



Dr. Krishna Murthy and his wife, Rathna, came to the U.S. from India 34 years ago, and have devoted their lives to helping the underprivileged. Their children, Chetana and Ashwin (pictured above) and Pavan, volunteered for various nonprofits while growing up in Fort Collins. The Community Foundation helps introduce the family to worthy nonprofits, and by establishing the Murthy Family Charitable Fund, "Our children can continue the tradition of giving, even beyond our lifetime," Dr. Murthy said.

Easy, Effective, and Enjoyable

Establishing a Donor Advised fund allows you to remain actively involved in your charitable giving, while our staff provides highly personalized services that are tailored to your interests.



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The Community Foundation of Northern Colorado is a nonprofit, public charity established in 1975 by local community leaders. The Foundation manages \$36 million in assets representing more than 270 different charitable funds, each separately accounted for, and each with its own design and purpose.

A Donor Advised fund combines convenience, flexibility and value with the expertise of a full-time, professional staff. You can create a donor advised fund by signing a simple fund agreement and then advise the Foundation of your grant recommendations at any time throughout the year. Grants can be recommended by an individual, a family, or a committee. You can name successor advisors, and the fund can also be a beneficiary of your will, a gift annuity or a charitable remainder trust. Once your fund is established, you can immediately start making your philanthropic dreams come true.

Donor advisors may recommend distributions to any 501(c)(3) nonprofit in the U.S.

- Provide ongoing support to your favorite organizations.
- Recommend grants of varying amounts to different nonprofit organizations each year.
- Make your own choices, or take advantage of the Community Foundation staff's expertise to help you address the community's most pressing challenges.
- Have the opportunity to distribute gifts during your lifetime or leave lasting legacy—or both.

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Establishing A Donor Advised Fund

ESTABLISHING A FUND VS. CREATING A PRIVATE FOUNDATION

There are many practical reasons why establishing a Donor Advised fund at the Community Foundation might make more sense than creating a private foundation.

- A fund is easy and inexpensive to establish. A private foundation requires a donor to create a new organization, apply for tax-exempt status, pay filing fees and incur legal and accounting expenses. The Community Foundation charges a very low fee, ranging from 1% to 1.5% depending on the size of the Donor Advised fund.
- A gift of cash to a charitable fund allows a deduction of up to 50% of a donor's Adjusted Gross Income (AGI). A gift of cash to a private foundation allows a donor to deduct up to 30% of AGI.
- By creating a charitable fund, a donor may deduct gifts of closely-held long-term appreciated stock at its fair market value, up to 30% of AGI. If the same gift is given to a private foundation, deductibility may be limited to its cost basis up to 20% of AGI.
- No tax is imposed on the investment income of a charitable fund because it is a component of a public charity. A private foundation pays up to 2% federal excise tax on its investment income and net realized capital gain.
- A Community Foundation donor may remain anonymous. A private foundation must make the name and address of any substantial contributor available to the public.
- There are no minimum distribution requirements for a charitable fund at a community foundation. A private foundation must distribute at least 5% of its net investment assets annually, regardless of whether the amount is actually earned.
- There are fewer IRS reporting requirements on Community Foundation grants and funds, and requirements that do exist are handled by the Foundation's staff at no extra charge to individual donors.

AT YOUR SERVICE

The Community Foundation is pleased to introduce DonorCentral, an online portal that provides donors with an easy, effective, and enjoyable way to manage funds. DonorCentral offers our fund advisors 24/7 access to a private, secure area of the Community Foundation website where they can:

- Review the Fund Summary, which clearly indicates the "available to spend" balance and the fund's market value.
- View gifts to the fund or grants from the fund, and easily sort the lists by date, name, or amount. Donor advisors can even view the grantmaking history subtotaled by grantee name.
- View a list of organizations you have previously supported, and with the click of a mouse, replicate a past grant to complete a new grant request.

FREQUENTLY ASKED QUESTIONS

How do I establish a Donor Advised fund, and how long does it take?

Simply determine your charitable priorities, select a name for the fund, and make an establishing gift. The Community Foundation staff can typically prepare and complete the written Fund Agreement in one hour.

How much do I need to establish a fund?

Most funds can be established with a minimum \$10,000 gift. There is no set-up fee.

Does the Community Foundation charge an annual fee to maintain the fund?

The Community Foundation charges a very low annual administrative fee ranging from 1% to 2%, depending on the type of fund established. The staff can answer questions regarding the fee structure.

Can I advise how my funds will be invested?

Yes. The Community Foundation offers three investment pools (Conservative, Balanced and Growth), and donors may recommend the one that best meets their needs and interests. Additional options are available for funds of \$100,000 or more. The staff can assist you with this process.



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