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Professional
advisor's handbook

OUR MISSION

We *strengthen* our community by offering donors opportunities to establish charitable legacies by making grants, and by serving as a *catalyst* to address community needs.



Eau Claire

**Community
Foundation**

For Good. **For Eau Claire.** For Ever.
www.eccommunityfoundation.org

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EAU CLAIRE COMMUNITY FOUNDATION

History and description

The Eau Claire Community Foundation was established in 1997. The Eau Claire Community Foundation serves as a leader, catalyst, and resource for philanthropy by providing donors with flexible means of making charitable gifts to enhance our community.

The Foundation is a publicly supported charitable foundation consisting of funds established by many separate donors. The Foundation's grantmaking focuses on the Eau Claire area, but it has made grants outside our community.

Although the general public may be less familiar with community foundations than with private foundations, community foundations have a similarly long history in this country. From the first community foundation established in Cleveland in 1914, the field has now grown to more than 700 organizations nationwide.

Private foundations, at their simplest level, are endowments usually funded by a single person, family, or organization to provide financial support for the charitable works of others.

Community foundations like the Eau Claire Community Foundation are funded by many people and groups—individuals, families, corporations, and nonprofit organizations—to support a wide range of charitable activity in the communities the foundations serve.

Tax status

Section 501(c) of the Internal Revenue Code exempts a wide range of organizations, ranging from country clubs to civic associations, from paying income tax. Only section 501(c)(3) deals with the kinds of organizations most people consider to be charitable: groups that promote education, health, religion, social welfare, and similar purposes. Another section of the Code, section 170, grants taxpayers a deduction for gifts to a section 501(c)(3) organization.

The extent of a taxpayer's charitable deduction depends on the status of the charity to which the gift is made, particularly gifts to "private foundations" and "publicly supported charities."

Tax Deductions

Because the Eau Claire Community Foundation receives support from a broad range of donors, the IRS considers the Foundation to be a publicly supported charity. Gifts to the Foundation qualify for the most favorable tax treatment possible, and the Foundation is not subject to the complicated regulations that govern private foundations.

THE CHARITABLE QUESTION

The advisor's role in philanthropy

An informed advisor should be prepared to talk with clients about charity.

Why? A host of reasons:

- Many clients are already in the habit of charitable giving, so incorporating philanthropy into the planning process is a natural reflection of most clients' values.
- For clients with substantial estates, minimizing or eliminating estate and income taxes is difficult to do without some charitable planning. Regardless of the status of the estate tax, charitable planning offers tax advantages in many other situations, such as the sale of highly appreciated stock and the disposition of retirement accounts upon death.
- Philanthropy can help resolve many personal issues that are deeply important to clients. In addition, many professional advisors find that assisting clients in this area is personally rewarding as well, because they struggle with the same issues.

Despite the reluctance of many advisors to bring up the question of philanthropy, clients want help with their charitable giving and are looking for informed advisors.

Good charitable advice strengthens the client relationship by providing better service to the client and generating greater client loyalty. Clients expect to be referred to experts in charity, as they would to other specialists, like lawyers or accountants.

Although the Eau Claire Community Foundation is a public charity, it does not promote one charitable cause. Instead, its mission is to build and hold a permanent and growing endowment, thereby helping your clients achieve goals in ways not available through other organizations.

Beyond its practical uses, philanthropy can help clients answer questions such as: How can I feel that the world is better for my having been here? How can I raise children with good values? How can I balance the moral demands of my conscience or religious beliefs with my material wealth?

Asking about charity

Some professional advisors hesitate to ask clients about charitable giving because of a number of misperceptions:

- "Asking the question is too intrusive. It's none of my business."
- "I might damage the relationship if I ask."
- "I don't know enough about philanthropy to start the conversation."
- "I would have to 'sell' the client on a particular charity."

- "My client won't be interested unless there are large tax savings."
- "A charitable gift will interfere with my client's goal of providing for her family."

Recent studies of donors and their professional advisors by The Philanthropic Initiative of Boston, as well as charities' extensive experience with donors, have shown just the opposite:

- Clients want help with their philanthropy and wish their advisors knew more.
- Good charitable advice strengthens the client relationship by providing better service to the client and generating greater client loyalty.
- Clients expect referrals to experts in charity, just as they would with other specialties like accounting or law.
- When considering charitable gifts, clients are generally cause-driven first, tax-driven second (although men are often more motivated by tax savings than women, and tax savings do affect the size of gifts).
- High-quality charitable planning can meet multiple goals, and can result in a larger benefit to family members.

Clients likely to be interested

To an experienced professional advisor, many common client situations are appropriate for raising the charitable question and considering the Eau Claire

Community Foundation. Beyond the obvious indicators of the financial capacity to make a gift, here are a few situations to watch for:

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- *Philanthropic interests*
 - *Family circumstances*
 - *Concern for self or others*
 - *Financial circumstances*
 - *Property sales*
 - *Personal beliefs*
-

Philanthropic interests

- Your client has contributed regularly to charities through annual giving.
- A particular charity, such as a hospital or university, has had a significant positive impact on your client or a family member.
- A particular issue, such as heart disease, has had a significant negative impact on your client or a family member.
- Your client gives regularly to their church, synagogue, or other house of worship.

Family circumstances

- Your client is unmarried.
- Your client does not have children.
- Your client has children who are financially independent adults.

- Your client would like to memorialize a loved one.
- Your client is recently divorced and is looking for new interests.

Concern for self or others

- Your client wants to provide a steady source of income for himself or a family member.
- Your client expresses concern about "ruining" his or her children with too large an inheritance.
- Your client is philanthropic and wants to teach other family members about philanthropy.

Financial circumstances

- Your client has low-basis capital gain assets that have appreciated greatly.
- Your client is concerned about personal assets that are generating little or no income.
- Your client experiences a financial windfall, such as a bonus, late in the tax year.
- Your client holds a significant amount of assets in a retirement account.
- Your client owns a small business that they would like to pass to their children.
- Your client's wealth is self-made.

Property sales

- Your client is seeking to sell appreciated property.
- Your client has real estate that produces little or no income.
- Your client is considering taking a closely held company public.

Personal beliefs

- Your client is interested in channeling money away from the government through taxes and putting it to another use that better reflects his or her values.
- Your client feels an obligation to repay society or the community for benefits received.
- Your client struggles with his or her conscience over issues related to wealth.
- Your client has strong religious beliefs.

Ways to start the conversation

There is no single, "right" way to raise the charitable question with clients. If the client does not respond, or responds unfavorably, the advisor can simply drop the matter.

To ensure that you are meeting your client's philanthropic interests, consider incorporating some of the questions listed below in your normal planning with clients:

- Do you currently support any charitable organizations, including your [church, synagogue, other house of worship, or alma mater] either by volunteering or by giving financially?
- Are you interested in supporting those organizations in any way after your death?
- Have you ever thought about what kind of personal legacy you want to leave?

If a client responds to a question about charitable giving with a statement of intention such as "No, I want to leave everything to my kids":

- If there is a way to significantly reduce your income or estate taxes that involves a charitable gift, would you be interested in hearing more about that?
- If there is a way to leave more to your family by making a charitable gift, would you be interested in hearing more about that?
- Do you think your kids would mind if you left 5% of your estate to charity? Would your answer be any different if your kids could be involved in some way?

- How much money do you think a parent can leave to a child without harming the child's future? Two million dollars? Five million dollars? If your estate proves larger than that, would you want to consider a charitable gift with the excess?
- What if your spouse and children do not survive you? What would you want to do then? Would you prefer to have all or part of your assets pass to charity rather than to distant family members?
- Would you consider arranging for your retirement accounts to pass to charity as a tax-planning strategy?

If client responds to a question about charitable giving with a statement such as "I haven't done much before, and I just don't know where to start now":

- If someone with expertise in this area could help you identify charities worthy of your support, would you be interested in exploring a charitable gift?
- If you had to give away \$100,000 by the end of today, is there any group of people, such as needy children, that you would want to help?
- What cause would you like to be known for caring about and supporting?

GIVING THROUGH THE EAU CLAIRE COMMUNITY FOUNDATION

Comparing the Eau Claire Community Foundation with other giving vehicles

Selecting the right charitable giving vehicle for a particular client involves many variables, including how much money is available for charitable giving, whether family members are available as volunteers, and the client's need for operational control.

According to the Internal Revenue Service over 105,000 private foundations were registered with the federal government in 2006. More than 60% of U.S. private foundations have assets of less than \$1 million. Chances are good that a private foundation was not the best option for all of these donors, but the donors may have selected a private foundation because they were not fully informed about the alternatives.

Eau Claire Community Foundation versus private foundations

The vehicles most often considered are a private foundation and a donor advised fund.

To offer your client the best recommendation between these options, think through the following questions dealing with the startup phase of the giving vehicle, as well as ongoing operations:

Startup

- *How much time does the client have to complete a gift?*
- *How much money will be available to contribute in the near and short term?*
- *Are the differences in tax deductibility significant?*
- *Does the client demand absolute operational control?*
- *Will family members be available to run the foundation as volunteers?*
- *If not, can the foundation hire staff?*
- *Does the client already know what they want to accomplish and how?*
- *Are the annual operating costs reasonable and sustainable?*
- *How will the client react to the operational restrictions?*
- *Is the client strongly concerned about privacy?*

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- **How much time does the client have to complete a gift?**

Creation of a private foundation might require three to six months, while a donor advised fund can be opened in less than a day.

- **How much money will be available to contribute in the near and short term?**

Opinions differ, but some advisors think that a private foundation should not be considered unless there is at least \$1 million in donations available. Donor advised funds and charitable gift funds at The Eau Claire Community Foundation can be created with a far smaller contribution (\$10,000 - \$25,000).

- **What kind of initial start-up costs and ongoing operational expenses is the client willing to pay? How much money will be available to contribute in the near and short term?**

Remember, there is not only the cost and extra time it takes to set up a private foundation, but also the ongoing operation costs and requirements that can be critical in maintaining the private foundations status.

Ongoing operations

- **Does the client demand absolute operational control?**

Private foundations offer clients the most operational control. But some clients might not have the temperament, time, or aptitude for keeping up with the private foundation rules. A private foundation might have been the client's initial preference simply because of unfamiliarity with competing, simpler alternatives. Some clients might be willing to exchange absolute control for other benefits, like the superior tax treatment and administrative convenience offered by advised funds.

- **Will family members or others be available to operate a private foundation as volunteers? Will those volunteers still be available in the future?**

Running a private foundation takes time and attention, which some families are happy to offer. But other families may not have anyone available to do this work on the foundation's behalf. Even if family or friends are available, does it appear they will be able to continue to devote the time necessary in the future? What about the next generation?

- **If no volunteers are available, will the assets of the foundation be large enough to hire and pay professional staff?**

For example, a private foundation with \$1 million in assets and a 5% return on investment will yield about \$50,000 a year for expenses and grants while still preserving the value of the foundation's endowment. If a full- or part-time staff member were hired in this situation, management expenses could likely consume all or most of the amount available for grants. A private foundation with small assets and high operating expenses will likely frustrate the client's philanthropic goals.

- **Does the client already know what they want to accomplish with their philanthropy and how to best achieve it?**

Many clients have been involved in charitable work long before they formally structure their giving. They may have already developed firm goals for their philanthropy and a plan to achieve them.

They are prepared, and in fact prefer, to "go it alone," and a private foundation might be best for them.

Other clients might still be developing a plan for their giving, and welcome the chance to consult with people who work in the field or to connect with other families with similar goals. For these clients, a donor advised fund with the Eau Claire Community Foundation might be the better option.

- **Given the amount of assets to be contributed, will annual operating costs be reasonable and sustainable?**

Some clients might want to fund these operational costs on an annual, pass-through basis through ongoing contributions, when the endowment is not large enough to sustain them. If annual contributions are not feasible, lower-cost options should be explored.

- **How will the client react to the operational restrictions on private foundations?**

Private foundations pay excise tax and regulations prohibit most transactions between the foundation and its founders and related persons. Private foundations also are required to pay out 5% of the net

investment asset value in grants or related expenses. Some clients might find these requirements intrusive.

As a public charity, the Eau Claire Community Foundation is exempt from these requirements.

- **Is the client strongly concerned about privacy?**

All of a client's contributions to a private foundation, and all grants from the foundation, are included in the foundation's annual tax return, which becomes public information. Due to the success of the nonprofit information service GuideStar (www.guidestar.org), the tax return is accessible to anyone on the Internet. This ready accessibility might be troublesome to clients who have strong views on privacy.

An advised fund at the Eau Claire Community Foundation might allay these concerns. Public charities like the Foundation file donor lists and grant lists with their tax returns, but federal law protects the donor lists from public inspection. The grant lists, while public, do not identify which component funds were the source of the grant.

Donor Advised Funds vs. Private Foundations: How do they Compare?

Comparisons	Donor-Advised Fund	Private Foundation
Creation	Established at the Eau Claire Community Foundation (ECCF).	Non-profit corporation or trust organized as a private foundation.
Tax-Exempt Status	Shares the public charity tax-exempt status of ECCF.	Must apply for tax-exempt status from the IRS.
Start-Up Cost	No cost to donor.	Similar to corporate start-up requiring substantial legal, accounting, and operational start-up costs.
Recommended size	\$25,000 or more.	Substantial assets required.
Charitable Deductions – cash gifts and appreciated stock	Tax deduction of up to 50% of adjusted income. Stock is deductible at its fair market value as of the date it is received by ECCF.	Tax deduction is limited to 30% of adjusted gross income.
Charitable Deductions – appreciated real property	Tax deduction available for full market value. Tax deduction available up to 30% of adjusted gross income.	Tax deduction may be taken for fair market value of marketable securities. Tax deduction for other property is limited to the lower of cost or fair market value and is limited to 20% of adjusted income.
Donor Control	Donor makes grant recommendations – to protect tax deductibility, final oversight rests with ECCF.	Donor retains complete control over investments and grant-making, subject to IRS requirements.
Public Disclosure	No required public disclosure; anonymity available.	Annual tax returns and filings must be open for public inspection.
Self-Dealing Rules	Private foundation self-dealing rules do not apply.	Strict regulations prohibit most transactions between a private foundation and its donors (including related persons or corporations).
Pay-Out Requirements	Do not apply.	Must pay out at least 5% of its asset value for charitable purposes regardless of its annual income.
Administrative Concerns (personnel, facility, gift and grant management)	Services provided by ECCF.	Must establish and obtain these services.
Annual costs	Depends on type of fund established: an endowment fund pays 1.5% of its average daily fund balance.	Administration can be costly.
Annual Tax Filings and Returns	Not required (included as part of ECCF's annual reporting).	Generally exempt from income taxes but subject to excise tax of up to 2% of net investment gain including net capital gains.
Investments	Funds are professionally invested through ECCF as part of more than \$10 million in assets.	Must be filed by the private foundation with required supporting schedules.
Fiduciary Responsibility	ECCF fulfills the associated fiduciary responsibilities.	The private foundation board has full fiduciary responsibility.
Liability & Risk Insurance	Provided by ECCF.	Must be purchased by the private foundation.

Services for Private Foundations

As a community foundation, the Eau Claire Community Foundation is legally classified as a publicly supported charity.

At the same time, the Foundation shares some of the features of a private foundation, particularly its grantmaking expertise.

Because of this hybrid quality, the Eau Claire Community Foundation can offer a number of services to private foundations.

Here are just a few:

- **Minimizing or Eliminating Administrative Burden**

Clients who established private foundations years ago may find that they are no longer suitable or convenient. Perhaps no family members or friends are available to run the foundation as volunteers. Perhaps the administrative burdens have become a nuisance, or the size of the private foundation now makes it difficult to justify the operational costs.

Whatever the situation, working with the Eau Claire Community Foundation is a great alternative.

The private foundation may transfer all of its assets to the Eau Claire Community Foundation and then elect with the IRS to terminate both its private foundation status and legal existence. The private foundation could then create any type of fund at the Foundation, such as a field of interest fund, to continue grantmaking in areas important to the private foundation, or a Donor

Advised fund with family members or trustees as donor advisors.

The private foundation may transfer all of its assets to the foundation without electing to terminate. Through this method, the private foundation avoids excise taxes and the obligation to file a tax return, since it has no assets and no income. But the private foundation still exists as a legal entity in order to advise the community foundation on disbursements from the fund.

- **Meeting Annual Distribution Requirements**

Clients who have private foundations may occasionally have difficulty meeting the foundation's annual federal payout obligation. Perhaps the private foundation has not received sufficient applications within its focus area, or a favored project is not quite ready to proceed.

In these situations, the private foundation can create a Donor Advised fund at the Eau Claire Community Foundation and contribute all or part of the current year's required distribution to the fund. Because the Foundation is a public charity, this contribution to the Foundation is a "qualifying distribution" that counts towards the federal payout requirement.

The private foundation's trustees can then recommend grants from the Donor Advised fund as needed.

- **Identifying Worthy Recipients**

With more than 1.5 million public charities in existence nationwide, and thousands

locally, it can be difficult for private foundations, particularly those with no staff and few volunteers, to identify the most worthy agencies. In such a case, the private foundation could create a fund at the Eau Claire Community Foundation and then ask our grantmaking staff to develop a portfolio of charities for the private foundation's consideration and recommendation.

- **Making Grants Anonymously**

For any number of reasons, a private foundation might want to support a nonprofit anonymously. If so, the private foundation could establish a Donor Advised fund at the Eau Claire Community Foundation, and then recommend that a grant from the fund be made anonymously to the ultimate beneficiary. All of the private foundation's grants are public information. The Eau Claire Community Foundation's grant lists are also public, but the Foundation is not required to specify which fund was the source of a particular grant.

Eau Claire Community Foundation versus a charitable gift fund

The past decade has seen an explosion in the number of charities offering some version of an advised fund, based on the original community foundation model developed in the 1930s. The best known among them is the Fidelity Charitable Gift Fund, started in 1992, which now has several billion dollars in assets. Reportedly, more than 60 similar gift funds exist, and more are being created. Mutual fund companies, brokerage firms, and large,

sophisticated nonprofits are among the many providers. (Advised fund programs administered by these nontraditional providers are collectively referred to here as "charitable gift funds.")

Charitable gift funds have different policies, costs, and capabilities. Whomever the provider, the professional advisor should consider a range of issues when considering whether to recommend this option:

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- *What level of service does the client want now or potentially need in the future?*
 - *What types of assets does the client want to contribute, and how much?*
 - *What about investment choices for the fund?*
 - *What will it cost to use a particular fund, and what services are available in exchange?*
 - *Does your client want to make gifts for charitable purposes to non-registered charities or international groups, or to be limited to certain kinds of charities?*

- **What level of service does the client want now or potentially need in the future?**

If the client is looking primarily for immediate convenience—a sort of charitable checking account—then a charitable gift fund might be appropriate. If the client wants more guidance in

determining where to give, how to give, or what the community needs, the Eau Claire Community Foundation offers a wider range of services.

Personal service can be particularly important to some clients. Toll-free numbers and online access are helpful, but some clients may prefer in-person contact. Some charitable gift fund providers may not have the staff to offer personal attention. Vanguard's Charitable Endowment Program, for example, had 1,400 donors, \$195 million in assets, and two people on its grants staff, at the time of a 2000 *Barron's* article.

- **What types of assets does the client want to contribute, and how much?**

Depending on the charitable gift fund program, there may be limits on the kinds of assets that can be used, or minimum fund requirements that exclude some clients. For example, many programs will accept only gifts of cash and publicly traded stock.

Some programs, particularly those run by charities as an adjunct to their main work, have very high minimums to open, as high as \$1 million for one university-run fund. The Eau Claire Community Foundation accepts a wide range of assets and has a fund minimum of \$10,000 - \$25,000 depending on the type of fund.

- **What about investment choices for the fund?**

The Eau Claire Community Foundation has a standing investment committee which closely monitors the investments of the

Foundation. The Foundation will allow a private investment manager to manage a fund of \$250,000 or more contributed to the Foundation, as long as the outside manager is reviewed and approved by the Foundation's Board of Trustees.

- **What will it cost to use a particular fund, and what services are available in exchange?**

The administrative fees are 1.5% of principal per annum. Funds are required to participate in the cost of any money manager charges incurred in the management of the investment. The Foundation reserves the right to apply additional charges against any fund if it requires services above and beyond the normal administration of the funds.

Also keep in mind that some charitable gift funds (managed by investment entities other than the Foundation) may require that the donor grant a certain percentage of the fund to the charity annually, which your client might regard as an additional "cost."

- **Does your client want to make gifts for charitable purposes to non-registered charities or international groups, or be limited to certain kinds of charities?**

Although most charitable gifts are devoted to the estimated 2.8 million charities in the U.S., some clients might have additional interests. Some churches, for example, are not registered with the IRS. The Eau Claire Community Foundation may legally pay a grant to a non-501(c)(3) organization so long as the Trustees determine that the organization is a charitable organization

and the Foundation is able to confirm that the grant is for a charitable purpose.

Charitable gift funds have the same legal authority, but they may have policies prohibiting grants to non-501(c)(3) organizations or foreign charities because of the lack of staff to research the requests.

For philosophical or religious reasons, some funds may also limit the kinds of charities to which grants may be made. If your client's values are not aligned with these

rules, the client may chafe at the restrictions.

At the Foundation, grants must be designated 501(c)(3) entities. The Foundation will not assume the responsibility to select charitable beneficiaries outside of the Eau Claire area under a field of interest or unrestricted fund.

Types of funds at the Eau Claire Community Foundation

Once you and your client have determined that the Eau Claire Community Foundation is best suited to his or her situation, your client can contribute to the Foundation in a number of different ways: unrestricted funds, field of interest funds, designated and agency endowment funds, and donor advised funds.

Each option sits on a continuum reflecting a different level of involvement by the client. Unrestricted funds, at one end of the continuum, confer all grantmaking authority to the Eau Claire Community Foundation without restriction. Donor advised funds, at the other end, enable the donor to make recommendations on how grants are allocated.

Donors can either make gifts to establish these funds while living, or establish one of these funds through a planned giving vehicle such as a charitable remainder trust.

Whatever the type of fund, the Foundation includes the fund on its federal tax return, handles all accounting and audit responsibilities, and issues regular reports to the donor.

Please note that once the gift is made, it is irrevocable and becomes the property of the Foundation. Current tax laws require formal approval by the Foundation's Board of Trustees of all grant recommendations made by donors or other advisors on grant allocations.

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- *Unrestricted funds*
 - *Field of interest funds*
 - *Designated funds*
 - *Agency funds*
 - *Advised funds*
 - *Community Fund*
 - *Scholarship Funds and More!*
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- **Unrestricted funds**

These funds benefit the Eau Claire community at large in the areas of arts and culture; environment and recreation; education; health; and social services. The donor does not restrict how these funds can be used, leaving their most effective charitable application to the expertise and discretion of the Eau Claire Community Foundation's Board of Trustees. These funds enable the Foundation to respond with maximum flexibility to changing community needs and emergencies, to support innovative solutions to community problems, to explore unique charitable opportunities, and to enhance the quality of community life.

Gifts to unrestricted funds are particularly appropriate when a client feels a sense of obligation to repay Eau Claire for the business and personal opportunities he or she enjoyed here.

- **Field of interest funds**

These funds support a particular area of concern to the donor, such as arts and culture, environment and recreation, education, health, and social services. The Eau Claire Community Foundation's Board of Trustees awards grants from these funds on the basis of competitive applications to the most appropriate programs or organizations within the field of interest specified.

Gifts to field of interest funds are particularly appropriate when a client is highly motivated to help charities in one particular area. For example, a client whose husband died of heart disease might want to create a field of interest fund that supports cardiology research.

Field of interest funds also work well as companions to other kinds of funds. For example, an advised fund can become a field of interest fund on the advisor's death, or a charitable remainder trust can create a field of interest fund honoring the original donor at the death of the life beneficiary.

- **Designated funds**

Designated funds ensure that permanent support will be provided to specific charities named by the donor. Grants from this type of fund are often earmarked for operating support, but the donor can give specific directions for the money's use.

A unique feature of this type of fund is the "variance power," which allows the Eau Claire Community Foundation to redirect a charitable fund that becomes obsolete or

impractical, thereby ensuring that the donor's gift will always be used effectively regardless of changing circumstances. For example, a fund devoted to a polio hospital fifty years ago could be adapted through the variance power to support physically disabled children today.

Designated funds are useful for clients who want to benefit a particular agency, but who want to protect against the very real possibility that the agency might close someday, or who want a third party like the Foundation exercising some oversight over the agency's application of the funds.

- **Agency funds**

A related type of fund, an agency endowment fund is a permanent endowment established by a nonprofit organization itself to provide perpetual support for that charity. Any charity can establish such a fund at the Foundation. A charity might do so in order to protect hard-won endowment dollars from being borrowed by future management, or to benefit from investment economies of scale. The variance power ensures that the funds will always serve an important, related purpose, should the agency close.

- **Advised funds**

Also known as donor advised funds, these funds provide more involvement for donors, allowing them to recommend distributions to specific nonprofit organizations, changing as the donor's interests and community needs change.

Some donors create advised funds with family members as the donor advisors or successors. The Eau Claire Community Foundation allows donors to appoint their children or other persons as advisors without any continuing obligations. For example, second-generation advisors are not required to contribute further to the fund to maintain their advisory rights. If donors do not yet know which causes they wish to support, we can work with them to refine their giving priorities. We can also research prospective grantees and provide a vehicle for anonymous giving.

Advised funds are attractive to many donors who previously considered establishing a private foundation, or who have well-established giving patterns but want to make the process more efficient and less time-consuming.

- **Community funds**

The Community Fund benefits the Eau Claire community as a whole. It enables the Eau Claire Community Foundation to respond to changing community needs and emergencies to support innovative solutions to community problems and to enhance the quality of community life. No restrictions are placed on how this fund may be used, leaving the most effective charitable application to the expertise and discretion of the Foundation's Board of Trustees.

- **Scholarship funds**

Scholarship funds are dedicated to the continued education or training of children or adults. Scholarships may be designed to meet certain specifications such as supporting students in a specific area of study, rewarding academic achievement, mitigating financial need or supporting students from a particular high school.

- **Pass-through funds**

Pass-through funds are established for a specific purpose, in most cases by groups, to benefit a short-term charitable project benefitting our community or the agency named. Restrictions apply. See the Foundation's Executive Director for details.

- **Acorn funds**

Acorn funds are starter funds that grow over time (maximum of 5 years). When contributions reach a minimum donation for their type of fund, gifting can begin from the fund and the "Acorn" status ends.

- **Fund Agreements**

The Eau Claire Community Foundation can provide you sample fund agreements for any of the fund types listed in this document.

Table 2. COMPARISON OF FUND TYPES AT THE EAU CLAIRE COMMUNITY FOUNDATION

Type of Fund	Amount Needed for Funding	Reason for Starting	Areas of interest and type of support	Decision Making
Unrestricted	\$500 to establish* A minimum of \$10,000 is required to begin grantmaking.	Donor wants their fund to have flexibility to meet the ever changing needs nonprofit organizations in the greater Eau Claire area.	Any area of interest.	Board of Trustees
Field of Interest	\$500 to establish* A minimum of \$10,000 is required to begin grantmaking.	Donor wants to perpetually support favorite causes, like animal welfare or education rather than a specific organization.	Donor states an area of interest and type of support.	Board of Trustees
Designated	\$500 to establish* A minimum of \$10,000 is required to begin grantmaking.	Donor wants to perpetually support favorite organization(s) to receive ongoing support.	Donor names agency and type of support. Foundation staff monitors for compliance.	Board of Trustees renews authority for distributions annually.
Agency Endowment	\$500 to establish* A minimum of \$10,000 is required to begin grantmaking.	Agency wants to protect its endowment and benefit from investment economies of scale.	Agency decides how funds will be used.	Board of Trustees renews authority for distributions annually.
Donor Advised	\$1,500 to establish* A minimum of \$25,000 is required to begin grantmaking.	Donor wants to give with the ability to suggest possible charitable recipients from time to time.	Donor recommends grants for charitable organizations or projects.	Board of Trustees, after consideration of recommendation of donor advisor.
Pass-Through	\$500 to establish* Fully funded at \$10,000.	Agency or donor wants to raise funds for a specific purpose (usually short term).	The fund will support a specific cause or need in the community.	Board of Trustees

Scholarship Funds are also available; please call the Foundation for details.

*Newly established Acorn Funds have 5 years to become fully funded and begin the granting process. All grants are subject to final approval by the ECCF Board of Trustees.

Assets Accepted

As a public charity, the Eau Claire Community Foundation has the maximum possible flexibility in accepting different classes of assets, including outright gifts of cash, appreciated securities, closely held stock, real estate, or other personal real property.

-
- *Cash or cash equivalents*
 - *Appreciated securities*
 - *Closely held stock*
 - *Real property*
 - *Tangible personal property*
 - *Mineral interests*
 - *Life insurance*
 - *Mutual funds*
 - *Qualified retirement plan assets*
-

- **Cash**

Cash, usually in the form of a check, is the most common form for charitable gifts. The actual tax savings from gifts of cash depend on the donor's tax bracket. The higher the tax bracket, the greater the tax savings.

- **Appreciated securities**

Donors who contribute long-term appreciated securities to the Foundation get a double federal tax benefit. Gifts of appreciated securities are deductible at their full market value if the donor owned the, for longer than 12 months. Fair market

value is the mean between the high and low trades on the date of the gift. Capital gains tax on the stock's appreciation is completely avoided.

- **Closely held stock**

These shares in a privately owned business are usually owned by family members, top management, and the corporation itself.

The stock can be contributed outright to the Foundation and the donor is entitled to a deduction for the appraised fair market value. The donor also avoids the potential capital gains tax on any appreciation in the value of the stock.

After the gift, the Foundation may sell the stock to the corporation or to other shareholders for cash. There can be no prior agreement between the Foundation and potential buyers before the gift is made.

The donor is entitled to a deduction for at the full value of the stock up to 30% of the donor's adjusted gross income. A qualified appraisal will likely be required.

- **Real Estate**

Gifts of real estate include homes, farms, vacation homes, commercial buildings, and income-producing or non-income-producing land. Gifts of real estate, if the donor owned them for more than one year, are deductible depending on the donor's adjusted gross income in the year of the gift with a five-year carry forward period, if required.

Gifts of real estate may be contributed as outright gifts, as a remainder interest (where donor maintains a life estate), as a contribution to a charitable remainder trust, or may be gifted to the Foundation through a donor's will.

Such gifts will be reviewed by the Foundation's staff, legal counsel, and Board of Trustees.

- **Tangible personal property**

Gifts of tangible personal property include art, antiques, collectibles, jewelry, rare books, and stamp and coin collections. In most cases, the Foundation's use of the contributed property will be considered unrelated to the Foundation's tax-exempt purposes, limiting the client to a charitable deduction for his or her cost basis in the property. The donor must agree that the property can be sold unless the Foundation agrees to use the property for a purpose related to its exempt purpose.

- **Mineral interests**

The Foundation can accept mineral royalty interests. A gift of a working interest will incur unrelated business income tax liability for the Foundation, which may preclude acceptance of such a gift. The Foundation will require the donor to provide information about the nature of the interest; any encumbrances; the status of taxes, litigation, and regulatory actions; and a title opinion, if available. Other information may be required.

- **Life insurance**

Gifts of life insurance enable donors to make a future major gift to the Foundation at a relatively modest cost. Donors need to be aware that retained ownership of the policy by the donor results in its inclusion in the donor's estate; however, policy proceeds are free of income tax to the beneficiary. Donors may name the Foundation as the owner and beneficiary of existing policies that they no longer need. Alternatively, donors may purchase new policies and name the Foundation as the owner and beneficiary. Donors are entitled to a federal income tax deduction for the cash surrender value in the year the gift is made.

- **Mutual funds**

Mutual funds can be excellent assets to contribute to the Foundation. The fair market value of a mutual fund share is its public redemption price on the valuation date. Gifts of mutual funds are deductible at their fair market value depending on the donor's adjusted gross income, with a five-year carry forward, if required.

- **Qualified retirement plan assets**

Retirement plan assets, such as IRAs, can make ideal charitable gifts. Qualified retirement plans enjoy favorable tax treatment before retirement, but may be severely taxed upon the plan participant's death because they are considered "IRD property." IRD stands for "income in respect of the decedent." Because the owner of an IRA would have been taxed on distributions from the plan if still alive,

anyone receiving those plan assets on his death must also pay income taxes when the IRA assets are distributed unless they are given to a qualified charity.

Qualified plans may be subject to both income tax and estate tax, which can total 75% or more, depending on the size of the overall estate.

If the client is considering charitable gifts, it may be advantageous to name the Foundation as the full or partial beneficiary of the retirement plan, and use other, non-IRD assets for gifts to individuals. Estate tax and income tax can be avoided if the plan participant designates the Eau Claire Community Foundation by beneficiary designation to receive all or part of the plan at death.

****The Eau Claire Community Foundation** does not offer legal advice to individuals regarding their estate plans. We encourage donors considering a bequest to the Foundation to work with their legal and financial advisors. ******

PLANNED GIVING THROUGH THE EAU CLAIRE COMMUNITY FOUNDATION

The future of the Eau Claire Community Foundation and its ability to benefit the residents of the greater Eau Claire area is assured by the continued generosity of our donors.

When it comes to making a long-term impact, there are many giving options to choose from besides simply writing a check. Through planned giving, you can arrange a gift with your clients that helps further our mission and provides tax or other financial benefits.

Share These Examples with Your Clients:

Plan by Age

Want to learn more about the estate, financial, and gift planning topics that matter to you? Select the age group that best describes you to get started.



Under 40

Your life feels newly supersized with career responsibilities surging and, perhaps, a young family in the nest. You're focused on the present, but what would happen to your loved ones if they were faced with your sudden death? Let us help you protect the people and causes you love with your first estate plan.



Ages 40-54

With growing children, aging parents and a busy schedule, estate and financial planning can be a challenge. We can help you get your plans in order to protect your family and support your favorite causes.



Ages 55-69

Retirement is just around the corner—or here! Take steps now to make sure you can thoroughly enjoy the extra time you'll have to travel and perhaps spend time with your children and grandchildren.



Ages 70+

Put your mind at ease by learning how to make your retirement dollars last. Now is the time to be diligent about updating estate plans that put your family first and talking to your loved ones about your choices.

Comparing Gifts

This simple guide can make life easier by comparing possible outcomes and types of assets with your clients.

Table 3. COMPARISON OF CLIENT GOALS WITH PLANNED GIVING VEHICLES

Client Giving vehicle	Your Clients Personal Goals	Income to Donor or Heirs	Income Tax Deduction	Capital Gains and Estate Taxes	Attractive Funding Assets
Bequest in client's will	Minimizing taxable estate. Provide for favorite charitable causes.	No	No	Avoided	Assets that continue to generate taxable income for estate heirs.
Life Insurance	Provide for charity with pre-tax dollars.	No	Yes, for the full cash value of the policy and future premium payments if ownership is given to the Foundation. No, if Foundation is named beneficiary but not owner.	Avoided	Paid up whole life policies. Policies with annual dividends greater than premiums.
Retirement plan beneficiary designation	Provide for favorite causes.	No	No (but reduces or avoids estate and income tax to heirs).	Avoided	IRAs, other qualified plan assets.
Charitable Remainder Annuity Trusts	Create income for self or others. Establish permanent charitable legacy.	Yes	Yes	Estate taxes are avoided, but gift tax may be due.	Appreciated stock & appreciated, low-basis real property (assets).
Charitable Lead Trust	Transferring assets to another generation (non-grantor trust). Income tax deduction (grantor trust).	No	No (non-grantor trust) Yes (grantor trust)	Estate taxes are avoided, but gift tax may be due.	Income producing assets. Assets to be passed to children such as shares in closely-held business.
Real Estate	Avoid capital gains. Provide for favorite causes.	No	Yes	Avoided	Any form of real estate, especially highly appreciated.

* The Eau Claire Community Foundation does not offer legal advice to individuals regarding their estate plans. We encourage donors considering a bequest to the Foundation to work with their legal and financial advisors.

Bequest in client's will or trust

Called a charitable bequest, this type of gift offers these main benefits:

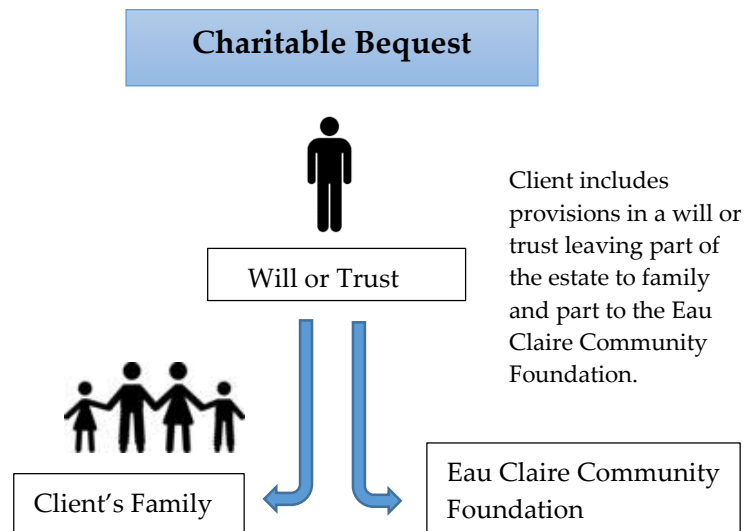
Simplicity. Just a few sentences in your client's will or trust are all that are needed. *I give to the Eau Claire Community Foundation (dollar amount or percentage) of my estate (or all the residue of my estate) for (general charitable purposes or specified purposes or charities). The Fund shall be governed by the Foundation's governing documents, and all amendments and policies adopted by the Board of Trustees.*

Flexibility. Because the gift is not made until after your client's death, your client can change his or her mind at any time.

Versatility. Your client can structure the bequest to leave a specific item or amount of money, make the gift contingent on certain events, or leave a percentage of his or her estate to ECCF.

Tax Relief. If a client's estate is subject to estate tax, a gift to ECCF is entitled to an estate tax charitable deduction for the gift's full value.

How it works:



Putting the Family First

When planning a future gift, it's sometimes difficult to determine what size donation will make sense. Emergencies happen, and clients want to make sure their family is financially taken care of first. Including a bequest of a percentage of the estate ensures that the gift will remain proportionate no matter how the estate's value fluctuates over the years.

IRA and retirement plan beneficiary designations

Want to help clients get the most value from their nest egg, protect their family from heavy taxes, and give back to their community? Suggest naming the Eau Claire Community Foundation as a beneficiary of a client's retirement plan assets.

How the Client Benefits

Leaving retirement plan assets to the Eau Claire Community Foundation shields family members from taxes on the retirement assets and frees the client to give them other assets that are not as heavily taxed.

How It Works

Most retirement plans, including 401(k)s and IRAs, are income tax-deferred, meaning that income tax is not paid until the funds are distributed in life or upon death. This taxation makes retirement assets among the most costly assets to distribute to loved ones.

Because they are subject to income taxes when received by individual beneficiaries, retirement assets make ideal gifts to tax-exempt charitable organizations. The income taxes on retirement assets left to loved ones can be as high as 39.6 percent. This means that an IRA worth \$100,000 will be

worth only \$60,400 by the time it reaches them.

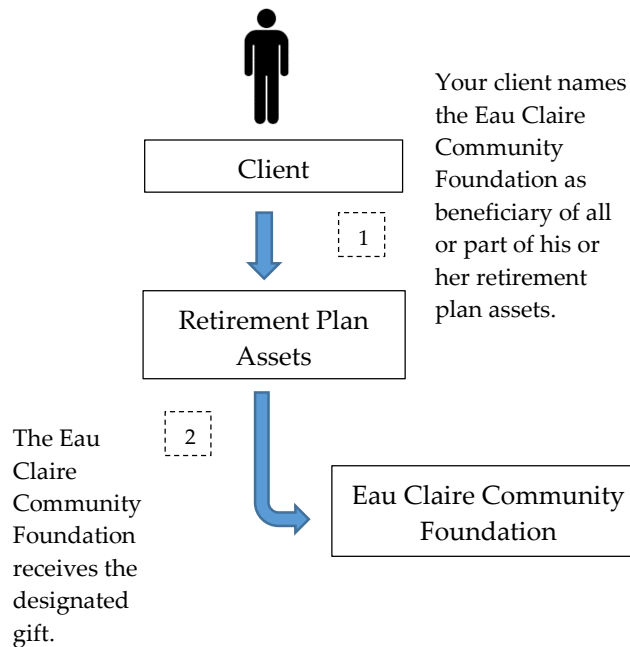
On the other hand, naming a charity as the beneficiary of retirement assets upon death generates no income taxes. The charity is tax-exempt and eligible to receive the full amount and not pay any income taxes. In the above example, this means the Eau Claire Community Foundation would receive the full \$100,000.

Consider these options:

- 1) Designate the Eau Claire Community Foundation as the primary beneficiary for a percentage (1-100 percent) of retirement plan assets.
- 2) Designate a specific amount to be paid to ECCF before the remainder is divided among family beneficiaries.
- 3) Make ECCF the contingent beneficiary to receive the balance only if individual beneficiaries, as primary beneficiaries, don't survive the plan participant.

To implement these wishes, assist the client in advising the plan administrator of his or her decision and sign whatever forms are required.

Retirement Plan Assets



For Example:

Jennifer plans to leave \$250,000 to her niece, Heather, and \$250,000 to the Eau Claire Community Foundation. Among her assets, Jennifer owns a \$250,000 IRA. If she leaves the IRA to Heather, it will be subject to income taxes at Jennifer's marginal income tax rate (35 percent). To avoid her niece having to pay these taxes, Jennifer names the Foundation as the beneficiary of her IRA and leaves less tax burdened assets to Heather.

If the children are the beneficiaries of the IRA and other retirement plan assets, federal income taxes may erode up to 39.6% of the amount they receive.

Because the Eau Claire Community Foundation is tax-exempt, income taxes are eliminated.

Changing Beneficiaries

To name or change a beneficiary, simply contact the administrator of the IRA or retirement plan for a change of beneficiary form. If your client would like to name the Eau Claire Community Foundation as beneficiary, simply decide what percentage of the plan's value (0–100 percent) your client would like us to receive and name ECCF, along with the stated percentage, on the beneficiary form. Then, return the form to the administrator of the plan.

A Second Option

A client can also consider creating a charitable remainder trust for heavily taxed retirement plan assets. Such a trust could be set up to receive the retirement plan proceeds at death. The trust would pay income for life to one or more family members of the client's choice, after which the remaining assets will pass to the Eau Claire Community Foundation.

Life Insurance

Life insurance is an asset a client may not think of donating to the Eau Claire Community Foundation until you explain how powerful, practical, and simple it can be.

How You Benefit

When ownership of a life insurance policy is assigned to the Foundation and ECCF is named its beneficiary, the following good things happen:

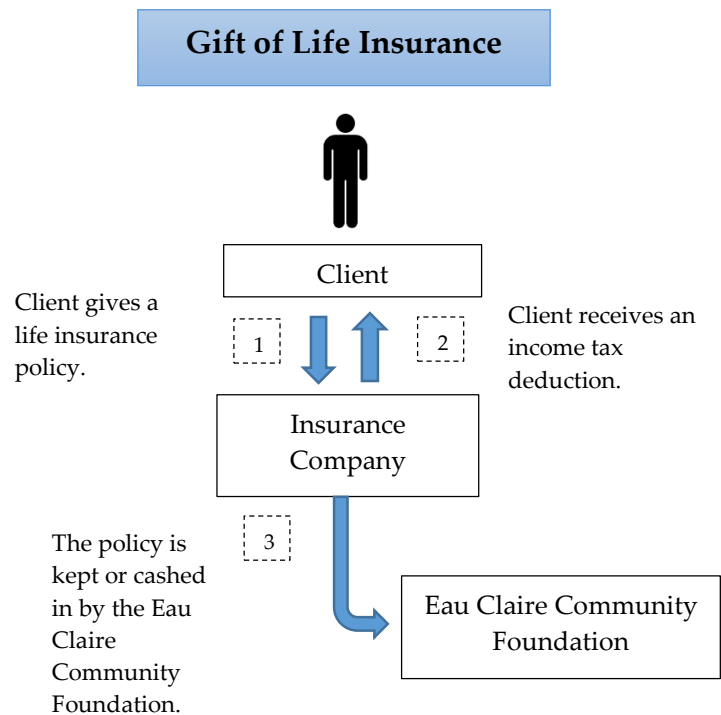
- The client receives an income tax charitable deduction, available under most circumstances for the cash value and any donated premium payments.
- The client realizes tax savings from use of the deduction, which you can help them invest for future income.
- The client's future estate tax liability is reduced.

How it Works

When a client owns a life insurance policy with accumulated cash value, he or she is essentially sitting on a pile of money. When the original purpose for the protection no longer applies – such as to educate children now grown or to provide financial security for a spouse

now deceased – life insurance can be redirected to help support a worthwhile cause.

One option is simply to name the Eau Claire Community Foundation as the primary beneficiary. (Naming ECCF as a beneficiary while the client retains ownership of the policy does not qualify the client for an income tax deduction.) Or, ECCF can be named as the beneficiary and the client can assign ECCF ownership of the policy as a current charitable gift. Doing so provides tax benefits as outlined below.



Life insurance is an asset clients may not think of donating to the Eau Claire Community Foundation until they hear how powerful, practical, and simple it can be.

Donating a New Policy

Perhaps your client doesn't own an existing policy but still realizes how beneficial giving life insurance can be. If so, in most states, a client can purchase a single payment insurance policy and name a qualified charity like the Foundation as the beneficiary and owner of the policy rather than paying premiums. Even greater leverage is possible when two donors, usually spouses, purchase a two-life second-to-die policy. With two lifetimes before the payment of death benefits, a future gift to ECCF will cost the client even less.

Insurance Death Benefits

How We All Benefit

Naming the Foundation as the beneficiary of a life insurance policy provides your client the satisfaction of making a very generous donation and leveraging the full value of the policy.

Alternatively, when a life insurance beneficiary is not a qualified charity, the

amount the beneficiaries receive in the end could potentially be less due to estate taxes. But when Eau Claire Community Foundation is named as a beneficiary, ECCF receives the full amount, and estate taxes are eliminated. (With this arrangement, your client will not receive a charitable income tax benefit during his or her lifetime because he or she is not giving away the policy ownership. Your client's estate will receive an estate tax charitable deduction.)

How it Works

Once a life insurance policy has served its original objective, a client might consider giving it a new life with a charitable purpose. Naming the Eau Claire Community Foundation as a beneficiary while retaining ownership of the policy is actually the easiest way to use life insurance to make a future gift to ECCF. Here are the two main options:

1. The Eau Claire Community Foundation can be named either as the sole beneficiary or a partial beneficiary of the policy.
2. The Foundation, as the contingent beneficiary, will receive the death benefits only if the primary beneficiary dies before the insured.

If a client continues the premium payments, ECCF will receive the full face value at the client's death.

When group term insurance is provided by an employer, it could be to your client's benefit to donate all coverage over \$50,000 or even name ECCF as the sole beneficiary. The client receives no tax deduction for naming a charitable beneficiary, but the client will not have to pay the income tax on the portion of the insurance greater than \$50,000 each year. The client gets all the benefits of giving while avoiding the tax.

Changing Beneficiaries

Contact the client's insurance company for its change of beneficiary form for the policy. Decide what percentage of the policy's value (0–100 percent) the client would like ECCF to receive and name it, along with the stated percentage, on the beneficiary form. Then, return the form to the insurance company.

What about Term Insurance?

As the name implies, term life insurance is usually purchased with a particular time frame in mind. When a policy outlives its useful time frame, rather than let it lapse, a client could simply name ECCF as the beneficiary.



Did You Know?

The benefits of life insurance left to an individual can be subject to estate taxes, but when the beneficiary is changed to a charitable entity such as ours, the benefits are tax-free.

Charitable Gift Annuities

A charitable gift annuity is a contract (not a "trust"), under which a charity, in return for a transfer of cash, marketable securities or other assets, agrees to pay a fixed amount of money to one or two individuals for their lifetimes.

Possible Benefits

- The payments are fixed and unchanged for the term of the contract.
- A portion of the payments is considered to be a partial tax-free return of the donor's gift, which is spread in equal payments over the life expectancy of the annuitant(s).

How it Works

The contributed property (the gift), given irrevocably, becomes a part of the charity's assets, and the payments are a general obligation of the charity. The annuity is backed by the charity's entire assets, not just by the property contributed. Annuity payments continue for the life/lives of the annuitant(s) no matter what the investment experience of the gift annuity fund.

Every state has regulations regarding charitable gift annuities. Usually regulation is under a state's Insurance (or Securities) Laws. Charities may be

required to comply not only with regulations in the state in which the charity does business, but also in the state of residence of the donor.

Charitable Remainder Trusts and Charitable Lead Trusts

A charitable remainder trust (CRT) is an irrevocable agreement in which a donor transfer assets to a trust in return for a stream of income.

Possible Benefits

- A qualified CRT is exempt from income tax and the donor can claim an income tax charitable deduction.
- If the assets contributed are highly appreciated, they may be sold tax free.

How it works

An initial income stream is provided to chosen individuals (including the donor) with the remainder to charity, such as ECCF. The IRS has specific requirements regarding the income payout, which may be as an annuity - a specific dollar amount each year, or as a unitrust - a specific percentage of the assets each year, and the amount determined under IRS tables to be available for the charity. To make sure these requirements are met, if your client is interested in a CRT benefiting ECCF, in addition to contacting ECCF, you should recommend including the

client's tax and legal advisors in the discussions. The client's age and applicable interest and inflation rates also affect the benefits of a CRT for any client.

A charitable lead trust (CLT) is also an irrevocable agreement, but the charity receives the income stream and the family or other individual beneficiaries receive the remainder. The importance of involving tax and legal professionals is the same as with a CRT.

Real Estate

Imagine avoiding the hassle of selling a piece of property, with no worry about getting a fair price and at the same time realizing valuable income and estate tax deductions. This can be accomplished for your client by considering using real estate to make a charitable gift to the Eau Claire Community Foundation.

How Your Client Benefits

In addition to freeing the client from the costs and responsibilities of ownership, making an outright gift of property that has been owned for more than a year offers these benefits:

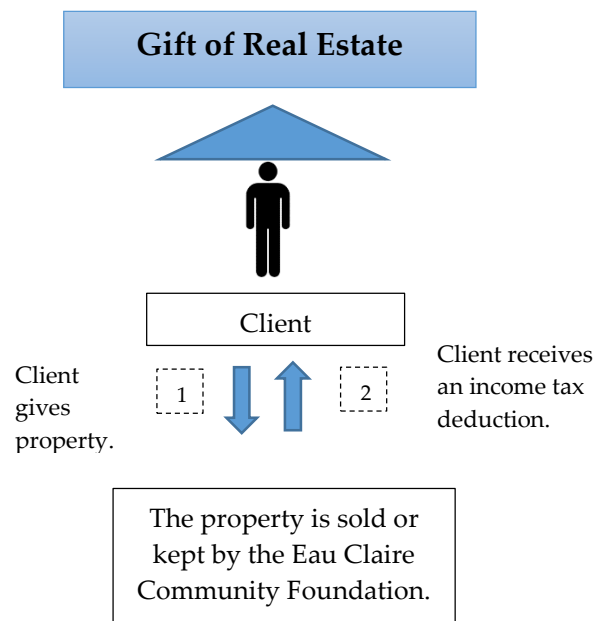
- Client obtains an income tax charitable deduction equal to the property's full fair market value. This deduction reduces the cost of making the gift and frees cash

that otherwise would have been used to pay taxes.

- Capital gains tax on the property's appreciation is eliminated.
- The gift reduces your client's future taxable estate.

How It Works

A client can donate property outright, place it in a trust, or give it on death by will or trust. Following are details on the most straightforward way to make such a gift, direct donation of real property.



The amount of the tax deduction for charitable contributions is limited to 50 percent of adjusted gross income and may be limited to 20 or 30 percent of adjusted gross income, depending on the type of property given and the type of organization it is given to. Any unused amount may be carried over for up to an additional 5 years. In most

situations, a gift to ECCF allows maximum benefit to your client.

****The Eau Claire Community Foundation** does not offer legal advice to individuals regarding their estate plans. We encourage donors considering a bequest to the Foundation to work with their legal and financial advisors. **

OTHER PROFESSIONAL SERVICES

Individuals

The Eau Claire Community Foundation can provide an additional layer of privacy for a client in sensitive circumstances, even on a short-term basis. The Foundation may accept “pass-through” gifts, gifts that are to come into the Foundation and be redistributed to another charity within a short period. A client who wants to make a one-time anonymous gift to a charity may be able to route it through the Eau Claire Community Foundation as a pass-through gift.

In addition, the Eau Claire Community Foundation can provide a range of consulting services on either a formal or informal basis. For example, some clients want help in developing their own charitable giving priorities. Or a client may want some confidential background research on a charity before deciding on a gift. Professional advisors are encouraged to contact the Eau Claire Community Foundation with questions about any charitable issue.

Corporations

Businesses of all sizes, including closely held or family businesses, may wish to work through the Eau Claire Community Foundation to implement both corporate and individual charitable giving goals.

Many corporate executives believe in the importance of being a "good corporate citizen" by supporting nonprofit

organizations in the communities they serve. But the costs and administrative responsibilities of running such a program can overwhelm internal enthusiasm.

As cash flow permits, a business can set aside funds for charitable giving through a donor advised fund. The Eau Claire Community Foundation's staff can work with the company to help identify the company's goals and implement the program. Corporate representatives can serve as the advisors to the fund to recommend grantees. The Eau Claire Community Foundation will receive all grant applications and handle all the administrative responsibilities, such as paying grants and monitoring and evaluating grantees.

Small business owners may be interested in other aspects of the Eau Claire Community Foundation, in addition to donor advised funds. A small business owner might use the charitable lead trust as a way of transferring business ownership to children in a tax-favored way.

Nonprofit organizations

The Eau Claire Community Foundation can provide back-office services to nonprofit organizations that lack the volunteer or paid personnel needed to administer their organizations.

If the nonprofit establishes a fund, the Foundation can provide the following services:

- **Receiving charitable contributions**

The Foundation can receive all gifts intended for the organization. Checks usually are made payable to the Eau Claire Community Foundation with the notation that the gift is for the particular nonprofit. The Foundation can also receive credit card donations by telephone or over its Web site.

- **Acknowledging contributions**

The Foundation will acknowledge contributions in a letter that satisfies federal tax law requirements.

- **Paying expenses and grants**

The Foundation will pay fund-related expenses after the nonprofit submits

appropriate documentation of the charitable purpose of the expenses. The Foundation will also pay grants to nonprofit organizations coming from the fund.

- **Banking**

Each nonprofit's fund becomes part of the Foundation's overall banking arrangements with all necessary internal controls.

- **Accounting and audit**

The Foundation issues quarterly reports to all fund-holders. Each fund is included in the Foundation's annual independent audit and federal tax return at no additional cost to the nonprofit.

The staff of the Eau Claire Community Foundation hopes that this information helps you and your client choose the best possible vehicle for achieving your client's charitable goals.

Our main interest is to encourage individuals and businesses to support charities in the way that best fits their needs.

EAU CLAIRE COMMUNITY FOUNDATION FACT SHEET

Eau Claire Community Foundation fact sheet

Legal name:	Eau Claire Community Foundation
Legal status:	Wisconsin charitable trust
Date established:	April 17, 1997
Employer Identification Number:	39-1891064
IRS determination letter:	Issued June 26, 1997
Primary contact:	Sue Bornick, Executive Director suebornick@eccommunityfoundation.org
Alternate contact:	Sharon Peterson, Financial Specialist financial@eccommunityfoundation.org
Address:	306 South Barstow Street Suite 104 Eau Claire, WI 54701
Phone:	(715) 552-3801
FAX:	(715) 552-3802
Board members:	18, all of whom serve without compensation
Staff:	3.5
Web site:	www.eccommunityfoundation.org

June, 2010
Revised September, 2012
Revised August 15, 2014

**Thank you to the Dallas Foundation for providing
resources to make this handbook.**