORK WITH US?

*For Advisors*

As a professional advisor, your clients rely on your guidance to make important financial decisions during key times in their lives. We are here to help you develop customized charitable giving strategies that meet your clients' planning needs and objectives at every stage of their lives.

Whether you are an attorney, estate planner, accountant or financial advisor, you always have your clients' best interests at heart. **So do we.**



With more than 50 years of experience, we know about giving, tax strategies, charitable planning and donor advised funds. The real value of working with the Community Foundation is that we are uniquely positioned to provide valuable knowledge and guidance on local community needs and areas of interest to your clients.

Our extensive experience extends beyond the mechanics of charitable giving to serving as your trusted philanthropic partner to maximize your clients' charitable impact. **Together, we do more good.**

**www.cfrichmond.org | (804) 330-7400**

## We Offer:

### Personalized service

We work with you to develop a giving approach that matches your clients' interests as well as their tax-planning and family engagement needs.

### Community knowledge

Our staff monitors community need: human services, education, the environment, healthcare, the arts, economic development, and more. We convene people and organizations to address issues and explore opportunities.

### Investment expertise

Our signature investment partnership with Spider Management Company gives us access to a mature, well-diversified investment portfolio managed by seasoned staff with an excellent performance record.

### Experience with non-cash gifts

In addition to gifts of cash and marketable securities, we accept gifts of real estate, closely held businesses and other non-cash assets. We also handle private foundation terminations.

### Accountability & flexibility

1. We conduct a full review of all nonprofits prior to grant distributions.
2. Clients can access their fund information 24/7.
3. We can execute donor intent in perpetuity.

# BENEFITS OF WORKING WITH THE COMMUNITY FOUNDATION




Your clients rely on you to help them make sound personal and financial decisions. By starting a conversation about their values and philanthropic goals, you can grow your business and deepen your client relationships.

The Community Foundation for a greater Richmond is a public charity that helps your clients achieve their philanthropic goals through personalized charitable funds. We are led by a volunteer Board of Governors and run by professionals with extensive knowledge of the community and the latest trends in philanthropy. We are committed to informing donors about the challenges facing our area and the promising initiatives underway to address these issues. You can feel confident that your client's charitable and financial goals will be our top priority. When the conversation turns to philanthropy, **everyone wins.**

> **I frequently work with clients to develop strategies for transferring wealth, and when I do, the Community Foundation is there to fill a key supporting role in handling the complex gifts that are often a part of these strategies. The Foundation is a true asset for our community."**
>
> **- Farhad Aghdami, Partner at Williams Mullen**

## WHEN YOU PARTNER WITH US, YOUR CLIENTS' PHILANTHROPIC GIVING GOES FURTHER.

1. **We are a cost-effective resource for charitable planning.** We offer customized, tax-smart giving solutions to meet your client's needs.
2. **We accept a wide range of gifts.** From life insurance to stock to real estate, we make giving easy and ensure your clients receive maximum tax benefits.
3. **We respect your role.** As your clients' trusted advisor, our primary goal is to equip you with resources that will help you meet their financial and philanthropic goals.
4. **We simplify your paperwork.** We offer fund agreements tailored to your clients' unique wishes and situations.
5. **We offer unparalleled service.** We pride ourselves in a best-in-class customer experience and provide countless resources for advisors - all at no cost.
6. **We are experts on the Greater Richmond Region.** Our knowledge of the region's issues and nonprofits enables us to provide personalized grantmaking assistance.

**For more information, please contact us at:**
**(804) 409-5646 | philanthropy@cfrichmond.org**

community foundation

# WHY WORK WITH US?

*For Advisors & Their Clients*

At the Community Foundation, we help donors to focus on the most rewarding parts of philanthropy. We clear the path for you to pursue your passions by handling the research, grant processing, tax filings, record retention and other charitable gift paperwork. By working with us, you will join a community that nurtures and grows generosity to **do more good.**



Donors have a passion for the causes and communities they love. Think of our team as personal philanthropic advisors, working with clients and their advisors to make giving go further. After we identify your optimal giving options, we can place your charitable vision into action today or make a plan for the future. With our finger on the pulse of the community, we can share knowledge and tailored recommendations to help address what matters most to you. We measure and track outcomes and offer high-quality investment solutions to maximize impact today and create a lasting legacy of philanthropy.

**www.cfrichmond.org | (804) 330-7400**

> **By moving our charitable fund from Vanguard to the Community Foundation, we became linked into a network of people who share an interest in doing something positive locally. You gain a relationship instead of a check-writing facility."**
>
> **- Ken Walker**
> **Donor**

## Our Vision

A thriving region where all individuals and families have the opportunity to succeed.

## Our Mission

Make the Richmond region a better place with bold solutions and inspired philanthropy.

## Our Values

**Collaboration:** We learn, adapt, and build authentic relationships to solve complex problems with our community.

**Accountability:** We lead with honesty, fairness and transparency as we thoughtfully steward our community's philanthropic resources and continuously improve to amplify our impact.

**Equity:** We promote and safeguard dignity, diversity, equity and inclusion. By meeting people where they are and embracing differences, we work to address systemic inequities so that all people have the opportunity to thrive.

**Innovation:** Curiosity and creativity is the mindset that enables us to create better solutions. By asking questions and welcoming new ideas, we will adapt and grow to provide best-in-class philanthropic practices grounded by data and informed by the experiences of the community we serve.

# WHAT IS THE COMMUNITY FOUNDATION?




The Community Foundation for a greater Richmond serves the cities of Richmond, Petersburg, Colonial Heights and Hopewell and the counties of Chesterfield, Goochland, Hanover, Henrico and Powhatan. Our three regional affiliates serve the counties of Gloucester, Lancaster, Mathews, Middlesex and Northumberland.

The mission of the Community Foundation is to bring people together to transform our community through informed and inspired philanthropy. We succeed by partnering with donors, nonprofits, volunteers, staff, board members and community leaders to seek solutions for strengthening our community. **Together, we do more good.**

**1,300+ funds**
committed to improving the Richmond region.

**$1+ billion**
in grants since inception.

Our Board of Governors and Community Impact Committee are made up of volunteers and dedicated professionals with extensive knowledge in community needs. The Community Foundation is committed to informing our donors about the challenges individuals, families and organizations are facing in the area. For over 50 years, we've brought people together to learn, take action and identify promising solutions to create lasting impact in the Richmond region.

## At the Community Foundation, we offer:

### Family Services
You can build a family mission statement, participate in facilitated meetings, and form a giving plan.

### Financial Management
We can help you with fund administration, simple and complex asset management and investment oversight.

### Grant Management
We can accommodate weekly grant distributions and we provide careful vetting of nonprofits.

### Learning & Engagement
We offer site visits, special events, volunteer projects, issue briefs and access to our Giving Circles.

### Philanthropic Advising
You will have access to personalized consultations, online fund management and research on nonprofits.

### Planned Giving
We present options to better time and augment your philanthropy, including bequest giving, charitable trusts and annuities, and more.

**For more information, please contact us at:**
**(804) 409-5646 | philanthropy@cfrichmond.org**

# DISCUSSING CHARITABLE GIVING WITH YOUR CLIENT

*For Advisors*



For more than 50 years, the Community Foundation for a greater Richmond has worked hand-in-hand with our region's professional advisors to help their clients achieve their philanthropic goals. Here are some ideal situations to discuss charitable giving with your clients:

### 1. When they want to leave a legacy

You already know including a charitable provision in your client's estate plan can provide significant tax advantages, but it can also help them create a permanent legacy. Your client's bequest can establish a fund that will support their favorite causes in their name forever. We can help your client identify their charitable goals and maximize the tax benefits of their bequest.

### 2. When you're working on year-end tax planning

If you have a client facing a large tax liability after receiving a bonus or generating extraordinary profits in a business, charitable giving can help offset their tax burden. By establishing a donor advised fund at the Community Foundation, your client can receive an immediate tax deduction while taking their time deciding which causes to support.

### 3. When they have highly appreciated assets

Clients who have highly appreciated stocks or assets can get a double benefit by donating the appreciated assets to charity. Not only do they receive a tax deduction for the full fair market value, but they also avoid paying capital gains tax on the sale.

### 4. When they have substantial IRA/401(k) assets

Clients can often maximize the amount they leave to both their family and their favorite charities by making tax-smart estate plans. For example, it is usually more advantageous for a donor to give retirement assets to charity and other assets to their family, as taxes often limit and reduce the value of retirement assets left to an heir.

> **"The Community Foundation adds real value for charitable clients focused on local impact in the Richmond region."**
>
> **- Ernesto Sampson**
> **Financial Advisor, Ameriprise**

### 5. When they're selling a business

Does your client own highly appreciated stock in a company that is about to be acquired? We can work with you to structure a charitable gift that will help your client reduce capital gains tax and maximize the impact to their favorite charitable causes.

### 6. When they want an alternative to a private foundation

Many clients do not have the substantial resources needed to start a private foundation, or they lack the time to oversee its administration. We can help you and your clients consider simpler, more cost-efficient alternatives, such as a donor advised fund.

### 7. When they are actively involved with a charity

As a trusted advisor to your clients, you're familiar with their goals and priorities. If you know they are passionate about a cause or nonprofit, you can add simple language to their will, which will help your clients create a charitable fund that will support their favorite causes long after they're gone.

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# REVIEWING CHARITABLE FUND OPTIONS WITH YOUR CLIENT

*For Advisors*



A **charitable fund** is a smart choice for clients that want a strategic and simple approach to their long-term philanthropic giving. These funds offer flexibility for donors, allowing them to choose their level of involvement. Some donors wish to recommend every grant that comes from their fund, while others convey their charitable intent to us, allowing us to make the best decisions for the community. With a variety of charitable fund types, the Community Foundation for a greater Richmond has a solution to fulfill nearly every donor's charitable wishes.

We consider ourselves an extension of your team, providing your client with the same customized, superior service they have come to expect. Once we identify the appropriate giving solution to support their charitable passions, set up is quick and convenient. Our gift agreements are concise and fund setup can be executed in one brief meeting. Together, we'll find the perfect solution for their charitable giving.

### Donor Advised Funds

An ideal alternative to costly private foundations, donor advised funds enable your clients and their family to identify charitable organizations that address issues they find important. Your client recommends the grants, and we take care of the paperwork. Plus, they can take advantage of our knowledge of local issues.

### Designated Funds

Perpetuate your client's annual giving through a designated fund which supports one or more of your clients' favorite charities. Should the designated organization or purpose cease to exist, we will find a similar alternative to the fund's income to maintain your client's original charitable intent.

### Agency Funds Established by a Nonprofit Organization

An agency offers a stable source of income for their mission, with access to grants periodically while the fund grows in perpetuity, if desired.

### Scholarship Funds

Your client works with our team to determine the selection guidelines, from field of study to financial need. Our staff will work with your client to establish guidelines as to who can receive assistance from the scholarship.

### Field of Interest Funds / Unrestricted Funds

Is there a particular issue that is close to your client's heart? With a field of interest fund, the Community Foundation guides donors' giving to an issue or area they find important, such as education, the arts or healthcare.

### Supporting Organizations

Opportunities are provided to participate in governance, investment management or a focused grantmaking program for clients wishing to donate assets of $5 million or more. The IRS sets forth a number of operational tests to determine if a supporting organization will be allowed.

**LOW COST o NO ADMINISTRATION o TAX DEDUCTIBILITY o STRATEGIC GIVING o LEGACY**

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# 6 QUESTIONS ABOUT DONOR ADVISED FUNDS

*For Advisors & Their Clients*

The Community Foundation prides itself on providing superior service to donors. We strive to enrich your giving experience and welcome your inquiries. Our goal is to build philanthropic assets to support the health and vibrancy of the Richmond area and the economic mobility of residents in the region.

1 **Who are donor advised funds (DAFs) ideal for?**
Individuals who wish to remain active in their giving recommendations and potentially involve future generations of their family. DAFs also work for private foundations seeking to fulfill their minimum 5% payout or those seeking a simple alternative.

2 **Why should I choose a DAF?**
A DAF at the Community Foundation makes philanthropy more effective. Our donors have benefitted in the services we offer, including:

- Expertise on community needs
- Annual fund and grantmaking review
- Family engagement opportunities
- Opportunities to develop a giving plan
- Review of grant history and trends
- Site visits with local nonprofit leaders
- Concise record keeping and analysis of philanthropic activity

Fees are used to support many services named above.

3 **What is the minimum required to establish a DAF?**
The minimum initial gift amount required is $5,000. DAFs must maintain at least a $1,000 balance at all times.

4 **May I name additional advisors?**
Yes! A founding donor may name more advisors, so long as they are presently living. You may also provide the right for successor advisors to name additional advisors, subject to approval from the Foundation's Board of Governors.

5 **When can I make a grant recommendation and what is the minimum amount?**
You can make a recommendation anytime through our online portal with a minimum of $100. Grant payments are issued on a weekly basis, subject to our due diligence review.

6 **How much can I distribute from a DAF?**
Endowed DAFs are permanent endowments that annually distribute a spendable income, based on the Community Foundation's spending policy (currently at 4%) from which you can recommend grants. Flexible spending DAFs permit grantmaking from both the principal and net investment returns above the $1,000 minimum balance.

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# FREQUENTLY ASKED QUESTIONS FROM ADVISORS

*For Advisors*

When you work with the Community Foundation, you will not only have access to a host of charitable giving options for your clients, but also a committed staff with extensive knowledge of the community and the latest trends in philanthropy. You can feel confident that your client's charitable and financial goals will be our top priority.

1 **How do I know if giving through the Community Foundation is right for my clients?**

Here are a few questions to consider:

- Does your client care deeply about our community or give to more than one cause or charitable organization?
- Is your client interested in leaving a legacy in the community?
- Is your client considering starting a private foundation?
- Is your client looking to make an outright gift or would they like to stay actively involved in the use of their charitable gifts?
- Does your client feel they are leaving enough for their heirs, and yet has remaining assets in their estate?

2 **What are the tax benefits if my clients give through the Community Foundation?**

We offer the maximum charitable tax advantages available by law and as a public charity, they are not subject to the taxes and regulations affecting private foundations.

3 **What type of assets can my client use to start a fund?**

We have the ability to accept a wide range of assets including:

**Give Now –** Cash, stocks, bonds, mutual funds, life insurance, closely held stock, real estate and other tangible property.
**Give Later –** Charitable bequest, charitable trusts, life insurance policies, life estate, and retirement account assets.

4 **What are my client's options to provide support for their favorite nonprofit through the Community Foundation?**

Your client has two great options:

- A **donor advised fund** gives your client the opportunity to recommend what nonprofits and programs receive grants. It is a simple, personal and highly effective way to give from their fund.
- A **designated fund** provides regular, annual funding to specific nonprofits and can grow over time, yielding more financial support to an organization.

5 **How much control and freedom would my client have in recommending grant recipients through a donor-advised fund?**

Your client can recommend a grant to any organization that is qualified as a public charity under Section 501(c)(3). This includes most faith-based programs. Our staff ensures that nonprofit organizations recommended for a grant meet this requirement. We cannot approve recommendations that would benefit an individual, fulfill a personal obligation or support a political campaign or a private foundation.

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# COMPARING DONOR ADVISED FUNDS & PRIVATE FOUNDATIONS

*For Advisors & Their Clients*



Donor advised funds (DAFs) offer a flexible, convenient and cost-effective way to organize your giving. If you are considering establishing a private foundation, a DAF at the Community Foundation may be a simpler, less expensive solution. **You can make a tax-deductible gift** to a DAF now, and then recommend grants to specific nonprofits on your own timetable - and we will handle the paperwork and administration.

| | COMMERCIAL DONOR ADVISED FUND | PRIVATE FOUNDATION | DONOR ADVISED FUND |
|---|---|---|---|
| Annual Administrative Fees | Yes | Extensive | **<1%** |
| Annual taxes | No | Yes | **No!** |
| Opportunity to donate complex gifts | Maybe | Yes | **Yes!** |
| Cost-effective | Yes | No | **Yes!** |
| Tax Deductions | Favorable | Less favorable | **Favorable** |
| Local, national or abroad giving options | Yes | Yes | **Yes!** |
| Annual Grants Required | No | Yes, 5% minimum | **No!** |
| Implements complex bequest directives | No | Yes | **Yes!** |
| Support for strategic grantmaking | No | Maybe | **Yes!** |
| Personalized service with local knowledge | No | Maybe | **Yes!** |
| Option of Confidentiality/Anonymity | Yes | No | **Yes!** |
| Opportunities to learn, leverage and lead | No | Maybe | **Yes!** |
| Re-invests a portion of fee back into community | No | No | **Yes!** |

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# CHARITABLE FUND FEE SCHEDULE



The Community Foundation is about more than transactions; we are about transformation. The fees collected from funds support costs associated with a range of services including: grantmaking, gift and fund management, investment oversight, annual audit and tax filings, and due diligence review of all grantees. For each fund, we provide donors with quarterly reports of fund income, expenses and grantmaking. We pride ourselves on providing personalized guidance and best-in-class services to donors. **Thank you for joining us.**

| FUND TYPE | MINIMUM | | ANNUAL FEE (assessed quarterly) | |
|---|---|---|---|---|
| **Donor Advised Funds** | To Establish:<br>Balance:<br>Fee:<br>Grant Size: | $5,000<br>$1,000<br>$350<br>$100 | First $100,000:<br>$100,000-$500,000:<br>$500,000-$1M:<br>$1M+: | 90 bps (0.90%)<br>85 bps (0.85%)<br>75 bps (0.75%)<br>75 bps (0.75%) on first $1M,<br>50 bps (0.50%) on additional amount |
| **Unrestricted & Field of Interest Funds** | To Establish:<br>Balance:<br>Fee:<br>Grant Size: | $5,000<br>$1,000<br>$350<br>$100 | 100 bps (1%) | |
| **Designated Funds** | To Establish:<br>Balance:<br>Fee:<br>Grant Size: | $5,000<br>$1,000<br>$350<br>$100 | 100 bps (1%) | |
| **Agency Funds** | To Establish:<br>Balance:<br>Fee:<br>Grant Size: | $25,000<br>$25,000<br>$350<br>$100 | First $1M: 100 basis points (1.0%)<br>$1M+: 75 bps (0.75%) on first $1M &<br>50 bps (0.50%) on additional amount | |
| **Scholarship Funds** | To Establish:<br>Balance:<br>Fee:<br>Annual Grant: | $50,000<br>$50,000<br>$700<br>One $2,000<br>or two $1000 | First $1M: 100 bps (1.0%)<br>$1M+: 75 bps (0.75%) on first $1M & 50 bps (.50%) on additional amount | |

**ADDITIONAL FEE INFORMATION:** The Community Foundation may charge for business-related expenses directly associated with the fund (such as contractual services, consulting, etc.). Funds with high activity, defined as issuing 100 or more gifts and/or grants within one fiscal year (1/1-12/31), will have an additional $1,000 fee taken in January of the following year for every set of 100 transactions. All funds are subject to a $350 closing fee. Grantmaking partnerships with other foundations, networks of individuals giving together, or complex gifts can be negotiated based on scope of work.

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