



Creative Giving

FALL 2007

Ten Reasons Donors Benefit from Partnering with the Community Foundation:

One: We are a **local organization** with deep roots in the community.

Two: Our professional staff has **broad expertise** regarding community issues and needs.

Three: We provide highly **personalized service** tailored to each individual or agency's charitable and philanthropic interests.

Four: Our **Donor Advised Funds** help people invest in the causes they care about most.

Five: We accept a **variety of assets** and can facilitate even the most complex forms of giving.

Six: We partner with **professional advisors** to create highly effective approaches to charitable giving.

Seven: We offer maximum **tax advantages** under state and federal law.

Eight: We **multiply the impact** of gift dollars by pooling them with other gifts and grants.

Nine: We built **endowment funds** that benefit the community forever and help create personal legacies.

Ten: We are a **community leader**, convening agencies and coordinating resources to create positive change.

ENCOURAGING YOUR CLIENTS' NONPROFIT PARTNERSHIPS

BENEFITS OF CREATING AN AGENCY ENDOWMENT



Consider this scenario: *One of your clients has determined they want to save for the future in a permanent fund to sustain their programs and services for years to come. They are considering setting up their own foundation. You know the time and money to accomplish this on their own would be significant. Do they have an alternative?*

YES! Your client would benefit greatly from creating an agency endowment with the Community Foundation for several reasons:

- ❖ Creating a fund with the Community Foundation would help them avoid start-up costs, such as legal and filing fees.
- ❖ Investment policies are already in place with a diversified portfolio. All funds are pooled for investment purposes as opposed to the investment of individual funds.
- ❖ Gift acceptance policies are already in place to accept gifts such as cash, stock, real estate, etc. The Community Foundation works with donors and professional advisors to set up and accept deferred/planned gifts through bequests; life insurance; and charitable remainder & lead trusts, gift annuities, retirement savings plans, etc.
- ❖ The Community Foundation meets the IRS public support test.
- ❖ Our D & O Liability insurance coverage includes coverage for volunteers and fund advisors.
- ❖ The staffing and systems are already in place for the accounting of all fund transactions. Independent audits and 990 tax returns are completed for all the funds of the Community Foundation.
- ❖ The staffing and systems are in place to acknowledge all gifts, provide charitable gift substantiations, donor record keeping and pledge invoicing.
- ❖ Systems are in place to carry out programs such as scholarship funds, distributions to specified beneficiaries, etc. There are also systems in place for expenditure reporting by all recipients of funds.
- ❖ We can assist with creating news releases, and we have marketing templates to help promote funds.



Wisdom of Charitable Gifting from an IRA (through 2007)
By Chuck Shirey

- ◆ Your contribution is not taxed, whereas a normal distribution from an IRA is taxed based upon your personal federal and state income tax rates.
- ◆ Your contribution counts toward your 2007 required minimum distribution.
- ◆ Your contribution supports your chosen charity.

So, if your client is required to take a distribution, but does not need the income, help them consider utilizing their distribution for charitable purposes.

Receive your newsletter electronically!

If you would rather receive an electronic version of this newsletter and other Community Foundation updates, please send an e-mail to Amanda Walston, Director of Outreach, at Amanda@CommunityFoundationNEIowa.com.

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HELP YOUR CLIENTS MAKE THE GIFT OF A LIFETIME TAX FREE BEFORE 2008

PLUS HELP THEM GET A 20% TAX CREDIT FOR COMMUNITY FOUNDATION ENDOWMENTS

There is good news for your clients aged 70 1/2 and older and for the communities they care about. A new law makes it possible to give individual retirement account (IRA) assets to charity for the remainder of 2007 free from federal tax. **In addition, this donation is also eligible for the Renewed Endow Iowa 20% state tax credit for gifts to community foundation endowments.**



This means that now your clients can give far more with less. In 2006 and 2007, the new law has allowed those age 70 1/2 and older to transfer up to \$100,000 from an IRA to charity tax free each year. If married, each spouse has been able to transfer \$100,000 from his or her IRA each year.

Helping your clients use IRA assets to make a gift during their lifetime, as opposed to giving via bequest in their will, enables them to experience the joy of making a major gift. *But they must act fast as this legislation is only scheduled to be in effect until December 31, 2007!* ❖

Confirmed in Compliance with National Standards for U.S. Community Foundations.



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PROFESSIONAL ADVISORY COMMITTEE

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