**Introduction**

THE COMMUNITY FOUNDATION Serving Richmond and Central Virginia (TCF) has been active in our community since 1968. Throughout our history, we have been solving problems, preserving legacies and building permanent endowments to enhance the lives of the citizens in Central Virginia and the areas served by our regional affiliates.

Our family in philanthropy is constantly growing. The Foundation’s assets consist of more than 550 funds of all sizes, representing individuals, families, corporations and nonprofit organizations. Over the past four decades, we have worked together to grant more than $400 million dollars to hundreds of nonprofits throughout Central Virginia and the United States. Together, we are making a difference.

This booklet is designed to help donors and advisors better understand the advantages of establishing a fund with TCF. We hope you will consider partnering with us so that we can assist you in framing your charitable vision to promote positive change in the areas you care about.

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TCF refers to The Community Foundation Serving Richmond and Central Virginia and its regional affiliates that serve the Lower Northern Neck and Middle Peninsula.

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*The Community Foundation exists to make philanthropy easy and efficient for people with a variety of interests – from simple bequests and donor advised funds to more complex trusts. The staff is always willing to provide prompt and professional service.*

_Dexter C. Rumsay, III_
Accountability – As stewards of your charitable assets, we take seriously our responsibility to preserve and execute donor intent in perpetuity. Our team makes every effort to get to know you and capture your vision for a stronger, healthier community. We honor your trust by conducting a full review of all nonprofits prior to grant distributions. In addition, we maintain communication with these agencies to ensure that your wishes are fulfilled.

Flexibility – Of interest to some potential donors is our ability to reach outside our area. While we primarily focus on the needs of metropolitan Richmond and Central Virginia, we can make grants to charities outside the region. We acknowledge the benefits our community derives from many important regional and national nonprofits and generally approve grants to those in good standing.

Convenience – Through a secure section of our website called Donor Xpress, you can have 24/7 access to your fund information. You can submit online grant recommendations, view your fund balance and review transaction history. You can make additions to your fund using your credit card through another secure feature called Online Giving. Gifts also can be made with ease through stock transfers at many local brokerage firms or through secure wire transfers.

Anonymity – Some donors wish to remain anonymous. At your request, we can establish a fund, accept a gift, or make a grant in a way that will protect and maintain your anonymity.

What is a community foundation?
A community foundation is a public charity that helps people like you accomplish your philanthropic goals through a named charitable fund. From these funds, grants are made primarily to benefit a defined geographical area. Each community foundation is overseen by a volunteer board of leading citizens and run by professionals with expertise in knowing their community’s needs. Community foundations are committed to informing their donors and the broader community of givers about the challenges facing their area and helping to identify possible solutions.

Why partner with The Community Foundation?
Personalized Service – We work closely with you to develop a giving approach that matches your personal interests and tax planning needs. We help integrate charitable giving within estate and tax plans, facilitate anonymous giving and engage additional family members in your philanthropy.

Community Knowledge – Our professional staff monitors all areas of community need including human services, education, the environment, healthcare, the arts and economic development. We bring people and organizations together, convening diverse voices to address local issues and opportunities. We can help you learn more about local agencies and programs that make a difference in the areas you care about most.

Investment Expertise – On January 31, 2008, TCF entered a unique investment partnership with the University of Richmond and Spider Management Company LLC, the investment manager for the university’s endowment. The decision to co-invest assets with the University and, prospectively, other large charitable endowments, gives us access to a mature, well-diversified investment portfolio managed by a seasoned staff with an excellent performance record.

Experience with Non-cash Gifts – In addition to accepting gifts of cash and marketable securities, we have experience with gifts of real estate, closely held businesses and other non-cash assets. We offer trusteeship for charitable trusts where TCF is a beneficiary, and we handle trust and private foundation terminations.

“As individuals, Mary and I are not always aware of Richmond’s most critical needs. But The Community Foundation is aware. Its staff is in touch with what is going on in the community and can help us determine where our grants will make the most difference.”

Wally Stettinius
Why Give to TCF vs. a Private Foundation?

Donors who choose to set up a private foundation must assume the responsibilities of structuring the foundation, formulating policies, overseeing investment of the assets, filing all the necessary tax forms and monitoring grantee activities. TCF handles all of these functions for you, while offering greater tax advantages than those available through a private foundation.

Why Give to TCF vs. a National Gift Fund?

Both community foundations and national gift funds provide a way for individuals to make a tax-deductible gift to establish a fund within a public charity, while retaining an advisory privilege to recommend grants from the fund to other charitable organizations at a future time. TCF, however, is unique in its ability to offer valuable local knowledge and a broad array of fund types, in addition to donor advised funds, to meet the specific needs and interests of its donors. You can meet with staff to learn about community needs, engage with other donors who share your interests, participate in site visits to community organizations and engage additional family members in philanthropy. The annual compensation to TCF covers operating expenses, but also enhances community grantmaking that addresses current needs in our area.

The ultimate advantage of using a community foundation compared with a national gift fund is the opportunity to endow your donor advised fund through your estate plan. Beyond the lifetimes of any named successor advisors, TCF’s Board of Governors will provide stewardship to address long-term community needs. Legacy endowments become important community philanthropic assets, which permanently support your charitable interests, and which may maintain the flexibility to meet emerging community needs.

“When Shirley and I moved our charitable fund from Vanguard to The Community Foundation, we became linked into a network of people who know each other and share an interest in doing something positive locally. What you get is a relationship instead of a check-writing facility.”

Ken Walker
Comparing Four Approaches to Donor Advised Giving
Discover the benefits of working through The Community Foundation (TCF)

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<th>Items to Consider</th>
<th>TCF Donor Advised Fund</th>
<th>Commercial Gift Fund</th>
<th>TCF Supporting Organization</th>
<th>Private Foundation</th>
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<tr>
<td>Donor Involvement</td>
<td>Donor recommends grants to qualified nonprofit groups by mail or online. Grants are approved by community foundation Board of Directors.</td>
<td>Donor recommends grants to qualified nonprofit groups. Grants are approved by trustees of the gift fund.</td>
<td>Community foundation and donor work together to appoint board. Supporting Organization board often oversees investments and grantmaking.</td>
<td>Donor appoints board, which controls investments and grantmaking.</td>
</tr>
<tr>
<td>Income Tax Deductions for Gifts of:</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Cash</td>
<td>Up to 50% of adjusted gross income.</td>
<td>Same as a donor advised fund at TCF.</td>
<td>Same as a donor advised fund at TCF.</td>
<td>Up to 30% of adjusted gross income.</td>
</tr>
<tr>
<td>Appreciated stock</td>
<td>Fair market value up to 30% of adjusted gross income.</td>
<td>Same.</td>
<td>Same.</td>
<td>Fair market value up to 20% of adjusted gross income.</td>
</tr>
<tr>
<td>Real estate and closely held stock</td>
<td>Fair market value up to 30% of adjusted gross income.</td>
<td>Same.</td>
<td>Same.</td>
<td>Cost basis up to 20% of adjusted gross income.</td>
</tr>
<tr>
<td>Grantmaking Support</td>
<td>Professional staff is available to help identify and assess charities, provide input on community needs, and verify nonprofit status of groups.</td>
<td>Varies.</td>
<td>Professional staff available to help identify and assess charities, provide input on community needs, and verify nonprofit status of groups.</td>
<td>Donors must arrange and support their own grantmaking and monitoring structure.</td>
</tr>
<tr>
<td>Start-up Costs</td>
<td>None.</td>
<td>None.</td>
<td>Costs kept to a minimum through collaboration with TCF.</td>
<td>Several thousand dollars for legal and accounting expenses and filing fees.</td>
</tr>
<tr>
<td>Initial costs</td>
<td>None.</td>
<td>None.</td>
<td>Costs kept to a minimum through collaboration with TCF.</td>
<td>Several thousand dollars for legal and accounting expenses and filing fees. Staffing and direct operating expenses may apply.</td>
</tr>
<tr>
<td>Minimum contribution</td>
<td>$10,000</td>
<td>Varies.</td>
<td>$5 million.</td>
<td>Typically millions of dollars.</td>
</tr>
<tr>
<td>Administrative Requirements</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Ongoing costs</td>
<td>Pooled administration; annual fee.</td>
<td>Varies.</td>
<td>Costs kept to a minimum through collaboration with TCF.</td>
<td>Several thousand dollars for legal and accounting expenses and filing fees.</td>
</tr>
<tr>
<td>Reporting</td>
<td>TCF handles all tax reporting.</td>
<td>Financial institution handles all tax reporting.</td>
<td>TCF can prepare and file required annual 990 tax form.</td>
<td>Annual 990PF tax form must be filed.</td>
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Types of Charitable Funds

A fund begins with a donor’s desire to create a vehicle to advance his or her philanthropic interests. Often, a fund can be designed with only one meeting, and most gift agreements are two-page letters drafted without incurring legal fees.

**Unrestricted Funds – Think broadly**
Allow The Community Foundation to identify needs and opportunities in the community and target your dollars where they can be most effective through our community grants process.

**Field of Interest Funds – Address issues**
You decide the broad purpose of the fund, such as education, arts or health, and our staff will identify the projects that are effectively making a difference in that area through our community grants process.

**Designated Funds – Provide ongoing support**
Specify one or more charitable organizations to receive grants from your fund.

**Scholarship Funds – Provide students' educational support**
Work with our staff to create the guidelines for students who can receive assistance from the fund. For example, these may be based on field of study, community involvement, merit or financial need.

**Donor Advised Funds – Stay involved**
Our staff can work with you to identify charitable organizations addressing issues of importance to you, and you recommend grants to those charities you wish to support. TCF provides due diligence to ensure the charitable status of beneficiaries and provides additional grantmaking and administrative support.

**Supporting Organizations – Become a foundation partner**
With assets of $5 million or more, you may choose to establish a supporting organization. This option provides additional opportunities to participate in governance, investment management or a focused grantmaking program. The IRS sets forth a number of operational tests to determine if a supporting organization will be allowed.

"Mahatma Ghandi said it best, 'Be the change you want to see in the world.' For years, I dreamed of starting a foundation to help others, but realized I could achieve my goal simply through a fund at The Community Foundation. For my family, education was a consensus cause. Our scholarship is an investment in individuals poised to make a difference in the future...poised to be the change."

Iris E. Holliday
Ways to Give

Outright Gifts
You can make a gift of cash, stocks, bonds, real estate, closely held businesses, or other non-cash assets to establish or add to a fund at the Foundation. Our expert staff can help you with the timing and documentation of your gift.

Gifts by Will
You can provide for the creation of a fund, or add to your existing fund, in your will. This will ensure that giving patterns established during your lifetime will be continued in the future. You can designate a gift or a portion of your estate to TCF and, in some cases, receive a substantial reduction in federal gift and estate taxes.

Suggested Bequest Language:
[ [% or $] to The Community Foundation, Inc. (EIN 23-7009135) for the benefit of NAMED FUND.]

IRA’s and Other Retirement Accounts
Retirement accounts are unique in that they have generally been funded from pre-tax earnings. In such cases, remaining balances after your death will be taxed twice – first, as part of your estate (the estate tax), and again, as payments are received by your designated beneficiary (the income tax). Thus, these assets are ideal for planned gifts.

Charitable Remainder Trust and Charitable Gift Annuity
You can make a gift of cash, marketable securities or non-cash assets to TCF, receive immediate tax benefits, avoid capital gains tax on disposition of the gifted assets and ensure that you or a loved one receive fixed quarterly or annual income payments for life. The remainder value will be added to your fund at the Foundation.

TCF will serve as trustee for a charitable trust if the Foundation has an irrevocable partial remainder interest and a substantial portion of the remainder interest is directed to a field of interest or unrestricted fund. The Foundation receives compensation for serving as a trustee, plus reimbursement for direct out-of-pocket expenses.

Charitable Lead Trust
You can place cash, marketable securities or real estate into a charitable lead trust that pays a fixed amount to your fund at TCF for a number of years – usually about 20 years. Once this period ends, the assets held by the trust are transferred to the beneficiaries you name, which often includes children or grandchildren. These trusts are used to gain maximum advantage from gift and estate tax laws.

“As a young man, I fell in love with jazz. I went from attending live performances whenever possible to developing personal friendships with great jazz legends like Louis Armstrong. The Community Foundation gave me the flexibility not only to create a fund that would further my interest in jazz, the arts and other charitable causes, but also to do so through a planned bequest.”

W. E. Singleton
Opportunities to Engage and Learn

TCF prides itself on providing superior service to its donors. We invite you to take advantage of the following educational and networking opportunities and we welcome your inquiries at all times.

Site visits and Grantee Receptions
Each year, our program staff and volunteers plan site visits to over 100 nonprofit organizations. You are invited to participate so that you can personally investigate nonprofits that are doing good work, but in an environment where no solicitations are allowed. In addition, you will be invited twice a year to join us for the announcement of our community grants. These receptions provide an excellent opportunity to meet the staff and volunteers who manage a broad range of nonprofits in our community.

Opportunities to Engage Future Generations in Philanthropy
If you are interested, the Foundation offers several ways to engage your children or grandchildren in philanthropy.
• Name them as co-advisors or successor advisors to your named fund.
• Include them in annual meetings with Foundation staff.
• Encourage your young family members to join the Youth Philanthropy Project, a committee of middle and high school students who are responsible for awarding $50,000 a year to youth-led community service projects. (www.youthgiveback.org)

Richmond Donors Forum
Along with several local funders, TCF sponsors meetings throughout the year for the area’s largest foundations, corporate funders and individual donors. Some sessions feature nationally-known speakers who share their experiences with strategic and innovative approaches to philanthropy, while others are led by local experts who broaden our understanding of important issues facing our community specifically.

Contact Us

TCF maintains a full-time staff dedicated to serving the needs of our donors and our community. If you are interested in establishing a fund, please contact a member of our donor services team listed below. You may also visit our website: www.tcfrichmond.org.

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Margaret M. Nost
Regional Director
mnost@tcfrichmond.org

“Our parents taught us the importance of giving back and getting involved, and we wanted to pass those same values on to our children. The Community Foundation provides a way to engage the whole family, to learn about new nonprofits and to ensure that our giving will continue even after we’re gone.”

Patte and Barry Koval
GUIDE TO GIVING

INFORMATION FOR DONORS AND THEIR ADVISORS

YOU MAKE THE DIFFERENCE. WE MAKE IT POSSIBLE.