



THE FOUNDATION
FOR ENHANCING
COMMUNITIES

ESTATE PLANNING GUIDEBOOK FOR DONORS

Click here to schedule time
with a philanthropic advisor



Embark on a journey of philanthropy with The Foundation for Enhancing Communities (TFEC). We are here to guide you in aligning your charitable aspirations with the causes closest to your heart. Our mission is to amplify the effect of your contributions, enabling you to broaden your influence.

When partnering with TFEC, you're choosing to maximize the impact of each gift. We strive to optimize every act of generosity, ensuring that your charitable intentions are realized to their fullest potential. Together, we can make a significant difference in the communities around us.

THE BENEFITS OF GIVING THROUGH TFEC

Simplicity

You can easily create and add to your personal unique charitable fund. Many people conveniently manage all their charitable giving through their fund with TFEC.

Flexibility

TFEC works with you to meet your philanthropic and life-planning goals. TFEC offers many products and services through which you can leverage your giving and maximize your charitable impact in the community.

Maximum Tax Advantages

As a public charity, TFEC offers you the highest benefits for charitable giving allowed by law.

Professional Investment Management

Within our investment program, we provide flexibility and enable donors to recommend an investment mix among investment models of different asset classes. Our funds are pooled, thereby achieving significant economies of scale and maximum diversification. Through our passive investment strategy, we also strive to keep investment and trading expenses as low as possible, thereby benefiting long-term returns.

Informed Philanthropy

TFEC can help connect you with nonprofit organizations that have a positive impact in the community.

Public Accountability

TFEC is independently audited by a certified public accounting firm and makes its annual IRS Form 990 available on our website, www.tfec.org.

Permanence

TFEC supports our community now and for generations to come. If the original beneficiary of the fund ceases to exist, TFEC's Board of Directors has the legal authority to redirect the fund to the most closely related use. This "variance power" assures donors that their original intent will be honored regardless of changing circumstances.

Recognition

Through TFEC's Annual Report, website and periodic events each year, you will receive recognition for your charitable generosity; alternatively, you can choose to remain anonymous about your charitable giving.

Generational Giving

You can establish a fund that involves your family in charitable giving, allowing you to advise grants from the fund. This can help teach your loved ones about the power of philanthropy to affect positive change in your community.

Why TFEC Is a Better Choice for Charitable Giving Than Commercial Charitable Gift Institutions:

- TFEC offers more flexibility in gift giving. For example, we can accept privately held stock and real property.
- We offer flexibility in grant making. Because of TFEC's "variance power," your gift will never become obsolete and will always represent your initial charitable intent.
- We can provide local legal expertise (at no cost to you) in structuring a gift.
- We allow the opportunity for others in the community to contribute to a fund, such as a memorial fund. Anyone can contribute to any fund at TFEC, anytime.
- We make every effort to be convenient, prompt and flexible. We know you and you know us. We are your neighbors, not just a voice on the telephone or an email address.
- We have established expert investment policies, oversight and a total return investment philosophy. Our investments are not limited to the options offered by a particular mutual fund, family or financial institution.
- Our team can provide advice and knowledgeable assistance in determining reputable nonprofit organizations that respond to changing community needs.
- We provide donor recognition in our Annual Report and on our website, www.tfec.org, (or anonymity, if desired).
- Local governance assures responsiveness and accountability.

Are You Ready to Give?

We are here to help you identify the best solutions for your goals and interests. But, how will you know that you are a good candidate for charitable giving? Here are 10 indicators:

1. Have Appreciated Property
2. Own Closely Held Stock
3. Selling Highly Appreciated Securities
4. Making Monetary Gift to Individuals
5. Recently Received Bonus
6. Avoid Capital Gains
7. Estate Planning with No Heirs
8. Holds Retirement Funds and IRA Assets
9. Transferring Family Business
10. Benefiting Family

Your Goal, Your Gift: A Planned Giving Guide

Your Goal	Your Gift	How To Make a Gift	Your Benefits
Defer a gift until after your lifetime	Bequest in a will	Name your favorite nonprofit organization(s) in your will	A donation exempt from federal and state taxes
Make a large gift with little cost to you	Life insurance gift	Give an old or new policy with your favorite nonprofit organization(s) as beneficiaries	Current federal income tax deduction; possible future deductions
Avoid the twofold taxation on retirement plan assets	Retirement plan gift	Name your favorite nonprofit organization(s) as beneficiaries of all or part of the remaining assets after your lifetime	Avoidance of heavily federal and state taxed gifts to heirs
Avoid capital gains tax on the sale of a home or other real estate	Real estate gift	Donate the property to be sold by TFEC at the current market value	Immediate federal income tax deduction and avoidance of capital gains tax
Give your personal residence or farm, but continue to live there	Retained life estate	Designate the ownership of your home to your favored cause, but retain occupancy	Federal charitable income tax deduction and lifetime use of home
Secure a fixed and often improved income	Charitable remainder unitrust	Create a charitable trust that pays a set income from the trust's assets annually	Immediate federal income tax deduction and fixed income for life

<p>Create a hedge against inflation over the long term</p>	<p>Charitable remainder unitrust</p>	<p>Create a trust that pays a percentage of trust's assets annually</p>	<p>Immediate federal income tax deduction; annual income for life that has potential to increase</p>
<p>Reduce gift and estate taxes on assets passing on to heirs</p>	<p>Charitable lead trust</p>	<p>Creates a trust for a set term and then passes to heirs which pays a fixed or variable income to your favorite nonprofit organization(s)</p>	<p>Reduction in the size of federal and state taxable estate; keeps property in family, often with reduced gift taxes</p>



COMPARING FOUR APPROACHES TO GIVING

TFEC offers compelling advantages over other charitable options. Discover the benefits of partnering with us.

Items to Consider	TFEC Donor Advised Fund	Private Foundation	Commercial Gift Fund (i.e. Fidelity)	Direct Gift To A Nonprofit Organization
Start-up Considerations:				
Costs	None	Several thousand dollars for legal and account expenses and filing fees	None	N/A
Time Frame	Immediate	Several months	Immediate	N/A
Minimum Contribution	\$10,000 over 5 years	Not cost-effective unless \$8 million or more	Usually \$10,000 to \$25,000 for individuals	N/A
Investment and Tax Considerations:				
Investment	Donor may choose from TFEC's investment options	Donor appointed board controls investments	Donor may choose from among firm's investment pools	N/A
Tax Status	Covered under TFEC's public nonprofit federally tax-exempt status	Must apply to IRS for private foundation federal tax-exempt status	Covered under nonprofit federally tax-exempt status of corporate entity's charitable subsidiary	Covered under federally tax-exempt nonprofit organization's public charity status

Income Tax Dedications for Gifts of:

Cash	Up to 60% of federal adjusted gross income	Up to 30% of federal adjusted gross income	Up to 60% of federal adjusted gross income	Up to 60% of federal adjusted gross income
Publicly Traded Securities	Fair market value up to 30% of federal adjusted gross income	Fair market value up to 20% of federal adjusted gross income	Fair market value up to 30% of federal adjusted gross income	Fair market value up to 30% of federal adjusted gross income
Real Estate & Closely Held Securities	Fair market value up to 30% of federal adjusted gross income	Deductible at cost basis	Fair market value up to 30% of federal adjusted gross income; usually not accepted	Fair market value up to 30% of federal adjusted gross income; usually not accepted

Grantmaking:

Grantmaking Involvement and Control	Donor recommends grants to qualified nonprofit organizations, subject to approval by TFEC's Board of Directors	Donor appointed board controls grantmaking decisions	Donor recommends grants to qualified nonprofit organizations, subject to approval by trustees of the gift fund	Donor makes gifts based on your own research and intuition; gifts are made directly to the nonprofit organization and control is limited to initial gift decision
Grantmaking Expertise	Team can help identify and assess grantees, and provide input on community needs and nonprofit organizations	Must arrange and support its own grantmaking and monitoring structure	Most do not offer personalized advice on grantee selection	N/A
Distribution Requirements	A grant must be made at minimum every three years	At least 5% of net asset value annually; 30% penalty tax on undistributed amount	Varies; some require a minimum of 5% of the fund's net assets on a five-year rolling basis	N/A

Annual Administrative Requirements:

Fees	0.40% for Investment Management and 1.70% for Administration for a total of 2.10% (prorated monthly)	Grantmaking, administrative and investment support must be covered	Based on size of fund, usually starting at 1% of assets and declining for larger funds	N/A
Taxes	None	Federal excise tax of 1.39% of net investment income, including net capital gains	None	N/A
Reporting Requirements	None	Annual federal income tax return, including detailed financial schedules	None	N/A
Administrative Requirement	None	Team salaries and office space to run daily foundation operations	None	N/A
Privacy	Donors may remain anonymous	Donors may remain anonymous, but IRS 990 Form lists officers, directors and trustees	Donors may remain anonymous	Dependent on nonprofit organization's gift giving policies

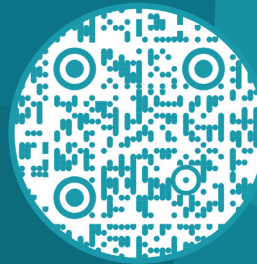
TFEC provides a streamlined and personalized approach to giving. We offer a variety of tools to help you achieve your charitable goals. Major options for giving entail varying costs and benefits. TFEC can help you review options for custom giving solutions based on your timing preferences, your giving focus and other variables. You can make a gift of cash, stocks, bonds, real estate or other assets to TFEC. Most charitable gifts qualify for maximum tax advantage under federal law. Most states do not have a gift tax but do have an inheritance or estate tax.

We're excited to learn more about your philanthropic goals and how we can support them at TFEC. Our team is eager to connect with you, to listen to your aspirations and to discuss the services we offer that can help bring your goals to life. Below, you will find a QR code that you can use to schedule time with our team to start your philanthropic journey.

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