

## THE GREATER PINEBELT COMMUNITY FOUNDATION

### BENEFITS OF OPENING A DONOR ADVISED OR DONOR DESIGNATED FUND

#### **Why create a Donor Advised or Donor Designated Fund?**

These Funds provide a convenient and flexible tool for individuals, families, business or groups who want to be involved in making donations to charitable causes of their particular interest. Setting up a Donor Advised or Donor Designated Fund through The Greater PineBelt Community Foundation (PineBelt Foundation) is easy, less costly and less complicated to administer than many other forms of philanthropic giving (such as a family or corporate foundation).

#### **Benefits of a Donor Advised or Donor Designated Fund:**

##### **Simplicity**

It is easy to give through the PineBelt Foundation. Unlike establishing and maintaining a private foundation, funds at community foundations have somewhat different IRS compliance and administrative requirements. Many people find that working with a community foundation is an easy and convenient way to manage charitable giving.

##### **Flexibility**

The PineBelt Foundation is unique in its ability to offer highly individualized giving programs for any donor (individuals, families, businesses, civic organizations, etc.). A charitable fund is established to achieve your specific goal. Funding can be achieved by using the kind of asset (cash, stock, partial interest in real estate, life income trusts, etc.) which provides the best tax benefits. The Donor Representative then recommends grants from their fund to the charitable cause that they are passionate about or as stated in their Fund Agreement.

##### **Convenience**

It can take less than fifteen minutes to create a fund with the PineBelt Foundation, and it is easy to continue a working relationship after the fund is established. The Community Foundation manages the investment of funds, pays out grants, and handles all administrative, accounting, and legal requirements.

##### **Choice of Charitable Beneficiaries**

Through the PineBelt Foundation, donors have the freedom to structure funds to accomplish their charitable objectives. This may include naming more than one charitable organization to be the beneficiary of the fund. Donors can also encourage others, who are passionate about the same charity, to donate to the same fund to grow the endowment.

##### **Tax Benefits**

The PineBelt Foundation is a 501(c)(3) not-for-profit organization which qualifies as a public charity under the Internal Revenue Code, thereby offering donors the maximum charitable tax deduction allowed. As indicated, the PineBelt Foundation can receive many types of assets as a donation and the donor is eligible to receive maximum allowable tax benefits in the year the gift is made. Additional funds can be received at any time and the donor is eligible for tax benefits with each new gift.

##### **Tax-Sheltered Growth of Funds**

Contributions to charitable funds within the PineBelt Foundation grow tax free. This means that donors are able to build charitable reserves without incurring additional taxes.

##### **Economies of Scale**

The PineBelt Foundation strives to offer a better investment return to each donor through (1) the pooling of assets, (2) the diversification of investments, and (3) the reduction of costs to any one fund through shared expenses.

### **Stewardship and Accountability**

The PineBelt Foundation makes a full accounting to fund holders through annual reviews including an independent audit, filing of tax returns, public disclosure of all grant activity and a careful selection of board members to ensure continued use of funds are in the public interest. In addition, your fund is carefully invested and managed by a well established investment management company.

### **Permanence**

Funds can be specifically named, as a lasting symbol of care and concern for the charitable cause. Endowed gifts to the PineBelt Foundation can be managed to benefit charitable objectives in perpetuity. If the donor wishes the fund to be a perpetual fund, the PineBelt Foundation will manage disbursements to ensure the fund principal will remain, thus allowing the donor to leave a legacy. However, the donor may recommend that a certain amount or percent to go to the charity of their choice. The PineBelt Foundation works with the donors specific intentions of giving.

### **Recognition**

Funds may be established in the name of the donor, the donor's family, a friend, a business, a charitable purpose, or an organization. Endowment funds receive recognition through the website, publications and press releases as appropriate. If requested, the PineBelt Foundation understands and respects a donor's wish for anonymity and will administer gifts accordingly.

### **Satisfaction**

Many people have a desire to help others and to fulfill a charitable vision through leaving a legacy. The PineBelt Foundation seeks to implement and perpetuate these visions and to facilitate the humanitarian efforts of each donor.

### **A Private Foundation Alternative**

Affiliation with the PineBelt Foundation offers the advantages of a private foundation without the attendant expense and time commitment to manage a private foundation. Community Foundations relieve donors of the complications in administering their own foundations by assuming full responsibility for the efficient, prudent management of each fund.

### **How the Donor Advised Fund works:**

1. A fund is established in the donor's name, the family name, or in honor of a person or an organization of choice.
2. Gifts can be made to the PineBelt Foundation in cash, appreciated stocks, real estate or other assets with specific recommendations regarding the administration of the fund payouts.
3. The minimum contribution to establish an endowed fund is \$10,000; however the donor can elect to contribute \$1,000 initially, with the requirement that the minimum (\$10,000) is reached in ten (10) years with annual payments of \$1,000 (or \$83.33 a month).
4. Tax benefits are received the year the gift is made.
5. All funds must be approved by the PineBelt Foundation's Fund Acceptance Committee.
6. The PineBelt Foundation handles all administrative details and, based on the donors recommendation, issues grants to the charity or charities in the name of the donor's fund, unless the donor prefers anonymity.

***It's that easy!***

**For more information, please contact:  
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