

Top 10 Reasons to Open a Donor Advised Fund at the Rochester Area Foundation

- 1. Make a Difference** both at home and around the world by managing your charitable giving through your donor advised fund.
- 2. Create a Family Legacy** of giving by designating successors for your fund, ensuring that your loved ones can easily continue the tradition of philanthropy that started with you.
- 3. Maximize the Benefits** of your fully tax-deductible contribution by giving when the time is right for you. After your fund is established, take your time to choose the organizations you want to support with your gift.
- 4. Increase Your Community Impact** by partnering with a trusted organization to support the needs and aspirations of your area. With more than 60 years of leadership and deep roots in the community, we know how to help you achieve your philanthropic goals.
- 5. Support Multiple Causes** easily and effectively. All it takes to make a grant recommendation is a written request. Requests are quickly processed and grants funds disbursed.
- 6. Make a Gift that Lasts** and have an impact that endures. By endowing our funds, we ensure the perpetuity of your gift and increase your ability to support the causes you care about the most, both now and in the future.
- 7. Rely on Professionalism and Expertise** at the Foundation to help you carefully manage your fund and your charitable giving, to advise you of unmet and emerging needs, and to ensure the longevity of your gift.
- 8. Choose Your Own Way to Give** Gifts to your fund can range from cash, to stock, to personal property or through your estate plan. We accept a wide variety of assets and can facilitate many complex forms of giving.
- 9. Stay Flexible** by recommending as few or as many grants from your fund as you like, in any amount that you choose.
- 10. Relax and Enjoy** the distinct privileges of making a meaningful and lasting contribution to your community through a trusted community foundation that makes serving your charitable needs our first priority.



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Donor Advised Funds



Rochester
Area Foundation

Dedicated to community vitality since 1944

Making a Difference at Your Own Pace

When a retired Mayo Clinic physician wanted to give back to the community that had sustained her medical education and career, she turned to the Rochester Area Foundation. Although she was unsure of the exact causes she wanted to benefit from her philanthropy, she was certain that a gift to her community foundation would allow her to have the impact she desired with the flexibility she needed. A donor advised fund was the perfect match. She was able to donate stock, receive a tax benefit and carefully consider what organizations she wanted to support. When she did make her first grant recommendation two years after the creation of her fund, she enjoyed the peace of mind of not only knowing her gift was making a significant difference in the lives of others, but also that she had made the right choice.

Opening a donor advised fund means more than simply writing a check. It is a personal approach to giving that allows donors to accomplish specific objectives, maximize their impact and see results firsthand.

Be Part of a Strong Philanthropic Tradition

Have you ever hoped to have a bigger impact on the quality of life in your community? Do you dream of supporting projects that make your neighborhood a better place to live? Or perhaps you would like to give back by supporting the economic vitality of your city for future generations. Whatever your reasons for giving, the Rochester Area Foundation can help you enrich the communities you care about and achieve your philanthropic goals.

Donors have looked to the Rochester Area Foundation as a trusted partner in philanthropy since 1944. As the community foundation for Rochester and the surrounding areas, the Foundation is dedicated to strengthening our region through philanthropy and proactive leadership. We make grants to numerous nonprofit organizations, lead efforts to respond to emerging needs in our community and provide donors with professional service and sound advice for all of their charitable giving needs.

Paving the Way for Future Generations

In 1989, the Rochester Area Foundation ushered in a new era of giving with the creation of its first donor advised fund. The local couple who opened the fund were longtime supporters and active members of the Foundation. But they wanted to do more. By opening a donor advised fund, they were able to grow their community foundation's endowment and actively direct their future giving. Today, their fund continues to have an impact as they recommend grant awards from it on a regular basis. Further, the principal of their initial gift has grown, allowing their contribution to make an impact several times over. Because of their flexibility, uniqueness and popularity, donor advised funds are now the fastest growing segment of philanthropic giving at the Rochester Area Foundation.

What is a Donor Advised Fund?

Rochester Area Foundation's donor advised funds are unique giving tools that allow you to remain actively involved with your gift while consolidating future charitable giving. They offer a simple and flexible way for you to make a difference in your community. By recommending grants from your fund as often as you wish, a donor advised fund allows you to easily support the organizations both near and far from home that matter to you.

Why a Donor Advised Fund?

A donor advised fund allows you unmatched flexibility and ease. You can time the creation of your fund in order to maximize tax benefits. After your fund is established and you receive your charitable deduction, you can concentrate on choosing which organizations you'd like to support. You can make withdrawals at any time to benefit the causes that you wish to support, much like a checking account. This means you are free to give at your own pace, in any amount you choose.

Donor advised funds also have all the benefits of the Foundation's investment opportunities and services, including independent financial auditing and accounting services. Our strong investment performance and accountability standards ensure that your gift can go further.

Perhaps the most common reason for opening a donor advised fund is to establish a family legacy. You may assign successor advisors to take over the management of your fund. This means that your children, grandchildren and other loved ones can continue the tradition of giving that started with you.

How Does a Donor Advised Fund Work?

Whenever you find a charitable cause or nonprofit organization that you would like to support, simply recommend that a grant award be made from your fund to that organization. You decide how much you would like to contribute and how often. All that is required is a written request—called a donor recommendation letter—stating the name of the organization and the amount of your gift. The Rochester Area Foundation Board of Trustees then reviews your request and approves it for funding. Because the amount and frequency of your gifts is entirely up to you, you are free to tailor your charitable giving to your specific needs.

How Can I Set Up My Own Fund?

The process of creating a donor advised fund is quick and easy. Simply contact the Foundation to discuss your intent to create a fund. Next, make a gift of cash, stock or other assets to the Rochester Area Foundation. You may choose to grow this amount with additional gifts at any time over the lifetime of your fund. Then, pick a name for your fund. Lastly, make the agreement final by signing a donor advised fund agreement prepared by the Rochester Area Foundation.

Financial Facts

Like any important financial decision, making a significant charitable donation requires careful thought and consideration. With the recent advent of commercial donor advised funds, donors now have more options in how to direct their giving than ever before. Donor advised funds set up through public and private foundations and commercial institutions all have distinct benefits, but they are not created equal. Consider what you gain by making your gift through the Rochester Area Foundation. Here are the facts:

- You can set up a fund with a gift of \$10,000 or more.
- You do not have to make additional payments for administrative and investment fees; our fees are assessed directly to your fund.
- You may recommend grants of any size from your fund; no minimum dollar amount is required.
- You are not assessed a fee to set up your fund.
- You may ensure the perpetuity of your gift by choosing to have your fund endowed.
- You receive the greatest tax benefit by contributing directly to your community foundation because we are a public charity.

Donor Advised Fund

(Please see our Guide for Giving for other philanthropic opportunities)

Description	Public charity that pools donations with other donors' gifts and invests them; fund makes grants to charitable recipients upon recommendation of donor.
Advantages	<ul style="list-style-type: none">• Contribution usually fully deductible each year• Account can be named• Flexible giving in future years• Can give anonymously• Fees and expenses are low• Consolidated charitable giving• Can establish legacy with successors to account
Disadvantages	<ul style="list-style-type: none">• Deduction is subject to AGI restrictions• Charity's trustees have final authority over grants• Slightly less flexible than a trust or private foundation• Donor receives no income from assets
General Tax Rules	<ul style="list-style-type: none">• Income tax deduction for amount of cash donation up to 50% of AGI• Generally, deduction for full market value of long-term property with no capital gains tax paid, up to 30% of AGI• Estate tax liability reduced• Avoid capital gains tax for gifts of long-term appreciated assets
Donor Income	No