

ADVISORS TOOLS

Flexible charitable vehicles. Effective financial solutions.

A professional advisor's perspective.



Throughout his years as a lawyer specializing in estate planning, Mark Horne has had the opportunity to introduce many people to their community foundation as a vehicle for philanthropy. “I can recommend our community foundation to many of my clients because it is more global in scope than a single-purpose charity,” says Mark. “As well, while established to benefit the entire community, it is also uniquely equipped to meet the particular wishes of individual donors.”

Flexible giving. When donors establish a fund through their community foundation, they open the door to a very broad range of charitable options. The community foundation can manage virtually any type of gift for any charitable purpose, offering everyone the opportunity to make a lasting contribution that directly benefits their community.

“Clients who may have considered creating a private foundation can accomplish many of the same objectives by using their community foundation as a vehicle,” Mark explains. “Clients get all the benefits, but none of the administrative burden, such as receipting and processing grants, investment decision making and ensuring tax compliance. They can also access the foundation’s local expertise to provide recommendations for grants to charitable agencies meeting their objectives.”

One of the advantages of the community foundation is that it can “offer the donor more effective impact for their charitable dollars than direct gifts to a particular charity,” Mark says. “Giving through a community foundation means clients can give to any number of charitable organizations at the same time. They can specify their areas of interest and the community foundation selects and monitors the charities.”

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A valuable resource

One of the advantages community foundations offer advisors is national access to charitable resources and experienced planned giving professionals.

“Community foundations can provide information on specific types of charitable gifts, such as Donor Advised Funds, says Mark Horne. “I’ve also appreciated how quickly and efficiently they manage specific transactions, such as gifts of appreciated securities.”

Flexible charitable vehicles. Effective financial solutions.



“Community foundations are an extremely flexible vehicle for giving. They will work with the donor and his advisors to meet that client’s particular, personal needs.”



MARK HORNE

HORNE COUPAR, BARRISTERS & SOLICITORS

Tax benefits

As a public foundation, a community foundation offers a wide range of tax benefits for charitable giving. Donors may give cash, stock, real estate, or personal property, and receive maximum tax benefits.

Through planned giving that integrates philanthropy into overall financial and estate planning, advisors can ensure that their clients receive full benefit from contributions, while supporting the local community and charities of their choice.

Personalized giving. Experienced and knowledgeable volunteers and staff, who share a deep commitment to the well-being of the community, can help find the best charitable organizations to fit each donor’s interests, and help donors and their advisors structure a donor directed fund to satisfy specific charitable objectives. Mark sees many donors use community foundation endowment funds as a means of giving during their lifetimes, and to support their charitable interests in perpetuity after their deaths. “Many of the people I see have a strong sense of wanting to ‘give back’ to the local community,” says Mark. “Whether they have significant wealth, or more modest means, the community foundation can help them create a lasting legacy.”

Responsible financial management. Gifts to the community foundation can become part of a lasting endowment. “The idea of an endowment is attractive to many people,” says Mark, “particularly when they feel assured of good stewardship and know there are mechanisms to ensure responsible management of the funds.” Capital is expertly and responsibly managed in a balanced portfolio, with available distributions used to fund charitable activities while at the same time ensuring a measure of protection against erosion by inflation. Funds are invested with experienced managers, and performance is reviewed regularly. The foundation’s financial position is evaluated annually by an independent audit. These safeguards ensure capital will be preserved and distributions will be maximized over time.

Faithful to donor intent. One of the major strengths of a community foundation, in Mark’s opinion, is its ability to provide a flexible vehicle for donors with a variety of philanthropic interests. The foundation keeps in close contact with local community organizations, and its broad perspective and local knowledge assures that grants will always be targeted where they can do the most good. “Community foundation donors take real comfort in the knowledge that their gift is going to organizations that will put their dollars to the best possible use,” Mark explains. “They know the foundation has a level of experience and expertise that would be difficult, if not impossible, for them to acquire on their own.”

For example, one of Mark’s clients was interested in supporting half a dozen charities, but didn’t want to fund individual endowment funds at each charity – a process that would have been difficult to monitor. Instead, Mark raised the possibility of establishing a Donor Advised Fund. To meet his client’s particular needs, the fund distributes income to each charity of his choice in proportions that he has set. After a period of time, the arrangement will be evaluated to see if each organization is using the funds effectively and is then able to manage its own endowment. “Once my client started talking about what he wanted to do, it was clear that our community foundation was the best vehicle because of its responsiveness and flexibility,” says Mark. “I knew his objectives would be met and that he’d have the level of supervision he wanted, without having too many demands placed on his time.”

There’s so much more we’d like you to know. Your community foundation can help you help your clients achieve their charitable giving goals. We welcome the opportunity to work with you.