



## PROFESSIONAL ADVISORS' HANDBOOK

*Professional advisors have enormous influence on how individuals, families, and businesses recognize, perceive and act on opportunities for charitable giving and philanthropy. How advisors view their role vis-à-vis their clients' philanthropic opportunities and objectives can make important differences in how and when their clients give, and how those clients feel about the outcomes.*

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# RAISING THE CHARITABLE GIVING QUESTION

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## The advisor's role in philanthropy

Asking a client about philanthropy and their philanthropic interests may seem daunting. It is however an important part of providing complete financial planning and professional advice to your clients. For a host of reasons, any informed advisor should be prepared to talk with clients about charity.

- Many clients are already in the habit of supporting charity.

Americans gave more than \$307 billion to charity in 2008. According to the *Giving USA Foundation*, 93% of it from living donors. In 1999, a national survey by the nonprofit group Independent Sector showed that 70% of American households give to charity each year. That percentage may be even higher among the wealthy.

- For clients with substantial estates, minimizing or eliminating estate taxes is difficult to do without some charitable planning.

With the passage of the Pension Protection Act of 2006 there have been several changes in the law effecting charitable giving. At the time of the drafting of this handbook, the future configuration of estate and gift taxes are uncertain. However, taxes cannot be entirely discounted in planning regardless of the end resolution by Congress. 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 dispositions of retirement accounts on death.

- Philanthropy can help resolve many personal issues that are deeply important to clients.

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? And many professional advisors find that assisting clients in this area is personally rewarding as well, because they struggle with the same issues.

## 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 his 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 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.

- **Philanthropic interests**

- Your client has contributed regularly to charity 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 any children.
- Your client has children who are financially independent adults.
- Your client would like to memorialize a loved one, such as a deceased child.

- 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 herself or a family member.
- Your client expresses concern about "ruining" his children with too large an inheritance.
- Your client is philanthropic and wants to teach other family members about philanthropy.

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

### **Financial circumstances**

- Your client has low-basis capital gain assets that have increased greatly in value.
- 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 values.
- Your client feels an obligation to repay society or their community for the benefits they received.
- Your client struggles with 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. And 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 were a way to significantly reduce your income or estate taxes that involved a charitable gift, would you be interested in hearing more about that?
- If there were 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 some charities that are 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?

# THE EAU CLAIRE COMMUNITY FOUNDATION

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## 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 named funds established by many separate donors. The Foundation's grantmaking focuses on the Eau Claire area, but has made grants beyond our community.

Although the general public is 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, on the other hand, 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), however, deals with the kinds of organizations that 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 giving to a section 501(c)(3) organization like the Eau Claire Community Foundation.

The extent of a taxpayer's charitable deduction partially depends on which kind of section 501(c)(3) group receives the gift. Section 509 of the Code presumes that all 501(c)(3) groups are "private foundations" unless the group can establish otherwise. One way to avoid private foundation status is to be a "publicly supported" charity—one that normally receives at least a third of its support from the general public.

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 accordingly qualify for the most favorable tax treatment possible and the Foundation simultaneously avoids the complicated regulations that govern private foundations.

# GIVING THROUGH THE EAU CLAIRE COMMUNITY FOUNDATION

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## 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.

## The 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 among 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?**

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 \$2 to \$5 million is, or will be, available. Donor advised funds and charitable gift funds at The Eau Claire Community Foundation can be created with far less contribution.

- **Given the client's tax situation, are the differences in tax deductibility among the three options significant?**

Donors to private foundations, for example, are limited to 30 percent of their adjusted gross income for gifts of cash, while donors to The Eau Claire Community Foundation enjoy a 50 percent limit.

### Ongoing operations

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

Private foundations offer clients the most operational control. But even then, some clients might not have the temperament,

time, or aptitude for keeping up with the private foundation rules. Private foundations 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.

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- *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?*

- 
- **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 probably 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. So 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," so a private foundation might be best for them.

Other clients might still be developing a plan for their giving, and therefore welcome the chance to consult with people who work in the field or 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, if the endowment is not large enough to sustain them. But 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 and then become public information. Due to the success of the nonprofit information service GuideStar ([www.guidestar.org](http://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 do file donor lists and grant lists with their tax returns. But the donor lists are protected by law from public inspection. The grant lists, while public, do not identify which component fund was the source of the grant.

**Table 1. COMPARISON OF PRIVATE FOUNDATIONS AND DONOR ADVISED FUNDS**

Issue	Private foundation (PF)	Donor advised fund at The Eau Claire Community Foundation (ECCF)
<b>How created</b>	PF must file articles of incorporation or trust documents and qualify with IRS, process that ordinarily takes 3-6 months	By executing agreement with ECCF, a process that takes less than a day
<b>Amount need to establish</b>	\$2-\$5 million usually required to justify startup and ongoing expenses	\$25,000 required to open
<b>Assets that may be contributed</b>	Wide range; some limits in PF rules on "excess holdings" of particular stocks	Wide range, including Cash Publicly traded stock Restricted stock Real estate Minerals Limited partnership interests
<b>Startup costs</b>	Similar to incorporating a company, about \$5,000 on average	None, unless assets to be contributed necessitate unusual costs (such as environmental review on gift of land)
<b>Charitable deduction (cash gifts)</b>	Up to 30% of adjusted gross income (AGI)	Up to 50% of AGI
<b>Charitable deduction (appreciated property)</b>	Up to 20% of AGI, based on fair market value (FMV) for publicly traded stock, cost basis for other property	Up to 30% of AGI, based on FMV
<b>Carryforward available</b>	Five years	Five years
<b>Operational control by client</b>	Client controls operations, investments and grantmaking, subject to special IRS restrictions for PFs	Client offers grant recommendations, subject to review by ECCF
<b>Family members or friends as volunteers</b>	Will be needed to run the foundation unless staff will be hired	Can participate in grantmaking activities, but ECCF has administrative staff to handle operational details
<b>Operational and grantmaking guidance</b>	Little or no assistance available	ECCF staff available to consult with client, research charities
<b>Annual operating costs</b>	Vary according to the size and complexity of the foundation	Administrative fees 1.5% of fund and participate in the money manager charges incurred through the investments earnings.
<b>Excise tax on investment income</b>	Either 1% or 2%	Does not apply
<b>Self-dealing rules</b>	Strict regulations prohibit most transactions between PF and its donors (incl. related persons and companies)	Do not apply
<b>Minimum payout requirement</b>	Must pay out at least 5% of net investment asset value regardless of income	Does not apply
<b>Annual tax return</b>	Must file annual Form 990-PF, which includes all contributions to, and grants from, the PF	ECCF files annual Form 990 for all funds
<b>Public disclosure of tax return</b>	Last 3 years' returns, incl. contributions and grants, available to anyone	Last 3 years' returns available to anyone; donor lists are confidential; grant lists don't identify fund source

## The 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 will collectively be called "charitable gift funds," for lack of a better term.)

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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?*
- 

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

- **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. But 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 continually monitors the investments of the Foundation.

The Foundation will allow a private investment manager to manage assets of \$500,000 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 the majority (51% or more) of the grant must be directed to Eau Claire charities or Charitable causes. The outside of Eau Claire beneficiary (49% or less) of the grant 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

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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 recommendation 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.

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- *Unrestricted funds*
  - *Field of interest funds*
  - *Designated and agency endowment funds*
  - *Advised funds*
- 

- **Unrestricted funds**

These funds benefit the Eau Claire community at large in the areas of the 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 Governors. 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 the arts and culture, environment and recreation, education, health, and social services. The Eau Claire Community Foundation's Board of Trustees then awards grants 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 charitably 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 and agency endowment 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.

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. And 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 donors' 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.

The Eau Claire Community Foundation provides a range of services to advised fund donors. 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.

- **Pass-through funds**

Pass-through funds are established for a specific purpose by groups, in most cases, a short-term charitable project benefitting our community or the agency named.

Restrictions apply. See the Eau Claire Community Foundation for details.

- **Scholarship funds**

At the Eau Claire Community Foundation, Scholarship funds are very similar to Designated named funds. Each agreement

is handled individually depending on the specific requests of the donor.

- **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.

### **Fund Agreements**

The Eau Claire Community Foundation can provide you sample 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	How created	Reason for selection	Areas of interest and type of support	Decision Making
<b>Unrestricted</b>	Direct gift or bequest	Client feels gratitude to city, wants to provide for future needs	Any area of interest	Board of Trustees
<b>Field of Interest</b>	Direct gift or bequest	Client wants to perpetually support favorite causes, like animal welfare or education	Client states an area of interest and type of support	Board of Trustees
<b>Designated</b>	Direct gift or bequest	Client wants to perpetually support favorite organizations, with assurance that intentions will be honored	Client names agency and type of support; Foundation staff monitors for compliance	Board of Trustees renews authority for distributions annually
<b>Agency Endowment</b>	Nonprofit agency establishes for its own benefit by direct gift	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
<b>Advised</b>	Client recommends grantees periodically	Client wants to give with greatest efficiency and convenience	Client recommends areas of interest and type of support	Board of Trustees, after consideration of recommendation of donor advisor

## Asset classes accepted

The Eau Claire Community Foundation accepts virtually any kind of asset, subject to its gift acceptance policies. Typical gifts are cash and low-basis, highly appreciated securities. The Foundation can accept assets in the following forms:

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- *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 or cash equivalents**

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 lower the cost of the gift. For example, a donor in a 35% tax bracket contributes \$100,000 to charity. Because of tax savings, the gift "costs" the donor only \$65,000.

- **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 held longer than 12 months. Fair market value is the mean

between the high and low trades on the date of the gift. The 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 a potential buyer 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 may be required.

- **Real property**

Gifts of real estate include a house or personal residence, farm, vacation home, commercial buildings, and income-producing or non-income-producing land. Gifts of real estate, if held more than one year, are deductible for up to 30% of 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 retained life estate, or as a contribution to a charitable remainder trust, or may be gifted to the Foundation through a donor's will.

- **Tangible personal property**

Gifts of tangible personal property include property such as 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.

- **Mineral interests**

The Foundation can most easily 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.

The Foundation's mineral custodian will review the interests to be transferred and the supporting documentation. The custodian will recommend to the Foundation whether to accept the gift. The custodian's review may include securing a title opinion if no recent opinion can be secured and updated.

- **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 up to 30% of 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 prior to retirement, but may be severely taxed upon the death of the plan participant because they are considered "IRD property." IRD stands for "income in respect of the decedent." Because the owner of an IRA, for example, would have been taxed on distributions from the plan if still

alive, anyone receiving those plan assets on his death (except for the surviving spouse) must also pay income tax. 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.

Changes enacted by The Pension Protection Act of 2006 allow individuals aged 70 ½ and older to distribute up to \$100,000 from a qualified IRA to a charitable organization. The donor may exclude this from his/her gross income for each tax year. This however does not apply to donor advised funds, yet does apply to other types of

funds at The Eau Claire Community Foundation.

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 other heirs. Estate tax and income tax can be avoided if the plan participant makes a gift to The Eau Claire Community Foundation at death by beneficiary designation.

**Disclaimer: The above is based on tax laws as of the date of this handbook. The Foundation, however, does not give tax advice and donors should consult their own tax advisors as to the affect of any charitable gift.**

## PLANNED GIVING THROUGH THE EAU CLAIRE COMMUNITY FOUNDATION

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In addition to gifts made during the donor's lifetime, The Eau Claire Community Foundation can accept a wide range of planned gifts.

- *Bequests*
- *Life estates*
- *Retirement plan beneficiary designations*
- *Charitable lead trusts*
- *Charitable remainder trusts*

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### Bequests

Bequests are the simplest way of giving to the Foundation in the future. Bequests are fully revocable gifts, which are legally triggered upon the donor's death through language contained in either a will or trust.

The key to making effective bequests is precise language that accurately identifies the charity and expresses the donor's intent. Donors may choose to make gifts in the form of an exact dollar amount, in a percentage amount, or as a portion of the residue estate. They may also name the Foundation contingent beneficiary of an estate.

Clients may use a bequest to establish any kind of fund at the Foundation, such as a field of interest fund. If a donor wishes to create a fund, other than an unrestricted fund, by bequest, the Foundation suggests that the donor execute a "placeholder"

agreement while alive. Doing so will assist The Eau Claire Community Foundation in following the donor's intentions concerning the use of his or her gift, as the agreement allows a fuller expression of those intentions than might be practical in a will.

The placeholder agreement is a simple document spelling out how the potential gift will be used, such as supporting a favorite cause, or creating an advised fund with the donor's children as advisors. The placeholder fund may be opened without making a contribution, and does not obligate the client in any way. The client, of course, may change his or her will at any time.

Our staff can also assist professional advisors in drafting suitable bequest language on a confidential basis, without requiring the advisor to identify the client.

### Illustration

Mrs. Janet Thorington is a divorced 65-year-old woman. She has three adult children and four grandchildren. A lifelong animal lover, Mrs. Thorington is devoted to her two dogs. The approximate value of her estate is currently \$5 million.

After providing for her children and grandchildren in her will, Mrs. Thorington leaves a bequest of \$1 million to The Eau Claire Community Foundation to create the Janet Thorington Animal Welfare Fund. This field of interest fund will be devoted to

grants contributing to the health, welfare, and protection of cats, dogs, and other companion animals.

Distributions from the fund of roughly \$50,000 per year will be available in perpetuity for agencies such as animal shelters, low-cost veterinary clinics, spay-and-neuter programs, and breed-specific rescue organizations. All grants from the fund will carry Mrs. Thorington's name, and the Foundation will ensure that she is appropriately recognized in any "naming opportunities" such as the naming of facilities.

Mrs. Thorington's estate will completely avoid estate taxes on the \$1 million bequest. And twenty years after her death, assuming typical return and spending rates, the Thorington Fund will have doubled and will have provided gifts for animal welfare exceeding the original gift amount.

### **Life estate**

Regardless of the volatility of the stock market, almost half of personal wealth in the U.S. lies in real estate. This is particularly true for elderly clients who have lived for many years in homes that have appreciated enormously in value. Three-quarters of people aged 65 and over own at least one home, of a total value of approximately \$1 trillion. A life estate may enable a client in this situation to give generously to charity while achieving significant income and estate tax benefits.

A life estate gives the client the right to use a personal residence or farm for her life, or a specified term, and conveys the remainder

interest to a charity like The Eau Claire Community Foundation. The client's primary residence is the most common property used for life estates, although second homes may also be used.

Creating the life estate reduces both income and estate taxes. The client receives an immediate income tax charitable deduction for the net present value of the remainder interest in the property. The amount of the income tax deduction depends on a calculation that considers a number of factors, including the fair market value of the property. The client also removes the real estate from her estate, reducing estate taxes. The client can use the income tax savings to purchase life insurance to replace the value of the property for heirs.

The client may specify in the life estate agreement which kind of fund should be established at The Eau Claire Community Foundation with the proceeds.

Even though a life estate irrevocably conveys the remainder interest in the property to the Foundation, these arrangements do offer some flexibility. The client, for example, might decide to enter a retirement community. In this situation, the client could rent the property and receive the income. Or the client and the Foundation might agree to sell the property and divide the proceeds according to their respective interests.

### **Illustration**

Mr. Harry Winslow is an 80-year-old widower. He and his late wife, Kathleen, purchased their home in 1970 for \$100,000,

and paid off the home many years ago. The property is now worth approximately \$1,000,000, so selling it would generate capital gains tax.

Mr. Winslow conveys the property to The Eau Claire Community Foundation retaining a life estate in the residence. He receives an income tax charitable deduction.

The life estate agreement provides that the property will be used to create the Kathleen Winslow Fund to perpetually support a local domestic violence shelter, a favorite charity of his late wife's. Proceeds of the fund will be used to provide medical and counseling services at the shelter. Mr. Winslow likes the idea that The Eau Claire Community Foundation will oversee the operation and use of the endowment fund and ensure that the shelter is using the funds as he intended. And he knows that if the shelter were ever to go out of business, the Foundation would see that his goals were still met, by redirecting the proceeds to another shelter serving similar needs.

### **Retirement plan beneficiary designations**

Retirement plans, including IRAs, 401(k) plans, 403(b) plans, Keoghs, and SEP plans, can be extremely effective assets to use for testamentary charitable gifts.

While many people name their heirs as beneficiaries on retirement plan documents, doing so is probably not the best course from a tax planning perspective, if the client has charitable intentions. Assets in retirement plans can incur both income and estate taxes if left to anyone other than the surviving spouse. Because funds

distributed to an individual beneficiary are considered "income in respect of a decedent," or IRD, the individual beneficiary would be required to pay income tax on the distributions.

Clients can avoid this situation by designating the Foundation as the beneficiary of all or part of the plan's assets, and use other, non-IRD property for their heirs. As a qualified public charity, the Foundation does not pay any tax on the distribution.

Unless the client specifies differently, gifts made to the Foundation through a beneficiary designation will be considered gifts to the Unrestricted Fund. If the client has more specific plans, it will probably be difficult to spell those out, given the space limitations on most plan documents. As with bequests, the Foundation suggests that the client establish a placeholder fund for contributions of plan assets for specific purposes to ensure that the client's wishes are fully understood.

Once a client has created a placeholder fund, the beneficiary designation can simply state "100% to The Eau Claire Community Foundation, pursuant to the Agreement between [client] and the Foundation dated [\_\_\_\_, \_\_\_\_]."

### **Illustration**

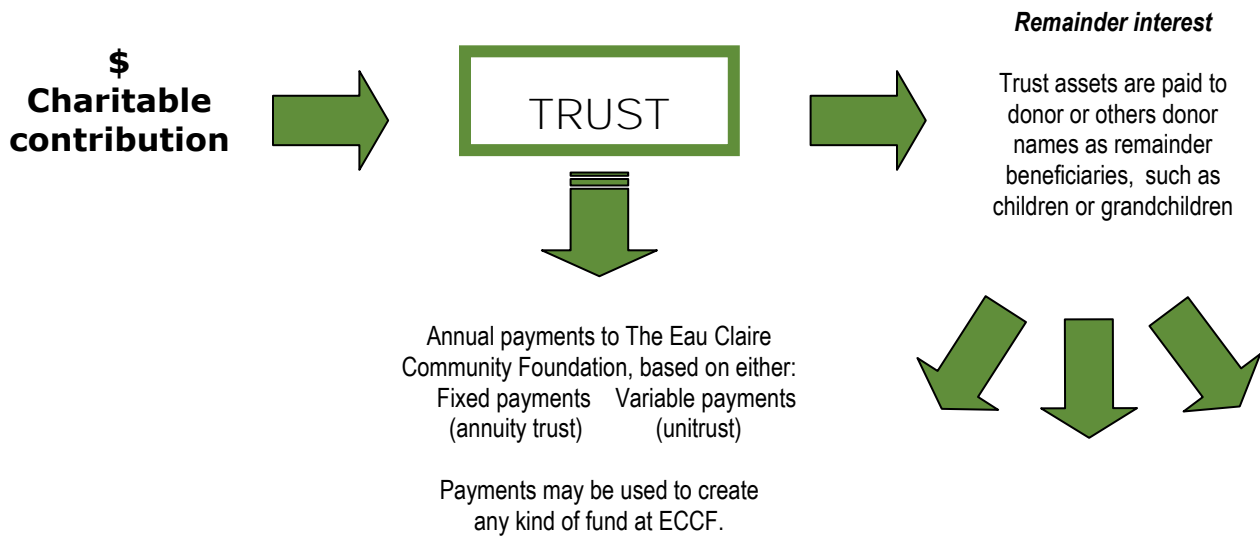
Ruby Geiger is 65 years old and started working twenty years ago after her children were in college. She also was the principal beneficiary of the estate of her late husband, who died three years ago. She has accumulated retirement plan assets of

\$200,000, in addition to \$3 million left to her by her late husband. Mrs. Geiger has always been charitable, and has tried to pass that legacy on to her three children.

Mrs. Geiger executes a placeholder agreement with The Eau Claire Community Foundation and sends a new beneficiary designation form to the administrators of her retirement plans. The placeholder agreement provides that any funds the Foundation receives as the plan beneficiary will be used to create the Geiger Family Advised Fund. Mrs. Geiger's three children will serve as donor advisors to the fund. They may also appoint their own children as additional or successor advisors.

### Charitable lead trust

A charitable lead trust (CLT) is a trust that generates income for a charity and then transfers trust assets to others. The donor transfers cash or property irrevocably to a trust, creating an income stream, either a percentage of the value of the assets when the trust is created (an annuity trust) or a percentage of the trust assets revalued each year (a unitrust), to The Eau Claire Community Foundation, for a certain number of years. At the end of that period, the principal either reverts back to the donor (a grantor trust) or passes to non-charitable beneficiaries, such as the donor's children, grandchildren, or great-grandchildren (a non-grantor trust).



If persons other than donor receive the remainder (that is, the CLT is a non-grantor trust),

- Donor receives a federal gift or estate tax deduction for the present value of the payments given to The Eau Claire Community Foundation.
- Taxable income and capital gains realized annually by the trust are taxed to the trust.
- The principal ultimately passes to non-charitable beneficiaries either outright or in a continuing trust. The present value of the assets passing to non-charitable beneficiaries is a gift for gift tax purposes or is included in the estate for estate tax purposes.

If the donor receives the remainder (that is, the CLT is a grantor trust),

- Donor obtains a current income tax deduction equal to the present value of the total payments to the Foundation.
- Taxable income and capital gains realized annually by the trust are taxed to the donor.

CLTs are ideal vehicles not only for making charitable gifts, but also for transferring stocks with high growth potential.

Alternatively, it may also be appropriate to fund a CLT with income-producing real estate interests or closely held stock as a method of ultimately transferring these assets to future generations.

## Illustration

Mr. and Mrs. Doug Sherwin, both in their 50s, have built a thriving family manufacturing business over a thirty-year career. They would like to eventually transfer the business to their twin daughters, Amy and Anna, who are now 20 and in college.

The Sherwins have long contributed to charity throughout their personal and professional lives, and have encouraged their daughters to do so as well.

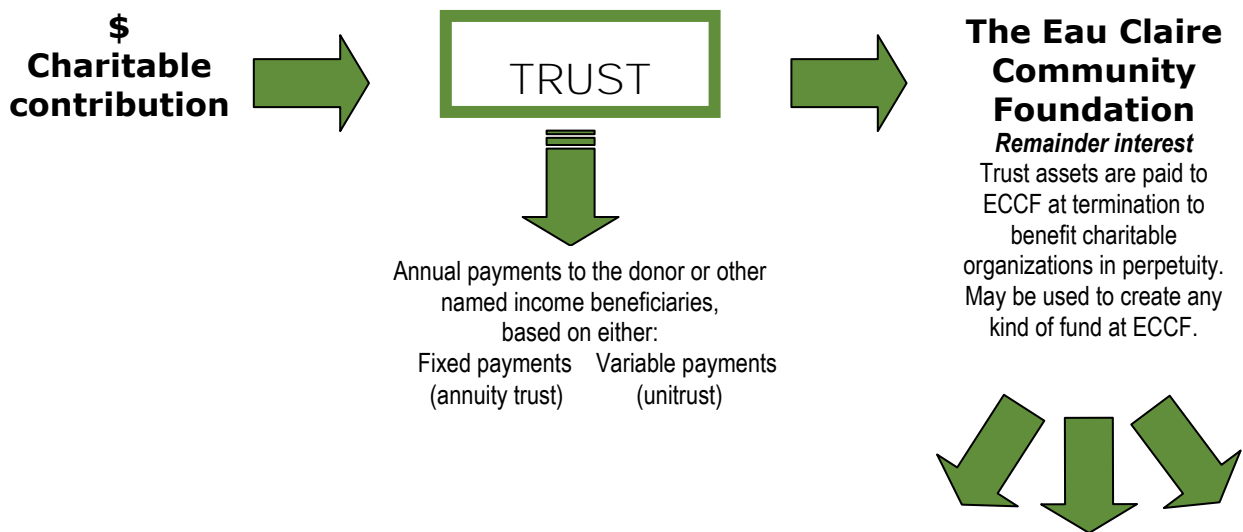
They would like their daughters to carry on the family giving tradition, as well as the family business. The Sherwins establish a charitable lead trust using the company's stock, naming The Eau Claire Community Foundation as the charitable beneficiary for a 15-year term. At the end of the term, the trust assets will pass to Amy and Anna. In addition to creating a charitable lead trust, the Sherwins establish a donor advised fund at The Eau Claire Community Foundation, the Sherwin Family Advised Fund, naming Amy and Anna as the donor advisors.

During the term of the trust, the annuity or unitrust payment will be made from the trust to the Sherwin Family Advised Fund. Amy and Anna, either individually or jointly, will have the right to recommend the charitable beneficiaries from the fund periodically. Through the 15-year trust period, the daughters will be able to garner significant philanthropic experience that will be helpful once the trust assets, and control of the company, are transferred to them.

## Charitable remainder trust

A charitable remainder trust (CRT) enables the donor to irrevocably give cash or property to the trust while retaining an income stream, either for life or for specified time period. The donor may also select

someone else, such as a spouse, parent, or child, to receive the periodic distributions. The CRT terminates either on the death of the named beneficiary or at the end of the specified term. The appreciated principal then passes to the Foundation to grow in a perpetual fund, such as a donor advised or field of interest fund.



- Generates immediate tax deduction for contribution to the trust equal to the present value of the remainder interest, and avoids capital gains tax on the sale of appreciated property by the trust
- Allows donor to increase yield from nonproducing property
- Pays annual distribution to the donor or other beneficiaries
- Permits donor to include contingent income payment provisions
- Provides high flexibility in structuring the amount and timing of income payments to the non-charitable income beneficiaries for life, unless a term of years is chosen.
- Provides donor with flexibility to designate future use of gift proceeds through the Foundation.

The two basic types of charitable remainder trusts are charitable remainder annuity trusts (CRATs) and charitable remainder unitrusts (CRUTs). The primary distinctions between these two types are the method employed to determine the payment amounts received by the non-charitable income beneficiaries and the annual valuation requirement.

In a CRAT, the donor reserves an annuity of a fixed percentage of the value of the trust assets, valued as of the date the trust is created, as an annual payment to the donor or other non-charitable beneficiaries. The beneficiaries receive a constant annual payment without regard to the fluctuation of the fair market value of the trust assets or the annual return on the trust assets.

A CRUT pays the donor or other non-charitable beneficiaries a fixed percentage of the net fair market value of the assets, valued annually, yet avoids triggering taxable capital gains.

There are a number of variations on the CRAT and CRUT, but discussion of these vehicles is beyond the scope of this text.

### Illustration

Robert Winningham has two children and one grandchild. The grandchild is 17 years old, college-bound, and currently plans to become an architect. Mr. Winningham has approximately \$300,000 in highly appreciated, low-basis stock that is currently yielding a very small dividend.

Mr. Winningham contributes the stock to a charitable remainder annuity trust. The trust will pay income to the grandchild for the next ten years at a rate of \$15,000 per year to use for educational costs while in college and graduate school and living expenses the first few years of his working life.

**It is important to note that The Eau Claire Community Foundation does not administer trusts, but is willing to assist donors in selecting a qualified trustee if requested.**

**Table 3. COMPARISON OF CLIENT GOALS WITH PLANNED GIVING VEHICLES**

Giving vehicle	Typical client goals	Income to donor or others	Income tax deduction	Capital gains and estate taxes	Attractive funding assets
<b>Bequest</b>	Estate tax reduction Provide for favorite causes	No	No	Avoided	IRD assets
<b>Life estate</b>	Reduce income taxes Provide for favorite causes	No	Yes	Avoided	Residential real estate
<b>Retirement plan beneficiary designation</b>	Provide for charity while treating heirs equitably	No	No (but avoids income tax that would accrue to heir if named beneficiary)	Avoided	IRAs, other qualified plan assets
<b>Charitable remainder unitrust (CRUT)</b>	Create income for self or others Establish permanent charitable legacy	Yes, variable	Yes	Avoided	Appreciated stock Appreciated, low-basis real property Low-dividend stock
<b>Charitable remainder annuity trust (CRAT)</b>	Create steady income stream for self, others Establish permanent charitable legacy	Yes, fixed	Yes	Avoided	Appreciated stock Appreciated, low-basis real property Low-dividend stock
<b>Charitable lead trust (CLT)</b>	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

## PROFESSIONAL SERVICES

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### 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 without even formally opening a fund.

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.

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*The Eau Claire Community Foundation offers a number of options to a private foundation wishing to wind down its operations or minimize its administrative activities.*

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### 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 offers a number of options to a private foundation wishing to wind down its operations or minimize its administrative activities.

### Transfer options

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. As discussed further, The Eau Claire Community Foundation may then use the assets either for general community benefit or for purposes specified by the private foundation.

Termination of a private foundation into a philanthropic fund at The Eau Claire Community Foundation is relatively simple, but should be done in consultation with an attorney and tax advisor to avoid any possibility of incurring the tax that is levied for an improper termination.

The private foundation may be required to notify the IRS in advance of its intent to dissolve. It also must file a final tax return.

In the alternative, the private foundation may transfer all of its assets to The Eau

Claire Community Foundation without electing to terminate. Through this method, the private foundation avoids excise taxes and the obligation to file a tax return, since it will have 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.

### **Grantmaking focus**

Regardless which of these alternatives a private foundation chooses, the private foundation's assets can come into The Eau Claire Community Foundation either without any restriction on the use of those funds, or with restrictions selected or recommended by the private foundation. The private foundation's assets could also be divided among both unrestricted and restricted funds.

For example, a private foundation that previously focused on assisting the elderly could terminate into The Eau Claire Community Foundation and create a field of interest fund that also benefits the elderly.

There may be family members or other persons connected with the private foundation who is interested in grantmaking, but not any of the administrative burdens involved in running the foundation. In this case, the private foundation might use its assets to create a donor advised fund. The family members can retain advisory rights to the fund, and then can recommend grant recipients periodically to the Foundation Board for approval.

### **Using private foundation income to create a fund**

Clients who have private foundations may occasionally have difficulty meeting the foundation's annual payout requirement. 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 income to the fund. This contribution to The Eau Claire Community Foundation is a "qualifying distribution" that counts towards the payout requirement. The private foundation's trustees can then take the needed time to find suitable grantees before recommending grants, or wait until potential grantees are ready to proceed with their projects.

### **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 EAU CLAIRE COMMUNITY FOUNDATION FACT SHEET

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### The Eau Claire Community Foundation fact sheet

**Legal name:** The Eau Claire Community Foundation

**Legal status:** Wisconsin charitable trust

**Date incorporated:** 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:** Janet Copeland, Office Manager/Financial Specialist  
financial@eccommunityfoundation.org

**Address:** 306 South Barstow Street Suite 104  
Eau Claire, WI 54701

**Phone:** (715) 552-3081

**FAX:** (715)552-3802

**Board members:** 16, all of whom serve without compensation

**Staff:** 3

**Web site:** [www.eccommunityfoundation.org](http://www.eccommunityfoundation.org)

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