



COMMUNITY FOUNDATION  
OF COLLIER COUNTY  
*FOR GOOD. FOREVER.*



# DONOR AND CORPORATE ADVISED FUNDS HANDBOOK

The first grant from the Community Foundation was given to help build the Cambier Park Band Shell in 1986. The Community Foundation continues to be a leader in community collaboration through grant distribution to nonprofit organizations and community programs.

## For Fundholders

Make a note of your User ID and Password for DonorCentral, the online source for all information about your fund.

When you log on to Donor Central, you can view your fund balance, view gifts to your fund, view grants made and pending and recommend a grant.

You can access this data from anywhere there is Internet access.

User ID

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Password

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If you have questions about your fund or about accessing Donor Central, please contact our Donor Services Department at 239.649.5000.

Are you interested in starting a fund? If you have questions about the benefits of starting a fund at the Community Foundation, please contact Eileen Connolly-Keesler at 239.649.5000 or [ekeesler@cfcollier.org](mailto:ekeesler@cfcollier.org).

## DONOR ADVISED FUNDS

A donor advised fund can be created by one or more individuals or by an organization such as a service club. For donors who want to avoid the expense and administrative burdens of creating a private foundation, but who want to involve their family in charitable giving, a donor advised fund is frequently an attractive alternative. Using a donor advised fund allows you to make a donation to your fund and receive a tax deduction in the year of the donation, and it allows your family to remain involved in the fund's charitable grantmaking for future generations.

A donor advised fund offers benefits such as flexibility in recommending a grant, as well as the option to remain anonymous. Since the donors are eligible to take the maximum tax deduction available once they have made their contribution, the Community Foundation owns and controls the assets, allowing the donor to have advisory privileges over the distribution of charitable grants.

Fundholders can make grants to any nonprofit organization, including houses of worship, schools and universities. The Community Foundation staff conduct due diligence to determine that the recommended grantee is tax-exempt, and all grant recommendations require approval by the Community Foundation's Board of Trustees in accordance with industry regulations.

Additionally, donors can be assured their advice is taken seriously. Investments, paperwork and grant monitoring are handled by the Community Foundation along with donor recognition.

Donor advised funds are often an attractive alternative to a private foundation because they allow for greater tax benefits, eliminating the burden of filing tax forms, and have lower fees, offer the option of remaining anonymous, do not include excise tax, and do not mandate payout.

## CORPORATE ADVISED FUNDS

Creating a corporate advised fund with the community foundation is an easy and efficient way for your company to give back. Your corporate committee makes recommendations on all grants to charities. We manage the fund administration, investments and vetting of the nonprofit organizations for you. Our staff may also partner with you to design a program that is uniquely tailored to your objectives and culture.

Advantages of a corporate advised fund include:

- Ability to outsource all or part of your corporate philanthropy program.
- No legal liability, CFCC remains in full compliance with state and federal regulations related to grants and contributions.
- Name your corporate advised fund and issue grants in the company's name or anonymously.
- Maximum allowable tax advantages for donations.
- Ability to accept a wide range of charitable donations
- No separate tax return
- Ability to create a corporate committee with access to community foundation staff.

# BENEFITS OF DONOR AND CORPORATE ADVISED FUNDS

## **Simplicity**

You establish the fund by signing a simple document and making a gift of cash, securities or other assets. You choose the fund name and designate advisors.

## **Tax-Deductible Gift**

Your initial gift to create the fund (and additional gifts) receives the maximum charitable tax deduction allowed by law. You may be eligible to receive a tax deduction on your contribution up to 50% of your adjusted gross income for cash contributions and up to 30% of your income if you contribute securities, therefore avoiding capital gains taxes on appreciated assets.

## **Make a Difference**

By establishing a donor or corporate advised fund at the Community Foundation, you are making a positive impact on the community and are creating a legacy.

## **Streamlined Paperwork**

The Community Foundation takes on the paperwork responsibility associated with the fund's activity. This is particularly beneficial if you recommend that the assets in your donor

advised fund be distributed to multiple charities, rather than just one. We will serve to reduce your record-keeping obligations, especially if you're contributing appreciated securities.

## **Experienced, Effective Philanthropic Partners**

By acting in partnership with the Community Foundation, you are able to centralize and streamline your philanthropy by recommending grants to benefit the nonprofit organization(s) of your choice. Our comprehensive Nonprofit Directory is a wonderful way to access detailed information about local nonprofit organizations. The Nonprofit Directory can be found on [cfcollier.org](http://cfcollier.org).

## **Learning Experience**

You experience the unique opportunity to learn about philanthropy from a knowledgeable team. The Community Foundation's staff is available to review requests and make recommendations for specific areas of your interests.



## Non-Endowed vs. Endowed Funds

Funds can be endowed (only the earnings — not the principal — are used to make grants) or non-endowed (distributions can be made from both income and principal).

Endowments are permanent funds established to perpetually carry out the donor's philanthropic intentions. In essence, endowments are gifts that keep growing and giving. Assets are invested for growth, and the amount available for grants each year is based on a "spending policy" that may be changed by the Foundation's Board. Contact our Donor Services staff for more information about the current spending policy.

Non-endowed funds allow grant distributions — from the fund's total balance — excluding \$10,000.

A non-endowed fund may be converted to an endowment — usually upon the passing of the original donor(s) — but an endowed fund may not become non-endowed.

## Succession

Holders of donor advised funds may select "succeeding individuals" or successors to exercise the privileges and fulfill the duties associated with that fund upon their death or other disqualification of all the participating holders of that donor advised fund.



## ADDING TO A FUND



Your gifts receive the most favorable tax treatment under the Internal Revenue Code, because your donor advised fund is part of a public charity, and all gifts to your fund are irrevocable. Fundholders can receive immediate tax benefits for the current market value of the gifts up to 50% of your adjusted gross income, or 30% for gifts of long-term appreciated property.

Others may also make additions to the fund (unless requested otherwise) for purposes consistent with the original fund agreement.

### **Assets That Can Be Donated to Your Fund**

- Cash and marketable securities
- Closely-held and restricted stock
- Tangible personal property (i.e. rare books, furniture and artwork)
- Real estate
- Life insurance

Checks shall be made payable to the Community Foundation of Collier County, with the fund name in the memo line. Procedures for gifts of publicly traded securities may be obtained by contacting the Community Foundation staff. In the case of gifts of restricted or closely-held stock, real estate, art, or other unusual assets, the proposed gift is considered on a case-by-case basis and acceptance will require additional approval by the Foundation's Board of Trustees. Assets which cannot be readily converted to a charity's financial benefit or which carry unusual potential liability may not be accepted.

### **Minimum Requirements**

If your fund drops below the minimum level of \$10,000, you will be unable to distribute grants. The Community Foundation will send you a notification letter if this occurs. Once your fund reaches the minimum level, you can continue to support your charitable interests.

### **Year-End Giving and Granting**

Donors planning to make a year-end stock gift into their funds are asked to advise the Foundation as soon as possible so that gifts can be handled in a timely manner.

The Community Foundation also offers an opportunity to make year-end grants to nonprofit organizations. Donor advisors are asked to send grant recommendations by December 15 for the Board of Trustees' approval so that grants can be paid before the year-end.

\*IRAs' annual disbursements may not be donated to a Donor Advised Fund.

### Investment Consultants and Managers

The assets of your fund are co-mingled with those of the Community Foundation and are professionally managed by our investment manager. Consultants and managers are under the supervision of the Community Foundation's Investment Committee. The Investment Committee is comprised of highly reputable business and financial leaders in our community.

The majority of the Community Foundation's assets are pooled and invested using a strategy developed by the Investment Committee. However, if the fund is over \$1 million, you may request to use a specific money manager as long as the money manager uses the Community Foundation's Investment Policy, meets our criteria for Financial Partners and is approved by the Board of Trustees.

The Community Foundation is audited annually. Additionally, 990s and audits are available upon request and can be viewed online at [cfcollier.org](http://cfcollier.org).

### Fees

There are two fee assessments on funds at the Community Foundation:

- The first fee is an investment fee charged by the Investment Managers. This fee covers costs incurred to manage and invest each fund. All returns are net of fees.
- The second fee is an administrative fee charged by the Community Foundation to help cover operational costs for each fund and varies depending on the size of the fund. You will see this charge on your fund statement.

Administrative fees are assessed quarterly, and based on the fund's market value in the previous quarter. Investment fees are passed along to the fund as the Community Foundation receives them. All fees are charged directly to the fund and do not require additional payment by you. The Community Foundation does not charge a transaction fee for new contributions, for distributions to charities or for regular administrative support by our staff.

### Dormant Funds

If a fund advisor does not make any grant distributions for a period of five (5) years or does not contact the Community Foundation during this time, the fund will automatically convert to an unrestricted named fund for Collier County. The Community Foundation's Board of Trustees will make grant decisions through the unrestricted fund that will most benefit our community at the time of distribution through Community Impact Grants.

*For additional information on these rules, see IRS Publication 526 at [www.irs.gov/pub/irs-pdf/p526.pdf](http://www.irs.gov/pub/irs-pdf/p526.pdf)*





## RECOMMENDING A GRANT

### Submitting a Request

Fund advisors may suggest a grant for general support or for a specific program or activity.

Information needed for a request:

- The name and address of the organization.
- The amount of the proposed grant and the purpose of the grant.
- Any special instructions.
- If the grant is to be anonymous.

Donor suggestion forms can be found online at [cfcollier.org](http://cfcollier.org) for those who prefer to complete them and fax or mail to the Community Foundation.

Grants must be for charitable purposes. The minimum grant amount is \$100.00. Fundholders may make recommendations at any time and as often as you wish. Requests may be initiated via DonorCentral.

We use the term "recommended" purposefully. In order to gain the maximum tax advantage when you make a contribution to establish or augment your fund, the IRS insists that final determination of how the funds are used rests with the Foundation's Board of Trustees.

For more information, please contact us at 239.649.5000.

### Grants and Pledges

Fundholders can support a wide-range of areas and organizations through the Community Foundation. You may recommend that grants be made to any IRS tax-exempt public charity with 501(c)(3) IRS classifications. Grants to religious organizations, educational institutions, and libraries or government programs are also allowed. The IRS is specific about some limitations on the types of grants that can be made from a donor advised fund.

Donor and Corporate Advised Funds **CANNOT** fund the following:

- Gifts that include personal benefit or services rendered to the donor, donor advisor(s) and/or related parties.
- Memberships in a nonprofit organization (i.e. museums, guilds, etc.).
- Tickets or sponsorships to fund-raising events (i.e. awards luncheons, golf tournaments, etc.).
- Goods purchased at charitable auctions and other fundraising events.
- Gifts to private foundations (because they receive different tax treatments).
- Gifts to individuals.
- Gifts for lobbying purposes or to support political campaigns.

- Gifts to fulfill legally binding personal pledges of financial support that you have previously made because we can accommodate multi-year grants, please speak with us first before signing any pledge forms.

### Geographic Area

Grants from advised funds may be made to charitable organizations in Collier County and throughout the world. For donors and fund advisors who have multiple residences, this provides a simplified and convenient way to make charitable gifts to organizations in several communities.



The Community Foundation updates fund statements quarterly on our donor portal DonorCentral, located at [cfcollier.org](http://cfcollier.org). Donors and fund advisors can access fund statements on the portal 24-hours a day. Fund statements can also be mailed by request.

### **DonorCentral**

DonorCentral is an online service for fundholders of the Community Foundation.

### **With DonorCentral you can:**

- Check your fund balance.
- View and print your fund statements (updated monthly and quarterly).
- View grants made from your fund.
- Research new grant opportunities.
- Recommend grant payments.

To access DonorCentral, visit [cfcollier.org](http://cfcollier.org) and click on the DonorCentral button (located in the top right corner) to get started. To log on, please enter the user ID and password which were provided to you.

### **Your password is protected for privacy.**

Training classes are frequently held at the Community Foundation for new fundholders, and for individuals who would like a refresher course on DonorCentral. Contact us at 239.649.5000 if you need help accessing DonorCentral.





## ISSUING GRANT CHECKS

### Due Diligence

When we receive your grant recommendations, we carefully verify that the recommended grantee is certified by the Internal Revenue Service as a charitable organization.

The Board of Trustees has approved guidelines that are accommodating to you and the public charities you support. The Board recognizes its need to support organizations that donors care about, while balancing the need to act using good judgment.

In rare instances, the Board may decline a donor advised fund recommendation. A decline could occur during the due diligence process we perform on organizations, or if it is not an IRS-qualified public charity grant or a substantive issue was raised. We would, of course, discuss the issue with you and help you redirect the gift.

### Awarding Grants

The Community Foundation's goal is to provide prompt service by quickly responding to your suggestions. If no lengthy due diligence is required, the nonprofit can generally expect to receive the grant within 10 business days of receipt of the recommendation.

When the Community Foundation distributes a grant from a donor advised fund, the recipient organization is informed by letter indicating which fund made the grant. Checks and grant award letters are mailed directly to the recipient organizations.

Fundholders will receive a copy of the grant award letter sent to the grantee. An additional copy of the letter may be sent to a third party, if requested.

We provide your name and address so that the organization can thank you directly. However, if you would like, you may request that only your fund name be disclosed.

Additionally, grants may be made anonymous. Some of our donors prefer to do good work without recognition.

### Site Visits

If you wish and the circumstances are appropriate, the Community Foundation can arrange site visits to the nonprofit organizations of your choice so you can see firsthand the positive outcome of your philanthropy.

### Spotlight on Needs

The Community Foundation also invites the fund founder and/or fund advisor to many of its special events. Several times a year, the Community Foundation holds seminars to inform donors about the work of nonprofits in a variety of sectors. If you are interested in learning more, please notify the Donor Services Department at **239.649.5000**.

### Nonprofit Directory

Our Nonprofit Directory is a free resource that helps you direct your charitable giving by providing comprehensive, frequently-updated and easily-searchable information about over 300 nonprofit organizations serving our area. It's a wonderful way to learn more about our nonprofit community.

Visit **[www.cfcollier.org](http://www.cfcollier.org)** to begin your search.





## FAMILY PHILANTHROPY

Many people enjoy introducing their children and grandchildren to an ongoing tradition of philanthropy. Approaching philanthropy as a family can be a way to deepen the bonds between loved ones while simultaneously impacting the causes that matter to you.

Giving back together provides many benefits, including:

- Passing on philanthropic values and the spirit of giving to the next generation.
- Encouraging the next generation to give their resources.
- Establishing or continuing a family philanthropic legacy.
- Exposing family members to the needs of the community.
- Bringing the family closer while learning more about each other's interests.
- Teaching family members how to give effectively.
- Finding a common-ground for working together.
- Recognizing and celebrating the family's history and values.
- Fostering a mindset of abundance while having fun together.

If you would like to achieve these goals, we suggest that you start a donor advised fund for your children and/or grandchildren. By combining resources with siblings or cousins you can increase your impact and work toward a common goal — perhaps memorializing a loved one or supporting a shared passion.

Some families choose to contribute to the charitable fund rather than purchasing holiday gifts because it simplifies the busy holiday season, and it allows for maintaining and celebrating the true spirit of generosity.

Call our Donor Services Department for our Family Philanthropy toolkit.



## DONOR BILL OF RIGHTS

Philanthropy is based on a voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

- To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- To have access to the organization's most recent financial statements.
- To be assured their gifts will be used for the purposes for which they were given.
- To receive appropriate acknowledgment and recognition.
- To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- To feel free to ask questions when making a donation and to receive prompt, truthful, and forthright answers.

The Donor Bill of Rights was created by the American Association of Fund Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), the Association of Fundraising Professionals (AFP), and the Council for Advancement and Support of Education (CASE). It has been endorsed by numerous organizations including the National Committee on Planned Giving.

# COMMUNITY FOUNDATIONS VS. PRIVATE FOUNDATIONS

## ESTABLISHING A FUND

### Donor Advised Fund at the Community Foundation of Collier County (CFCC)

A fund can be established quickly and efficiently with a simple document. There is no initial cost to establish the fund. Administrative fees start at 1.1%.

### Private/Family Foundation

Establishing a new foundation requires extensive legal, accounting, and operational expenses on an ongoing basis. Generally, \$5,000-\$10,000 is needed to establish the fund.

## TAX TREATMENT OF CASH GIFTS

Tax deduction of up to 50% of Adjusted Gross Income (AGI).

Tax deduction of up to 30% of Adjusted Gross Income (AGI).

## TAX TREATMENT OF APPRECIATED PUBLICLY TRADED SECURITIES AND CLOSELY HELD STOCK

Tax deduction of 100% of fair market value up to 30% of AGI.

Tax deduction limited to fair market value up to 20% of AGI.

## TAX TREATMENT OF REAL ESTATE GIFTS

Tax deduction of 100% of fair market value up to 30% of AGI.

Tax deduction limited to cost basis up to 20% of AGI.

## TAX EXEMPT STATUS AND REQUIRED PAYOUT.

CFCC is a 501(c)(3) public charity and is fully tax exempt. No payout is required.

Private foundations are subject to excise taxes and annual 5% payout requirements.

## ANNUAL TAX RETURNS

Individual funds are not required to file. CFCC prepares and files all tax reports to the IRS and obtains an annual independent audit.

Must file annual Federal 990-PF and supporting schedules, which indicate staff salaries, investment performance, fees, etc. Trustees must perform, contract, or hire staff for these services.

## INVESTMENTS

A diversified portfolio and economies of scale offer greater cost-efficiencies and minimize risks. CFCC works with professional money managers and our Investment Committee provides experienced oversight and stewardship.

Selection of investment strategies and professional fund advisors can become a very time consuming responsibility for a private foundation's Board of Trustees.

## EXPERTISE

CFCC provides expertise to donors on a wide range of gift management, finance and fund administration issues.

Must hire staff or board members or carry out administrative tasks on their own.

## GRANT ADMINISTRATION

Our professional staff are available to assist donors with grant administration, research and program evaluation to ensure maximum community impact.

Requires extensive time to review proposals, investigate community needs, confirm status of grantees and evaluate previous distributions.

## ACCOUNTABILITY

CFCC obtains an independent audit each year. Publication of an annual report, public disclosure of grants, and thoughtful selection of Board members ensures funds are used in the communities' best interests.

Laws and regulations governing private foundations differ greatly from those of public charities and may require expensive specialized legal and finance expertise.

## FLEXIBILITY

As a public charity, CFCC's organizational structure is purposely designed to allow greater flexibility to respond to and meet emerging needs in the community.

Expensive and lengthy legal proceedings may be required to change the purposes of a private foundation.

## PRIVACY

Individual donors or grants can be kept private. If the donor wishes, the CFCC can serve as a buffer between the donor and grantseekers.

Required to file tax returns on donations, grants, investment fees, staff salaries, etc. These are public records and are compiled into grantseeker directories.



**OUR MISSION:**

**To improve the quality of life in Collier County by connecting donors to community needs and providing leadership on critical community issues.**

**For good. Forever.**



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OF COLLIER COUNTY**  
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