



HELP GROW ENDOWMENT FOR DAVIES



**Our Community
Foundation**
LOCAL. FOREVER.

*What we do for ourselves dies with us.
What we do for others and the world
remains and is immortal.*

*Albert Pike, American author, poet,
orator, editor, lawyer, & jurist*

Fund Agreements Help Donors Leave Gifts.

Many donors plan gifts to establish or add to Our Community Foundation funds when they die. Popular strategies for this testamentary planning include a bequest provision in a will or trust, beneficiary designation of a retirement plan, payment or transfer on death of bank or stock accounts, and life insurance. **Please find sample testamentary bequest language on page 11 that includes the legal name of Our Community Foundation and the IRS tax identification number.** It's important to include the name of the fund where the gift is to be deposited too so contact us if the name is not known.

If the testamentary gift will establish a new fund at the donor's death, then Our Community Foundation will provide a fund agreement for signature that will be funded with the proceeds from the estate gift at the donor's passing. Using this agreement, the donor and Our Community Foundation can document the name of the fund and type of the fund or purpose. Planning prior to death with testamentary gifts and fund agreements can ensure Our Community Foundation's fulfills the donors wishes.

Contents

Introduction to Resources	3
Talking to Clients about Charitable Giving	4
Types of Funds and Fund Minimums	5-6
How to Give Life Insurance	7-8
How to Give IRA or Charitable Distribution	9-10
How to Make a Charitable Bequest	11-12
How to Make a Beneficiary Designation	13-14
How to Make a Gift of Stock	15-16
How to Give Real Estate	17-18
How to Give Charitable Gift Annuity	19-20
How to Give Charitable Remainder Trust	21-22
Notifying the Foundation	23-24



**Our Community
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serving Daviess County, Indiana
201 E Main St Suite 301
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Washington, IN 47501
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www.localforever.org

Our Community Foundation Resources & Materials

*We want to make your job easier.
We've enclosed a variety of free
materials about charitable giving
options for your clients.*



For Attorneys

Whether your client is considering a bequest to a specific nonprofit, or is interested in providing for the financial needs of a loved one, we've enclosed materials to assist with

- The language to include in a client's will if he or she is leaving a charitable bequest.
- How my client can make a charitable gift that provides his or her loved ones with a stream of income after he or she is gone.

For Financial Advisors and Financial Planners

Significant giving opportunities arise when your clients make major business, personal, and financial decisions. We offer the maximum tax advantage under state and federal law, and we simplify IRS recordkeeping. We've enclosed materials to assist with

- The types of assets your client can donate.
- Helping your client understand the pros and cons of creating a private foundation versus a donor advised fund.
- How to manage a client's assets and help him or her meet charitable giving goals at the same time.

For Accountants

Opportunities to create a legacy through charitable giving often have tax-friendly results whether it's because a client makes a gift to a specific charity, is selling a business, or is looking to reduce his taxable estate. We've enclosed materials to assist with

- Showing clients the benefits of making a gift of stock, real estate, or cash.
- Helping non profits establish a permanent endowment to support operations.
- Transferring an IRA required minimum distribution to charity and reducing a client's taxes.

Talking with Clients About Philanthropy

Here are some ways to incorporate the topic into an overall discussion of your client's needs:

Talk about legacy. There is a real opportunity to learn more about a client's vision of the world they would like to leave behind. By opening up a conversation on legacy, an advisor can learn more about the client's overall perspective on the world, including interest in giving.



Ask open-ended questions. When clients have previously been active philanthropically, advisors can learn more about it by opening up the conversation with comments like, “Tell me more about that” or “What happened in that case?” Giving clients space to reflect on past giving in a way that doesn't introduce pressure is useful to them and can also help you as their advisor understand underlying motivations and passions.

Let the client step back from the finances. Opening the conversation by inviting a client to “wave a magic wand” and talk about which issues in society they could address if they were able to do so. Many times, clients are already active in their communities through philanthropy or volunteering. This can open up a conversation about how their vision of a better world fits into their wealth plans and help to identify some areas in which a client may want to do more.

Offer top-notch data. Tailor the conversation as you get to know the client. For some clients, talking about passion and the vision they want to see in the world is paramount. Others, though, may get excited by numbers and measuring impact. Providing customized reporting and quality information about a client's charitable giving can help them think about the impact they are having and lead to increased giving that is more effective and more satisfying.

Look at past tax returns to understand previous charitable giving. Tax advisors, in particular, are already reviewing previous tax returns. Framing questions about philanthropy as “Do you plan to continue this level and type of giving?” rather than framing philanthropy as a new, intimidating task, allows clients to see their giving as an evolution that simply builds on what they have previously done.

Incorporate philanthropy into regular tax discussions. Use quarterly tax estimates as an opportunity to reflect on all the buckets available, highlighting when it may be an opportune time to make a donation or open a donor-advised fund (DAF).

Set up a formula. To assuage any concerns about not having enough money for the next generation, setting up a formula to help clients see their true financial picture – something along the lines of “If we can guarantee that your children will receive X amount, would you be interested in some of the rest going to charity?” More often than not, the answer is yes.



Our Community Foundation
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TYPES OF FUNDS

CHOOSE THE FUND TYPE THAT'S RIGHT FOR YOU

Our Community Foundation currently manages 32 charitable funds. You can give a gift at any time to an existing fund at the community foundation. For a gift of \$10,000, you can establish your own named fund.

FUND OPTIONS

Unrestricted Funds

Your gift will address ever-changing community needs—including future needs that often cannot be anticipated at the time your gift is made. We evaluate all aspects of community well-being—arts and culture, economic development, education, environment, health and human services, neighborhood revitalization and more. The flexibility of your unrestricted gift enables the community foundation's program experts to respond to the community's most pressing needs, today and tomorrow.

Field of Interest Funds

You can target your gift to address needs in an important area of community life that's most important to you: arts, the environment, youth or aging, etc. You identify your personal interest area when making your gift; our board awards grants to nonprofits and programs that are making a difference in the area you select.

Donor Advised Funds

You have ongoing involvement in how your gift is used to support charitable causes. You recommend grants to qualified nonprofits. Our professional program staff is available to help identify nonprofits working to address the issues and needs you care about most. We also handle all due diligence, ensuring nonprofits are in good standing. Your recommendations are submitted to our board for approval; we then distribute grant dollars. Donor advised funds are great for individuals, families and businesses.

Scholarships

You can use your gift to help students achieve their educational goals, all with the guidance and personal services of the community foundation. You work with our staff to determine the criteria students must meet to receive the scholarship you establish. We handle applications and process scholarship awards.

Designated Funds

You can direct your gift to a specific nonprofit organization or purpose. Help provide ongoing funding for a senior center, museum or virtually any nonprofit close to your heart. The fund provides a steady and reliable source of annual support. The organization can use a designated fund through the community foundation to build their endowment and enhance their ability to accept large and complex gifts.

Supporting Organizations

You can use your gift to establish an excellent alternative to a private foundation—with only a fraction of the administrative responsibilities. You select some of the board members, maintain personal involvement and support the causes and organizations you care about while enjoying the favorable tax treatment of a public charity. Leave investment management, startup costs, grant administration and reporting to your community foundation.

Establish a Fund in Your Name

Please contact us to learn more about the gift size needed to establish a particular fund. Any of the funds described here can be established in your name, or in the name of your family, your organization or anyone you wish to honor. All grants distributed from the fund you establish—today and in the future—are awarded to charities in the name of your fund. This is an impactful way to establish a lasting legacy of generosity and community support.

Fund Types & Fees

FUND TYPE	MINIMUM GIFT	FEE
UNRESTRICTED FUND Awards grants to support the community's most pressing needs and opportunities.	\$10,000	1.5%
FIELD OF INTEREST FUND Awards grants to supports a specific area of interest' arts, environment, children or health.	\$10,000	1.5%
DONOR ADVISED FUND Allows individuals, families or businesses to recommend grant awards to nonprofits.	\$10,000	1.5%
SCHOLARSHIPS FUND Awards scholarships to students who are pursuing their dreams through education.	\$25,000	2.0%
DESIGNATED FUND (DONOR INITIATED) Provides a steady stream of financial support for a specific nonprofit organization.	\$10,000	1.5%
NONPROFIT AGENCY ENDOWMENT FUND (NONPROFIT INITIATED) Provides a steady stream of financial support for a specific nonprofit organization.	\$10,000	1.5%



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HOW TO GIVE Life Insurance

Life insurance provides a simple way for you to give a significant gift to Our Community Foundation with tax benefits that you can enjoy during your lifetime.

HOW IT WORKS

- You make the community foundation the owner and irrevocable beneficiary of your life insurance policy—you can either give a paid-up policy or continue to pay premiums.
- You receive a tax deduction for the approximate cost or fair market value, whichever is less. If the policy is paid up, you may receive an immediate tax deduction. If it is not, you can claim to continue tax deductions on premium payments you make directly or through gifts to the community foundation.
- Upon your death, we set up a special fund in your name, in the name of your family or in honor of any person or organization you choose.
- Our professional program staff considers your charitable wishes and determines the community needs that would be most impacted by grants from your gift.
- Our board issues grants in the name of the fund you establish (if you prefer, your awards can be made anonymously).
- We handle all the administrative details.
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift—and all future earnings from your gift—is a permanent source of community capital, helping to do good work forever.



A GIFT THAT PAYS

When his two daughters were young, Zachary Ring bought a life insurance policy to provide for his family in the event of his death. Now, he's 65, and things have changed. "My daughters are both grown and doing very well for themselves, and over the years, my wife and I have become fairly comfortable—she will no longer need the death benefit from my policy," Zachary said. The Rings support and volunteer for a youth mentoring program as well as their local museum. "We've always planned to leave something for important community organizations when we pass," Zachary said. After talking with their financial planner, Zachary decided to give his life insurance policy to his local community foundation. "After giving my policy, I received a significant tax deduction," Zachary said. "We had owned the policy for so long that we could choose to stop paying the premiums and maintain a sizable death benefit." The Ring Fund will be established with the proceeds from the insurance policy to benefit youth development and other community organizations.

10 REASONS TO GIVE THROUGH THE COMMUNITY FOUNDATION

- 1 We are a **local organization** with deep roots in the community.
- 2 We have **broad expertise** regarding community issues and needs.
- 3 We provide highly **personalized service** tailored to each individual's charitable and financial interests.
- 4 Our funds help people **invest in the causes** they care about most.
- 5 We accept a wide **variety of assets** and can facilitate even the most complex forms of giving.
- 6 We partner with **professional advisors** to create highly effective approaches to charitable giving.
- 7 We offer maximum **tax advantages** for most gifts under state and federal law.
- 8 We **multiply the impact** of gift dollars by pooling them with other gifts and grants.
- 9 We build **endowment funds** that benefit the community for decades and help create personal legacies.
- 10 We are a **community leader**, coordinating collaborative resources to create positive change.

HOW TO GIVE LIFE INSURANCE

MORE BENEFITS

Giving life insurance through the community foundation is one of the simplest ways to make a significant contribution to your community and establish your legacy of giving. You can make a gift when life insurance is no longer needed for personal financial wealth replacement. You may receive a number of tax benefits, including reduced income taxes and estate taxes. And, if you choose to continue paying premiums through the community foundation, you will be entitled to a charitable contribution deduction of up to 50% of your adjusted gross income.

You can replace the dollar value of an asset transferred to the community foundation with a life insurance policy. Or you can use regular payments from a charitable gift annuity or charitable remainder trust to establish an irrevocable life insurance trust. The trust can purchase insurance on your life to benefit your heirs. This way, you can make a gift to the community foundation and replace the value of this gift within your estate with life insurance proceeds.

LET'S CONNECT

Contact us to learn more about the ways we can help you have a positive impact on the community and causes you care about.



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HOW TO GIVE IRA Rollover or Qualified Charitable Distribution

If you are over the age of 70½, you can transfer up to \$100,000 directly from your individual retirement account (IRA) to Our Community Foundation tax-free. This gift will count toward required annual minimum distribution if one is required.

HOW IT WORKS

- You work with your IRA administrator to transfer up to \$100,000 from your IRA directly to the community foundation.
- You must be 70½ or older at the time the gift is made.
- If married, each spouse can transfer up to \$100,000 from their IRA.
- We handle all the administrative details.
- Your gift can be placed into an endowment that is invested over time. Earnings from your gift are used to make grants addressing community needs. Your gift—and all future earnings from your gift—is a permanent source of community capital, helping to do good work forever.

CHOOSING CHARITY OVER TAX

“We saved very carefully for so many years. In fact, we wound up with more than we needed during our retirement,” Emma Lee said. “We had even set aside assets for our children—enough to give them a nice inheritance when we pass on.” Instead of leaving their children around 40% of their retirement assets (after estate and the heirs’ income taxes), the Lees decided to transfer 100% of these funds to their community foundation tax-free. The gift allowed them to establish the Lee Family Fund for Education, a field of interest fund. “It feels good to make this gift during our lifetime,” Stephen Lee said. “We enjoy seeing the difference our gift is making to some key health issues in our community.”

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HOW TO GIVE IRA ROLLOVER OR QUALIFIED CHARITABLE DISTRIBUTION

CHOOSE A FUND

If your gift meets the fund minimum, you have the opportunity to create a charitable fund in your name, the name of your family or in honor of any person or organization you choose. Select one of the following fund types:

UNRESTRICTED FUND

Address a broad range of current and future needs. The community foundation awards strategic grants to select projects and programs.

FIELD OF INTEREST FUND

Target your gifts to causes that are important to you. The community foundation awards grants to programs addressing your specific interest area.

DESIGNATED FUND

Support the good work of a specific nonprofit organization with a source of income, plus planned giving and investment management services.

OTHER ADVANTAGES

We can make your charitable IRA transfer easy, flexible and effective, helping you achieve your personal charitable goals and financial goals. Distributions can help satisfy your required minimum distribution and reduce your taxable income. Your qualified charitable distribution incurs no federal income tax and the asset is no longer part of your estate for tax purposes.

Many donors also like that this tool allows them to make a significant gift during their lifetime so that they can see results, rather than making the gift through an estate plan.

Any amounts left in an IRA when an individual dies may be taxed as income to the beneficiary and are also considered assets for the purpose of calculating that person's estate tax liability. When you give your IRA to charity, your heirs are not burdened by the taxes associated with receiving your IRA upon your death. Instead, you can leave them other assets that have a more favorable tax treatment.

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HOW TO GIVE Bequests

Including a charitable bequest in your will or estate plan allows you to make a gift to Our Community Foundation that will forever leave your mark on the community. Your bequest can be used to establish a special fund that supports broad community needs or focuses on a particular issue or cause that matters to you. Your bequest will benefit the community forever and become part of your personal legacy of giving.

HOW IT WORKS

- You include a bequest to the community foundation in your will or estate plan. We can help you or your attorney with the recommended language.
- You determine if you'd like to support an existing fund or establish a new fund with your gift.
- Upon your death, the community foundation receives your gift.
- Your charitable gift is excluded from your assets for estate tax purposes.
- Our professional staff considers your charitable interests and determines the areas of community need that would be most impacted by grants from your gift.
- Our board issues grants in name of the fund you supported (if you prefer, grants can be made anonymously).
- We handle all administrative details.
- Your gift can be placed into an endowment that is invested over time. Earnings from your gift are used to make grants addressing community needs. Your gift, and all future earnings from your gift, is a permanent source of community capital, helping to do good work forever.



THE GIFT OF A LIFETIME

Irene Hoover and her husband owned a bakery and enjoyed a great deal of success and prominence in their hometown. After her husband passed away two years ago, Irene decided it was time to update her will. Part of her plan was to give something back to the community the Hoovers had loved as both residents and business owners. “Not only did Jim and I love our town but we felt as though we owed it a lot for the success of our business,” Irene said. With the help of her professional advisor, Irene revised her will to include a gift to the community foundation to create the Hoover Family Fund, an unrestricted fund to support the community's ever-changing needs. Because it will be endowed, her gift will provide a growing source of community funding for neighborhood revitalization, publicly accessible artwork and other community improvements. “I like knowing that when I am gone, our legacy will be one of helping others strengthen our community,” Irene said.

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HOW TO GIVE BEQUESTS

TYPES OF BEQUESTS

SPECIFIC BEQUEST

You make a gift of a specific asset, property or dollar amount to the community foundation.

PERCENTAGE BEQUEST

You make a gift of a specific percentage of your overall estate to the community foundation.

RESIDUAL BEQUEST

You make a gift to the community foundation from the balance of the estate after all other debts, expenses and other bequests have been paid.

CONTINGENT BEQUEST

If your primary bequest cannot be met (i.e. if the person intended to receive it is no longer living), the asset, property or dollar amount will be used to make a gift to the community foundation.

Sample Bequest Language:

I devise to Our Community Foundation, an Indiana nonprofit corporation EIN 87-2043014 _____ (describe devise—for example, "Twenty Thousand Dollars" or "all of the residue of my estate" or "X percent of my estate") to be used in all furtherance of the charitable purposes of the community foundation as defined in and subject to the provisions of its Articles of Incorporation and Bylaws and for the _____ (fund name).

For help with specific bequest language, it is best to connect with the community foundation and your professional advisor.

OTHER ADVANTAGES

Making a bequest to the community foundation is a simple way to leave a gift to benefit your community or the causes that matter to you after your lifetime. You can decide to create a bequest at any age by adding to an existing will or drafting a new one. In doing so you leave a legacy to your community while enjoying the assets you need to maintain your current lifestyle. Plus, you are able to distribute some or all of your assets tax-free.

Bequest gifts can include cash, appreciated stocks or other assets. Some of the most tax-efficient asset types to give through your estate plan come from retirement plan accounts since heirs would be taxed on the income in respect of the decedent (IRD).

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HOW TO GIVE Beneficiary Designation

Naming Our Community Foundation as a beneficiary of your retirement plan or life insurance policy is not only easy to do, it is also a way to make a significant and lasting gift to our community that may not be possible during your lifetime.

HOW IT WORKS

- You designate the community foundation as a full or partial beneficiary of your qualified retirement plan (401(k) or IRA) or life insurance policy using a form supplied by the policy underwriter or plan administrator.
- Upon your death, the benefit comes to the community foundation. We set up a special fund in your name, in the name of your family or in honor of any person or organization you choose. You may also choose to have the assets contributed to an existing fund.
- We handle all the administrative details.
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift is a permanent source of community capital, helping to do good work forever.



A SAFE WAY TO MAKE A BIG IMPACT

Kevin and Mary Goodman care deeply about their family and their community. So, they turned to their professional advisor for guidance in fulfilling their desires to ensure that their children are taken care of and a charitable legacy is left to the community. When they learned that retirement assets are often subject to two taxes (income and estate tax) that could reduce the value of those assets by up to 75% if left to their children, they quickly determined that their IRA would be best designated for charity. By naming their community foundation as a beneficiary of the retirement assets, they would be assured that their gift would be paid directly to the foundation and would not be subject to income or estate taxes. They also knew that every dollar would be preserved for the community they love. “It made sense to our family to handle our retirement assets in this manner. It is an easy and gratifying way to leave a legacy to our community,” Mary said.

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HOW TO GIVE BENEFICIARY DESIGNATION

MORE BENEFITS

If you are concerned with potentially high estate taxes, the charitable beneficiary designation may be the right choice because the benefit payment is generally excluded from your estate for tax purposes. And, because you may change the beneficiary designation at any time, your decision is revocable. One of the most tax-efficient ways to give back to your community is by designating the community foundation as a beneficiary of your retirement plan, whether it is a 401(k), 403(b), IRA (individual retirement account), or other qualified retirement programs. These assets could be taxed at rates as high as 75% upon your death. Estate taxes may be due in addition to the taxes your heirs may pay on the income in respect of the decedent (IRD). For these reasons, many advisors recommend retirement plan assets as the first to be designated for charitable purposes.

Although your retirement plan beneficiary form overrides your will, it is important that both documents are up-to-date and consistent.

LET'S CONNECT

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HOW TO GIVE Appreciated Stock

Everybody wins when you make a gift of appreciated stock to Our Community Foundation. Your gains are put to good use. Your gift of stock is reinvested in your community and it may qualify for an immediate tax deduction based on the full fair market value.

HOW IT WORKS

- You make a gift of appreciated stock to the community foundation.
- Your gift can be placed into any of our charitable funds. For example, you can use your gift to create a donor advised fund in your name, in the name of your family or business or in honor of any person or organization you choose. You can then stay involved in recommending uses of the fund.
- Your gift qualifies for a tax deduction based on the full market value of your stock; you avoid the capital gains tax that you would have to pay if the property was liquidated first.
- We handle all the administrative details.
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift—and all future earnings from your gift—is a permanent source of community capital, helping to do good work forever.

GENERATING A RETURN FOR YOUR COMMUNITY

"Our stock returns provided the means for giving to our community," Joanne and Gerald Johnson said. That's why they joined the many people who choose to contribute appreciated stock to open a donor advised fund. Last year, The Johnson Fund supported a local family outreach program, a homeless shelter and a local theatre group. "Some of our charities are too small to accept direct stock gifts," Joanne said. "Giving through the community foundation eliminates that barrier." The Johnsons receive a tax deduction on the full market value of their appreciated stock, while avoiding the capital gains tax that would otherwise arise from sale of this stock. "It's a simple, satisfying way to give." Gerald said.

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HOW TO GIVE APPRECIATED STOCK

MORE BENEFITS

Giving appreciated stock through the community foundation is popular among a range of givers—individual investors, families, entrepreneurs and even groups of friends who have formed investment clubs.

By giving stock through the community foundation, you can avoid capital gains taxes that would be due as a result of its sale and establish a charitable fund that benefits the local causes and organizations you care about most. With gifts of appreciated stock, your stock market earnings translate into community impact, so you get a more rewarding return on your portfolio. You can set up a scholarship, support special programs for youth, senior citizens, or other people in need, address environmental concerns or support the arts.

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HOW TO GIVE Real Estate



Making a charitable gift of real estate through Our Community Foundation can help you turn your property gains into community good. The value of your real estate may exceed that of any other asset you own. With the help of the community foundation, you can use it to fulfill your charitable interests and receive financial and tax benefits.

HOW IT WORKS

- You identify real estate property that you would like to give; an appraisal will help you establish its estimated market value.
- We assess the real estate for compliance with our acceptance policies and gather appropriate documentation.
- Your gift can be placed in any of our charitable funds. For example, you can use your gift to create a donor advised fund in your name, in the name of your family or business or in honor of any person or organization you choose. You can then stay involved in recommending uses of the fund.
- Your gift qualifies for a tax deduction based on its full market value; you avoid the capital gains tax that would otherwise arise from the sale of the property.
- With gifts of real estate, your property gains translate into community impact, so you get a more rewarding return on a major asset.
- We handle all the administrative details.
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift—and all future earnings from your gift—is a permanent source of community capital, helping to do good work forever.

REAL CHARITABLE VALUE

Sandra and Cliff Stewart owned a summer home and had no heirs who were interested in inheriting it. At first, the Stewarts planned to sell the home and give the proceeds to charity. But after talking with their community foundation, they realized that giving the home directly to the foundation would create the biggest, most effective gift while providing the greatest benefits to them as donors. "It was a great option—we could give our house to charity through the foundation and start any type of fund, not to mention the tax benefits," Sandra said. The Stewarts learned they could also retain use of the home for their lifetime. "This way, we can spend our summers enjoying the home for the rest of our lives. And after our lifetime, the community foundation will use the proceeds to make grants from the Sandra and Cliff Stewart Fund," Cliff said.

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HOW TO GIVE REAL ESTATE

MORE BENEFITS

A gift of real estate releases potential that has been tied up for years, enables you to make a bigger charitable difference than you may have thought possible, helps you avoid estate taxes and minimizes or eliminates burden placed on your heirs. Charitable gifts of real estate range from personal residences and vacation homes to rental properties, farmland and commercially developed land.

You may choose to give real estate outright and receive an immediate tax deduction or retain the use of the property during your lifetime and make a planned gift to the community foundation. You may also choose to convert real estate into a stream of income for the rest of your life by establishing a charitable remainder trust or charitable gift annuity with the community foundation. Doing this lets you transform a low-yield asset into a higher-yield, income-producing asset and claim a tax deduction for the charitable portion of the gift.

LET'S CONNECT

Contact us to learn more about the ways we can help you have a positive impact on the community and causes you care about.



Our Community Foundation
(812) 698-5413
<https://www.localforever.org>



HOW TO GIVE Charitable Gift Annuities

Giving through a charitable gift annuity allows you to arrange a generous gift to Our Community Foundation while providing yourself a new income source you can count on for the rest of your life.

HOW IT WORKS

- You make a gift to the community foundation—you can give cash, appreciated stocks, real estate or other assets.
- We set up a contract with you that combines immediate annuity payments with a deferred charitable gift.
- You receive a stream of income that is fixed, regardless of market conditions.
- You may also receive an immediate tax deduction for the charitable portion of your gift.
- Upon your death, we set up a fund in your name, in the name of your family or business or in honor of any person or organization you choose.
- We handle all the administrative details—issuing annuity payments to you during your lifetime and, afterward, issuing annual grant awards to charities in the name of the fund.
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift—and all future earnings from your gift—is a permanent source of community capital, helping to do good work forever.

A CARING, CAREFUL GIFT

Angela Kline was always active in her community—generous with both her time and money. After she retired and began living on a fixed income, she worried that continuing to give would sacrifice her financial security. "There are some causes I wish I could still support, mostly focused on women and girls in our community," Angela said. "But my investments are paying less than I had planned." Her friend Carmen, a CPA, told Angela that she might consider establishing a charitable gift foundation. "This is a good choice for Angela," Carmen said. "She is a very caring, generous person but she also needs to feel financially secure." By giving through the community foundation, Angela receives a fixed annuity payment that adds up to more than her former investment income. Plus, upon her death, her gift will create the Kline Fund for Women and Girls.

10 REASONS TO GIVE THROUGH THE COMMUNITY FOUNDATION

- 1

We are a *local organization* with deep roots in the community.
- 2

We have *broad expertise* regarding community issues and needs.
- 3

We provide highly *personalized service* tailored to each individual's charitable and financial interests.
- 4

Our funds help people *invest in the causes* they care about most.
- 5

We accept a wide *variety of assets* and can facilitate even the most complex forms of giving.
- 6

We partner with *professional advisors* to create highly effective approaches to charitable giving.
- 7

We offer maximum *tax advantages* for most gifts under state and federal law.
- 8

We *multiply the impact* of gift dollars by pooling them with other gifts and grants.
- 9

We build *endowment funds* that benefit the community for decades and help create personal legacies.
- 10

We are a *community leader*, coordinating collaborative resources to create positive change.

HOW TO GIVE CHARITABLE GIFT ANNUITIES

MORE BENEFITS

Income from your Charitable Gift Annuity may add up to more than the interest and dividends you earned from holding the assets. You can use this income to supplement your own lifestyle or that of someone else: a sibling, a dependent parent, a friend or a former employee.

You or a loved one can start receiving annuity payments immediately or defer them to increase your charitable income tax deduction. A portion of the income may be a tax-free return of principal, while some is taxed as ordinary income or capital gains. The amount of annuity paid and the tax deduction received depends on the age of the recipient and the current annuity rate (as established by the American Council of Gift Annuities).

A charitable gift annuity reduces estate assets and may reduce estate taxes. Plus, it's easier to set up than a charitable trust and is backed by the general assets of the community foundation.

SAMPLE CHARITABLE GIFT ANNUITY RATES

The following sample rates are from the American Council of Gift Annuities (effective January 1, 2020). For a personalized illustration or rates for two people, please contact the community foundation.

AGE	RATE
55	4.0
60	4.3
65	4.7
70	5.1
75	5.8
80	6.9
85	8.0
90+	9.0

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HOW TO GIVE Charitable Remainder Trust

Giving through a charitable remainder trust allows you to receive income for the rest of your life, knowing that whatever remains will benefit your community.

HOW IT WORKS

- You transfer cash, appreciated stocks, real estate or other assets into an irrevocable charitable trust.
- We set up a fund in your name, in the name of your family or business or in honor of any person or organization you choose.
- Your charitable lead trust pays the community foundation an annual amount to build a charitable fund. You designate the trust to exist for a specified number of years or until your death.
- You also designate your family or anyone you choose as the final beneficiary of your trust.
- If you choose, you can stay involved in the good works your gift makes possible—working with our professional program staff to support the causes and agencies you care about most.
- We handle all the administrative details, issuing grant awards to charities in the name of the fund you establish. (If you prefer, grants can be made anonymously.)
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift—and all future earnings from your gift—is a permanent source of community capital, helping to do good work forever.



A GIFT THAT PAYS

James Dodd was retired and in his late seventies. The stocks he owned had high market values but they paid limited dividends. In addition to increasing his personal income, James was interested in giving to the community in which he had lived his entire life, so he decided to transfer the securities to a charitable remainder trust that eventually would create a fund with his local community foundation. "The income I receive from the trust is more than what I was collecting in annual dividends—by thousands of dollars. If I would have sold the stocks, I'd have paid a fortune in capital gains tax," James said. He also receives an immediate charitable deduction and pays less tax on the trust distributions. "Plus, when I pass, I've done something good," he added. In time, James' gift will create the Dodd Family Unrestricted Fund to address ever-changing community needs.

10 REASONS TO GIVE THROUGH THE COMMUNITY FOUNDATION

1

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2

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3

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4

Our funds help people **invest in the causes** they care about most.

5

We accept a wide **variety of assets** and can facilitate even the most complex forms of giving.

6

We partner with **professional advisors** to create highly effective approaches to charitable giving.

7

We offer maximum **tax advantages** for most gifts under state and federal law.

8

We **multiply the impact** of gift dollars by pooling them with other gifts and grants.

9

We build **endowment funds** that benefit the community for decades and help create personal legacies.

10

We are a **community leader**, coordinating collaborative resources to create positive change.

HOW TO GIVE CHARITABLE REMAINDER TRUST

MORE BENEFITS

You may choose to receive a fixed income or one that changes with market conditions—income from the charitable remainder trust you establish may add up to more than interest and dividends you earned from holding the assets. You can use it to supplement your own lifestyle or that of someone other than yourself: a sibling, a dependent parent, a friend or a former employee.

A portion of the income may be a tax-free return of principal, while some is taxed as ordinary income or capital gains. The amount of income received depends on the payout rate selected by the donor. The tax deduction allowed depends on the age of the recipient, the payout rate and the discount rate (as determined by the Internal Revenue Service).

You can pick one of these options for your charitable remainder trust:

- Annuity trust pays you a fixed dollar amount.
- Standard unitrust pays you an amount equal to a fixed percentage of the net fair market of the trust and is recalculated annually.
- Net income unitrust pays you the lesser of the fixed percentage specified by the trust agreement or actual trust income; some net income unitrusts allow you to make up deficiencies in past years.
- Flip unitrust is a net income unitrust that converts to a standard unitrust upon a triggering

LET'S CONNECT

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PLANNED GIFT NOTIFICATION FORM

Please complete the following to let Our Community Foundation know of your plans to include a gift to our organization in your will or estate plan. We want to ensure we understand your intentions for your gift and how you wish to be recognized. We are incredibly grateful for your generosity.

CONTACT INFORMATION

Name _____

Address _____

City _____

State _____

Zip code _____

Phone _____

Email _____

Date of birth _____

Spouse/partner's name _____

Spouse/partner's date of birth _____

TYPE OF GIFT

I/We have named the community foundation as a beneficiary in my/our:

☐ Will/Trust

☐ Retirement Plan

☐ Life Insurance Policy

☐ Payable on Death Account

☐ Charitable Remainder Trust

☐ Charitable Gift Annuity

☐ Other (please specify) _____

PURPOSE OF GIFT

My/our gift is:

☐ Unrestricted to be used for the area of greatest community need

☐ Designated for (interest area, specific nonprofit or fund name) _____

☐ Not yet determined. Please contact me to discuss.

AMOUNT OF GIFT

The estimated value of my/our gift will be \$ _____ or _____% of my estate/retirement plan/life insurance policy.

— OVER —

PLANNED GIFT NOTIFICATION FORM CONT.

RECOGNITION OF GIFT

☐ You may include my/our name(s) in donor recognition materials.

In materials, I/we wish to be referred to as:

(Please print how you would like your name(s) to appear)

☐ I/We wish to remain anonymous and do not wish to be recognized publicly at this time.

Signature _____ Date _____

Signature _____ Date _____



Please mail completed form to:
Our Community Foundation
201 E Main St Suite 301
PO Box 84
Washington, IN 47501