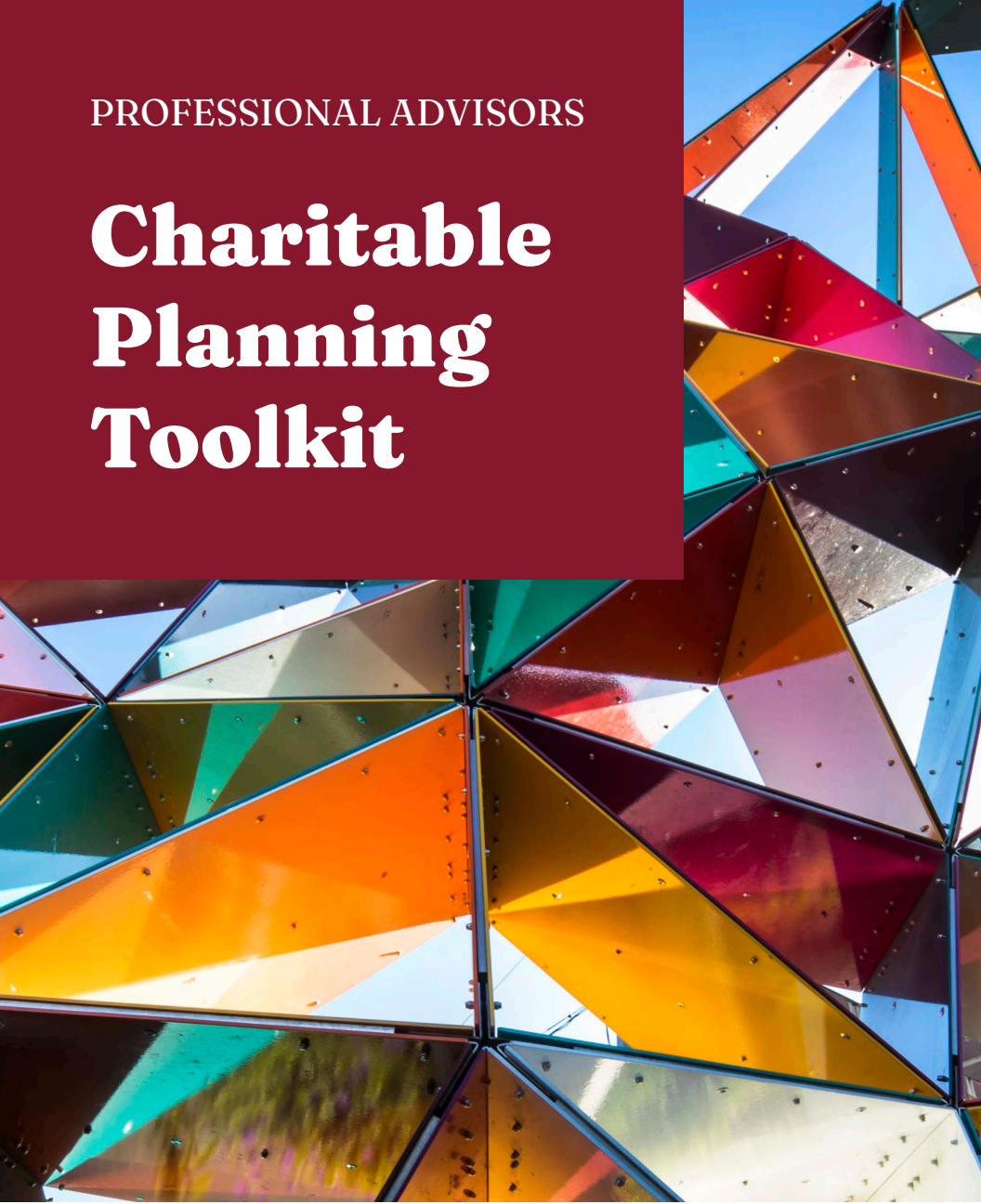


PROFESSIONAL ADVISORS

# Charitable Planning Toolkit



*The Community Foundation*  
OF MUNCIE & DELAWARE COUNTY

The Community Foundation of Muncie and Delaware County, Inc.  
EIN: 35-1460051

Mailing Address:  
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Muncie, IN 47308

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# What is a Community Foundation?

A community foundation is a tax-exempt, nonprofit, publicly supported philanthropic institution with a long-term goal of building permanent endowment funds. Distributions from these funds, in the form of grants, are used to fulfill the donor's charitable intent and the community's charitable needs within a defined geographic area.



# Community Foundation vs. Private Foundation

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	<b>Private Foundation</b>	<b>Community Foundation</b>
<b>Legal Status</b>	Independent organization 501(c)(3) tax exempt corporation or trust	A Donor-Advised Fund within an existing Community Foundation 501(c)(3) tax exempt organization
<b>Initial Gift</b>	Establish a new entity requiring legal filings, board of directors, and administration; may take several months	Entity already exists and has experience; paperwork can be completed in one day
<b>Practical Minimum Asset Size</b>	Substantial assets, probably over \$1 million	\$10,000 Endowment Fund \$25,000 Non-Permanent Fund (specific to CFMD)
<b>Distribution Rules</b>	Minimum annual charitable distribution – 5% of net investment assets	No minimum distribution requirements
<b>Investment Restrictions</b>	Cannot own more than 20% of stock in a business	No limitations on control of a business
<b>Annual IRS Reporting</b>	IRS information return (Form 990 PF)	No annual reporting requirements
<b>Investment Income Tax</b>	Pay 1% to 2% tax on net investment income	No tax on investment income
<b>Cost</b>	Can result in significant cost to client	Simple, and at no cost to donor

# About The Community Foundation of Muncie and Delaware County

Established in 1985, The Community Foundation has been an enduring philanthropic partner to community donors and nonprofit organizations. Today, the Foundation has built assets over \$88 million and annually awards grants totaling more than \$3.7 million to benefit Muncie and Delaware County. Because of our continued partnerships with community donors, we will be here today, tomorrow, and always and we will be able to respond to the needs of the community as they change over time.

## *Foundation Fast Facts:*

The Community Foundation of Muncie and Delaware County was established in 1985.

The Foundation:

- Holds over \$80 million in assets
- Manages more than 350 individual funds
- Awards over \$3 million annually in grants

# Mission

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The Community Foundation of Muncie & Delaware County, Inc. encourages philanthropy, assists donors in building an enduring source of charitable assets, and exercises leadership in directing resources to enhance the quality of life for residents of Muncie and Delaware County.

# Vision

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To impact and empower Muncie and Delaware County by enabling philanthropy as a trusted community leader and promoting positive change now and for generations to come.

# Values

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## **Representative**

The Community Foundation values the ability of all citizens in Muncie and Delaware County to give and serve for the common good of the community.

## **Responsive**

The Community Foundation values its ability to serve as a community convener around issues and needs of Delaware County.

## **Relevant**

The Community Foundation values the understanding of, importance of, and involvement in charitable giving to the people of Muncie and Delaware County.



# Why Partner With Us?

The Community Foundation is your partner in charitable giving. We build relationships to understand the opportunities and needs of our community and identify ways to contribute to the quality of life.

As your partner, we can listen to the charitable goals of your client and help you determine a path to making those goals a reality. We can help you figure out the right gift and at the right time.

With a gift to The Community Foundation, your client receives:

- Regular communication about the impact of their gift and the gifts of their neighbors
- Opportunities to connect with Foundation staff and nonprofit organizations serving our community
- Guidance to help them make the right charitable decision for them
- Connection to the causes that matter most to them, and people who care about the community just as they do.





# Starting the Conversation

Charitable giving starts with the heart. Foresight, consideration, and financial planning can turn a thoughtful gift into a legacy.



Including the topic of philanthropy in conversations with your clients can help you develop a deeper understanding of their needs and goals.

Getting started is simple and can include asking questions about past donations, organizations the client supports, or even current gifts. Charitable giving can also be addressed when discussing estate planning. Many people want to consider what legacy they will leave behind.

If a donor is charitably inclined, The Community Foundation can be a resource to help continue the conversation. We can help your clients establish named funds during their lifetime or through a planned gift, we can connect them to reputable charities in our community and beyond, and we can serve as a sounding board to turn a charitable dream into a reality.

# Ways To Give

The Community Foundation accepts gifts of all amounts and in many forms. Donors may choose to make a one-time gift in honor or memory of a special person in their lives, annual gifts to support community grantmaking, or establish a named fund to create a lasting legacy.



**Cash, Check, or Credit Card**



**Appreciated Assets Such as Stock or Property**



**Estate Gift or Bequest**



**Real Estate**



**Life Insurance**



**Private Foundation Transfer**



**Crops**



**Charitable Trusts and Annuities**

For more detailed information about giving, please contact The Community Foundation.

765.747.7181 | [commfound@cfmdin.org](mailto:commfound@cfmdin.org)  
302 E. Jackson St., Muncie IN 47305

# Tax Advantages

Gifts to The Community Foundation provide desirable tax benefits to donors, some of which are listed below.

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## Outright Gifts

Cash is tax deductible up to 50% of adjusted gross income. Appreciated assets (stocks, bonds, real estate) – tax deductible for fair market value of appreciated asset up to 30% of adjusted gross income (AGI), or cost/basis up to 50% of AGI, if greater.

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## Bequest

Reduces estate value and related estate taxes based on fair market value of cash or asset.

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## Charitable Gift

Annuity agreements are unique; however, in general, the assets transferred to the Community Foundation are excluded from the donor's estate, and the present value of the contribution may be immediately tax deductible. In addition, capital gains tax on transferred assets is either eliminated or spread out over the life expectancy of the individual.

*Tips:* Donate highly appreciated stock to avoid capital gains tax and enjoy tax deduction of up to the fair market value. Set up a charitable advised fund in a high-income, high-tax-bracket year for an immediate tax deduction – and years of community good.

# Leaving a Legacy

The Legacy Society at The Community Foundation of Muncie and Delaware County recognizes and acknowledges donors who share their intent to leave a planned gift.

## Legacy Society Benefits

- A relationship with The Community Foundation
- Recognition for your planned gift
- Invitations to special events
- A role in determining how current and after-death contributions will be used

## Joining is Simple

There is no minimum gift requirement to join the Legacy Society. Simply share that you plan to include The Community Foundation in your estate plan. There are many ways to make a planned gift:

- In your will (a bequest)
- As a beneficiary of an I.R.A.
- Charitable Remainder Trust
- Charitable Gift Annuities
- Gifts of Life Insurance
- Charitable Lead Trusts



*“We had great opportunities growing up and we know that a lot of people don’t have those opportunities. It’s important for those who do have advantages to pave a way for people who don’t.”*

**- Connie Gregory,  
Legacy Society Member**

## **Helpful information to assist you and your attorney:**

Legal Name: The Community Foundation of Muncie and Delaware County, Inc.

Tax ID: 35-1640051

The Foundation is an IRS nonprofit corporation under the laws of the state of Indiana.

## **Sample bequest language:**

I give to The Community Foundation of Muncie and Delaware County, Inc. a not-for-profit corporation organized under the laws of the state of Indiana and located in Muncie, Indiana, \_\_\_\_ percent (\_\_%) of my estate OR the sum of \$ \_\_\_\_ OR all my right, title, and interest in the following described property: \_\_\_\_\_ or all rest, residue, and remainder of my estate to be used for the following purposes: \_\_\_\_\_.

**The Legacy Society is always open for new members. Contact the Foundation for more information.**

# Types of Funds

The Community Foundation offers various types of funds to meet the individual needs of donors. Each fund type has a unique purpose to fulfill a donor's charitable goals.

## Unrestricted Endowment

Unrestricted funds provide the most flexibility to respond to the community's needs today and in the future. The Unrestricted Fund of The Community Foundation was the Foundation's first fund. Donors to The Unrestricted Fund put their trust in The Community Foundation. Named unrestricted funds allow donors to create a lasting legacy. Today, unrestricted funds support community grantmaking and other programs of the Foundation.

## Donor Designated Funds

Designated funds support a particular organization or a set of organizations. The benefiting organization receives distributions from the fund to support its work. Designated funds assure donors that a beloved nonprofit organization will have funds to continue its operations into the future.

## Field of Interest Funds

Field of interest funds provide dedicated support to a specific area or causes, such as education, music, art, human services, or any other area of interest identified by a donor. They support community grantmaking and other programs of the Foundation. Field of interest funds support an issue in our community now while allowing for flexibility and continued support of that same cause into the future.



Orchestra Indiana  
Fund Designee



## Donor Advised Funds

Donor advised funds provide maximum convenience and flexibility by allowing donors to make recommendations for distributions to specific nonprofit organizations. Donors can benefit by taking a charitable deduction in the year the gift was made while reserving the ability to provide long-term guidance on how the fund is used to benefit the community.

## Agency Endowment Fund

The annual distribution from an agency endowment fund creates a stream of income to the charitable organization for its own charitable use. These funds allow the Foundation to help area nonprofits by assuring a permanent fund with undisturbed principal as well as professional fund management by The Community Foundation.

## Scholarship Funds

Scholarship funds provide financial support to students attending post-secondary education. Companies, organizations, families, and individuals establish scholarship funds that benefit students graduating from a specific school, studying in a field, or meeting other qualifications. They are often awarded in honor or memory of someone.

Murray's Jewelers  
*Scholarship Fund Donor*



## Fund Minimums

Scholarship funds have a fund minimum of \$25,000. All other fund types have a fund minimum of \$10,000.

## Donor Advised Non-Permanent Funds

A non-permanent fund, these funds are created to receive gifts to be used for community projects approved by the Board of Directors.

*Make your  
gift today.*



For more information about giving, please contact  
The Community Foundation.

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