

## TOOLS FOR GIVING

# Endowing your nonprofit organization

## Heritage Fund



**Establishing a Heritage Fund** or an agency endowment at your community foundation is a simple and efficient way to build an income for your nonprofit organization. Our experienced staff can help you develop planned giving programs and assist with investment management and administrative details.

### How it works

- Your board determines how much you would like to invest long-term.
- Your organization works with our professional staff to complete a fund agreement.
- We set up a special fund in the name of your nonprofit organization.
- Your nonprofit organization receives regular statements on the fund.
- You can add to the fund at any time.
- We handle all the administrative details—including investment management and help in specifying grant disbursements—so that your organization puts assets where they're needed.
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift—and all future earnings from your gift—is a permanent source of community capital, helping to do good work forever.
- You can create a Flexible Fund with an additional contribution. The Flex Fund is a non-permanent endowment that provides your organization with the opportunity to request distributions beyond the annual grant amount.

### Developing permanence

Dress to Work helps low-income individuals transition out of underemployment by providing career training, mentoring, and professional attire. Like many nonprofits, it struggles to cover operating expenses. Over the years, several of its volunteers have offered to contribute gifts of appreciated stock or real estate, but Dress to Work did not have the ability or expertise to accept those types of gifts. Executive Director Jenny Pike says, "We simply didn't have the sophistication to handle some kinds of gifts. It was so frustrating to turn away willing donors." As a result of establishing the Dress to Work Designated Fund at its local community foundation, the organization has added the ability to accept large and complex gifts. Plus, it was able to develop a planned giving program and a permanent endowment, providing a regular stream of support and leaving the management and reporting to the community foundation.

### Ten reasons people choose to give through community foundations

#### one

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

#### two

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

#### three

We provide highly **personalized service** tailored to each individual's charitable and financial interests.

#### four

Our funds help people **invest in the causes** they care about most.

#### five

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

#### six

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

#### seven

We offer maximum **tax advantage** for most gifts under federal law.

#### eight

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

#### nine

We build **endowment funds** that benefit the community forever and help create personal legacies.

#### ten

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

### More benefits

A Heritage Fund is a safe and simple way for your nonprofit organization to establish an endowment. Your donors can be sure that the endowed fund's principal will not be spent and can grow over time, providing a source of lasting support. And the community foundation's economies of scale provide your organization the benefits of a diverse investment portfolio and low investment fees that typically come only with very large funds.

Your organization's regular donors can leave a bequest through the community foundation to benefit your organization forever and create a personal legacy. The community foundation can facilitate even the most complex planned gifts or gifts of appreciated stock or real estate. We handle investment management and the administrative responsibilities related to endowment so that your organization's staff and volunteer hours are concentrated on fulfilling your mission.

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**Community foundations** provide a simple, powerful, and highly personal approach to giving. We offer a variety of giving tools to help people achieve their charitable goals.

You can make a gift of cash, stocks, bonds, real estate, or other assets to your community foundation. Most charitable gifts qualify for maximum tax advantage under federal law. For more information and ideas on ways to integrate your financial planning with charitable giving, ask your financial advisor or contact your community foundation.

### For More Information



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