

Giving back. Looking forward.

Donor Advised Funds at the
Placer Community Foundation



Placer
Community
FOUNDATION

Local giving. Lasting value.

Creating a Charitable Legacy

If giving is one of the values you want to be remembered for, the Placer Community Foundation can help. A Donor Advised Fund at the Community Foundation will bear your name and represents the hard work and values that define your life. It will become your charitable legacy, and if you wish, loved ones can be involved with grantmaking decisions. A Donor Advised Fund helps connect people through a shared sense of purpose; it can be a tool to help teach young people about financial and community responsibility.

Should you choose to endow your Donor Advised Fund at Placer Community Foundation your fund will grow and continue to make important grants to causes you care about –forever. Grants are made only from a portion of the income of the Fund; so the principal remains intact and grows as time passes.



Ten Things to Remember About Donor Advised Funds

one

You may make a grant at any time and are not tied to a December 31, deadline. Simply submit your request in writing.

two

You may support any 501 (c) 3 organization (locally based or national). If you have questions about an organization – you may contact the Community Foundation and our grantmaking staff will be happy to assist you.

three

Making or completing a legally binding pledge through your Fund is not permitted.

four

You can support your place of worship and faith-based schools and nonprofits through your Donor Advised Fund.

five

Your grant recommendations are submitted to our Community Foundation Board of Directors for approval.

six

Because it provides a personal benefit, the Foundation cannot make a distribution from your Fund for a membership, grant, loan, compensation or similar payment.

seven

The Community Foundation handles all the administrative details and issues grants to charities in the name of the fund you established (or if you prefer grants can be made anonymously).

eight

You cannot make a grant to an individual.

nine

You can support a fundraising event with your Fund, but you cannot accept tickets or receive any other benefit for your contribution.

ten

Supporting the operations of a nonprofit is a great way to use your Donor Advised Fund. You can also support a capital campaign or a special event.

Grantmaking – Community Knowledge at your fingertips

The use of your Donor Advised Fund is up to you. You can choose to support any nonprofit organization that is recognized by the Internal Revenue Service and that is serving a bona fide charitable purpose. These include the most well-known national organizations and local nonprofits. It includes most churches and faith-based organizations.

If you are interested in a specific nonprofit or area to support, our grantmaking staff can help you find organizations that are worthy of your funding. Staff can help you make educated and informed decisions about grants and help you understand the impact of your gift on a specific program. If you are considering supporting an organization that is new to you, program staff can help you review information that will tell you if the organization is reputable. With the expertise of the Placer Community Foundation program staff, you never have to guess if your grant has the impact you desire.

Getting Started with a Donor Advised Fund

- Contact the Community Foundation’s Development staff to let them know of your intention to start a Fund.
- Choose the name of your Fund.
- The Community Foundation will prepare an agreement for review by you and your professional advisor.
- Make your initial contribution to the Fund.
- Inform other family members (who may be successor donor advisors) about the Fund. The Community Foundation is pleased to work with second generations.
- You may start making grants from your Fund in the first year.
- Enjoy the ease, tax benefits and unending support of causes you care about through your Donor Advised Fund.
- You will receive quarterly statements on your Fund so you can see recent grants, contributions and your balance.
- You also have access to the expertise of the Foundation staff to answer any questions or concerns you might have.

Multiple Tax Advantages

Contributions to your Donor Advised Fund are tax deductible in the year they are made and unused deductions can be carried forward for up to five years. In addition, they receive the most favorable tax treatment under the Internal Revenue Code, because your Donor Advised Fund is part of a public charity.

Once the fund is established, you may make additional contributions to your Fund at any time. You can choose to have your contributed assets invested through the Community Foundation or through your own Financial Advisor. Your invested charitable assets grow tax free.

You do not need to keep records of grants from your Fund as they are not tax deductible. The Community Foundation will track and report back to you, all activity in your Fund.

Giving long-term appreciated securities, privately held business interests or other long-term appreciated assets may enhance your benefits. You may avoid capital gains tax on these gifts and may receive a tax deduction equal to the full fair market value of the gifted property, up to 30 percent of your adjusted gross income. Donating your long-term securities to your Donor Advised Fund without first selling it will save you from paying capital gains taxes.*



*Be sure to consult with your tax attorney or professional advisor to determine the actual tax deductible value of your contribution.

Rules and Restrictions

By establishing your Donor Advised Fund at the Placer Community Foundation you are relinquishing the investment and direct management of your funds to the Foundation. The Foundation's investment policies are subject to approval by the Board of Directors of the Foundation, as are the grants made from your fund.

The information in this piece is intended to provide you with an overview of administrative and tax rules regarding Donor Advised Funds, which are subject to change. When changes are made, most often for state and federal legal compliance purposes, we will do our utmost to inform you if these changes are deemed significant.

In accordance with the Pension Protection Act of 2006, there is a strict prohibition against using your donor advised fund to fulfill any type of personal benefit from the distribution recipient. This prohibition applies to the donor(s), advisors and any related party.

In addition there is a prohibition from donors, advisors or related parties from receiving a grant, loan, compensation or similar payment, including expense reimbursements, from a donor advised fund.

The Foundation permanently preserves your charitable intentions through Variance Power. This allows the Foundation to modify any restriction or condition on grants from a fund if it becomes impossible to fulfill your charitable wishes or if the charitable needs of the community or area you are seeking to serve change over time.



By recommendation by the Council on Foundations regarding IRS ruling on inactive donor advised funds, the Foundation requires that any lapse in grant distributions from a fund not exceed a period of three years. Certain exceptions will apply.

If you have any questions about any distribution from your fund, please contact the staff at PCF.



Local giving. Lasting value.

www.placercf.org

219 Maple Street, Suite 200
Auburn, CA 95603

PO Box 9207
Auburn, CA 95604

530-885-4920 Phone
530-885-4989 Fax