Charitable Gift Planning

Partner with the charitable experts at the Arizona Community Foundation to personalize service for your clients.

“When I contact ACF to refer a client and their family for charitable giving guidance, I am confident they will offer innovative solutions that support my client’s customized philanthropic goals.”

HOPE LEIBSOHN, ESQ.

Director, Fennemore, and an ACF partner since 1994

Since 1978, the Arizona Community Foundation has provided charitable advice and fund management for thousands of donors in communities across Arizona and around the country. Partnering with us augments your client relationships by delivering expert charitable advice and customized personal giving solutions for your clients, while benefiting our communities for generations to come.

You remain the expert on financial/ wealth management while we support you and your clients to make informed decisions about charitable giving.

It's a win-win.

WHY ACF?

When you choose ACF, you partner with a community-based, nonprofit foundation with over 45 years of experience.

Our role is to be an extension of your team, helping your clients realize their philanthropic goals through customized charitable giving solutions. Today, we manage over $1.4 billion in charitable assets and donors have distributed over $1.5 billion into our communities through grants, scholarships, and loans. Our personalized service model recognizes the individuality and differences of each donor who walks through our proverbial doorway.

- We operate on razor-thin margins with very low cost ratios. Our annual operating budget is less than 1% of assets which means approximately 99% of our assets directly support charitable causes.

- ACF has received the coveted 4-star rating from Charity Navigator. This, their highest rating, speaks to our financial strength and transparency. We are proud of this rating because it highlights that we adhere to best practices and execute our mission in a financially efficient manner.

- We comply with the National Standards for U.S. Community Foundations, voluntarily adopting policies and procedures that strengthen how we conduct business by adhering to the highest ethical standards.

SERVICES & BENEFITS

Our professional staff are available to provide guidance for lifetime giving, multi-generational giving, and the creation of charitable legacies.

External Investment Advisor Partnerships
Advisors may continue to serve their clients by managing the investment of donated assets while ACF handles grantmaking and related charitable administration. We become a team to ensure your client has confidence in how their assets are invested and how their charitable dollars are distributed. Learn more in the **Partnering with ACF to Manage Your Client's Charitable Assets** section of this guide.

We serve as the charitable arm of your clients' team of advisors, providing philanthropic and tax planning solutions that include:

Cost effective alternatives to private foundations *that maximize your clients' tax benefits, including donor advised funds and supporting organizations*

Connecting clients with community needs *and insight on the causes they care about most*

Creative philanthropic solutions *for clients who want to be strategic or engage in multi-generational philanthropy*

A full range of fund types *that allow your clients to personalize their giving and support cherished nonprofit organizations or causes, both during their lifetimes and beyond*

Expertise in non-cash assets *and the infrastructure to accept business interests, stock, real estate, and more*

Continuing education and networking opportunities *for advisors to keep updated on trends in charitable giving and estate planning*

LISA STRATTON

As an ACF philanthropic advisor, Lisa works to enhance our relationships with donors and professional advisors

Value of Charitable Conversations

Just like clients, advisors have different comfort levels when it comes to having conversations about charitable giving. We're here to help you navigate those discussions and add value to your practice.

According to a study by U.S. Trust, 78% of advisors say that discussing philanthropy with their clients is good for their business. Both advisors and clients agree that these discussions (1) deepen relationships, including relationships to the extended family, and (2) aid in establishing new business. Both of these measures have trended upward since 2013.

Source: https://tpi.org/u-s-trust-study-of-the-philanthropic-conversation-20-years-of-research-in-three-powerful/

Tax-Smart Giving

Cash, check, and credit card gifts are popular options for donating, but these offer limited tax benefits—particularly when making larger gifts. When your client donates highly appreciated non-cash assets to ACF prior to liquidation, they can maximize charitable tax benefits and be eligible to receive an income tax deduction, subject to AGI limitations, and eliminate capital gains tax on the gifted portion. This enables them to lower their tax burden while increasing the amount available to support the community.

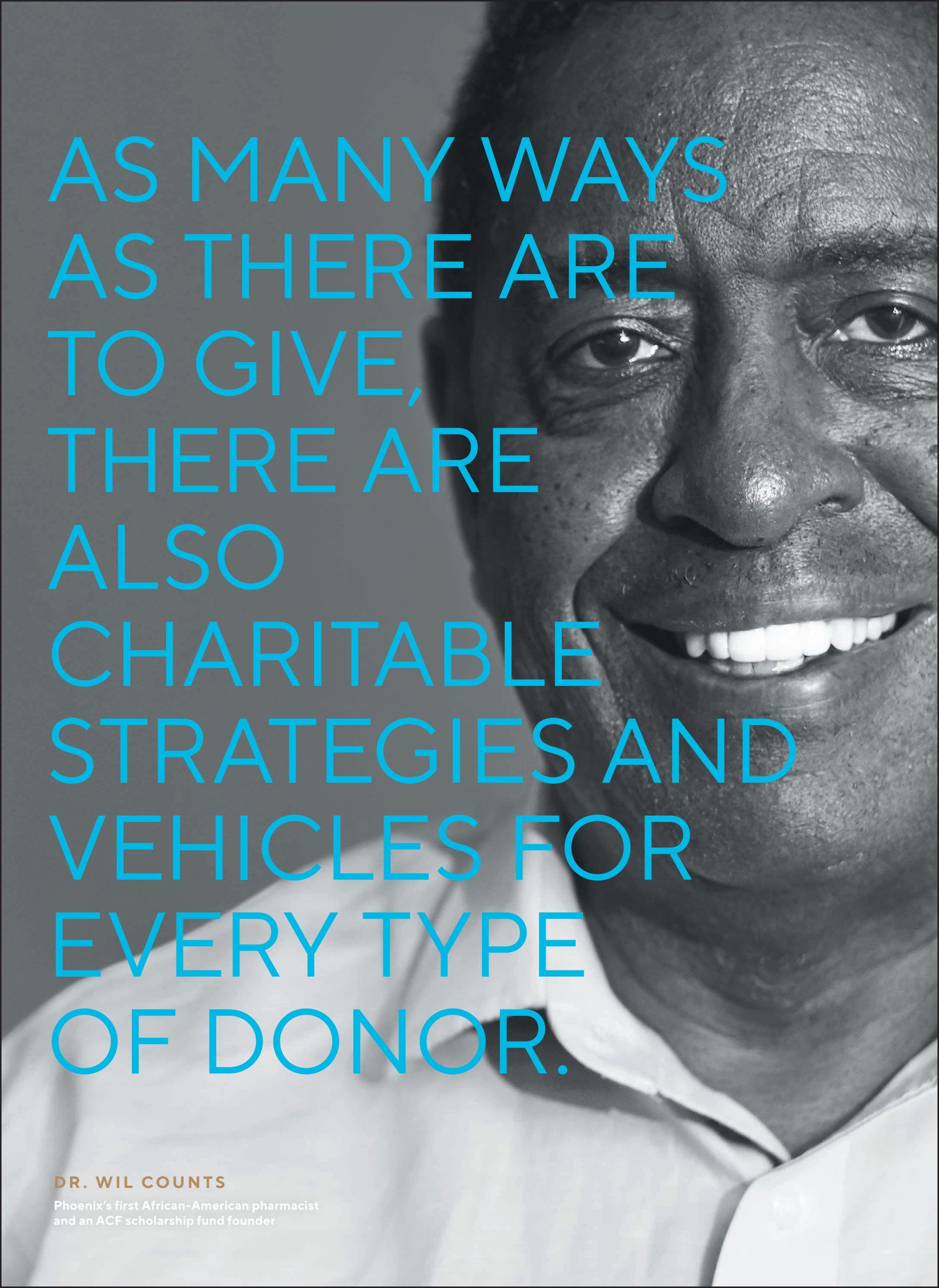
Additional details including a full list of giftable assets are available upon request from our team of philanthropic professionals.

Make it Personal

As many ways as there are to give, there are also charitable strategies and vehicles for every type of donor. Choosing the right approach for every individual situation can help donors give more effectively and efficiently. ACF partners with you and your clients to find the strategy that is right for their needs, both today and in the future.

Because donors are not limited to one giving vehicle at ACF, many choose a combination of lifetime and legacy giving. Some donors even leverage giving vehicles that also generate income during their lifetime. We provide opportunities for donors to create their own named fund or give to an existing fund that aligns with their charitable interests. Either way, funds are professionally managed to safeguard principal and provide a competitive investment return to benefit the community.

With offices across the state, ACF offers a deep understanding of our local regions. Our professional staff work alongside you and your clients to navigate the charitable giving process from start to finish, covering everything from finding the right fund type to handling grantmaking for the donor to support their charitable goals.



AS MANY WAYS AS THERE ARE TO GIVE, THERE ARE ALSO CHARITABLE STRATEGIES AND VEHICLES FOR EVERY TYPE OF DONOR.

DR. WIL COUNTS

Phoenix's first African-American pharmacist and an ACF scholarship fund founder

ACF offers a variety of fund types to meet different charitable goals.

Donor Advised Fund

Support multiple organizations and causes throughout the years by recommending grants that align with personal passions.

Scholarship Fund

Invest in students pursuing college or vocational postsecondary education. Donors can choose different levels of involvement depending on their interests and goals.

Field of Interest Fund

Donors select a focus area and let ACF manage competitive grant cycles and award funding to high-performing organizations and programs that align with the selected field of interest.

Designated Fund

Donors select one or more nonprofit organizations that will receive a reliable annual income stream.

Fund for the Common Good

Donors lean on ACF's expertise by giving to its discretionary, foundation-directed fund.

Supporting Organization

Provides separate entity status and the potential to involve infinite generations alongside public charity tax benefits and outsourced back-office administration.

Grantmaking

Grants may support nonprofits, educational institutions, tribal entities, government agencies, and most religious organizations anywhere in the U.S. and even internationally. ACF performs the due diligence to ensure grantees are qualified, viable organizations in good standing before distributing grants.

Alternatives to Private Foundations

While all ACF fund types meet specific needs related to donor preferences, a donor advised fund or supporting organization is recommended for those seeking alternatives to creating a private foundation. **These three giving vehicles are compared below.**

	DONOR ADVISED FUND	SUPPORTING ORGANIZATION	PRIVATE FOUNDATION
Startup cost	None	Minimal	High
Minimum size	$25,000	$3 million	Substantial assets required to justify startup and maintenance
Income tax deduction*	60% for cash 30% for appreciated property for full, fair market value 30% for appreciated securities	60% for cash 30% for appreciated property for full, fair market value 30% for appreciated securities	30% for cash 20% for appreciated property for the lower of cost basis or fair market value 20% for appreciated securities
Payout requirements	None	None	5% of assets annually
Option to support charities anonymously	Yes	Yes**	No
Ability to name successors	Yes	Yes	Yes
Consider this when	You want the benefit of being part of a public charity and playing an active role in grantmaking without the high overhead of operating a private charitable organization	You want the formal structure of a private foundation and the potential to involve infinite generations of family members while enjoying the public charity tax benefit and administrative support provided by ACF	You want total control over the operations of the organization including staffing and investment decisions and are comfortable with the high startup costs, government regulations and oversight, reduced tax benefits, and lack of anonymity

**Percentage of adjusted gross income **Only for grants under $5,000*

Creating a Legacy

Donors can also establish or give to a named fund after their lifetime. ACF's planned giving professionals work with you and your clients to customize the type of planned gift and fund type for donors and their heirs.

Planned Giving Options

Gifts that are planned today and realized after your client's lifetime ensure a healthy future for the causes and organizations that they care most about. Some planned gifts even qualify for income and estate tax benefits.

Because donors are not limited to one giving vehicle at ACF, they may choose a combination of lifetime and legacy giving.

SIMPLE PLANNED GIFTS:

- GIFTS BY WILL/TRUST
- BENEFICIARY DEEDS FOR REAL ESTATE
- BENEFICIARY DESIGNATIONS
  IRAs; pensions and retirement plans; life insurance; commercial annuities
- PAY ON DEATH/TRANSFER ON DEATH
  Checking/savings/investment accounts

NON-CASH PLANNED GIFTS that may involve current income tax benefits:

- QUALIFIED CHARITABLE DISTRIBUTIONS USING IRA ASSETS
- RETAINED LIFE ESTATES (REMAINDER INTERESTS IN HOMES, FARMS, OR SECOND RESIDENCES)
- LIFE INSURANCE POLICIES
- CHARITABLE LEAD TRUSTS

SPLIT INTEREST PLANNED GIVING VEHICLES that generate lifetime income:

- CHARITABLE GIFT ANNUITIES
- CHARITABLE REMAINDER UNITRUSTS
- CHARITABLE REMAINDER ANNUITY TRUSTS

Additional details and suggested gift planning language are available upon request from our team of planned giving professionals.

Partnering with ACF to Manage Your Client's Charitable Assets

The Arizona Community Foundation manages more than 2,000 funds with endowment and trust assets exceeding $1.4 billion. A third of those assets are managed by external investment advisors who have been recommended by donors. This provides a platform for professional advisors across the state to support their clients' philanthropic interests while ensuring millions of charitable dollars are available to our communities. These external investment advisors must be independent of the donor and adhere to ACF investment guidelines, policies, and oversight by ACF's investment team.

An ongoing partnership

Once ACF opens the account with the external investment advisor, the advisor may continue to manage the investment of their clients' donated assets while ACF handles grantmaking and other related charitable tasks. We work together as a team to ensure your client has confidence in how their assets are being invested and how their charitable dollars are being distributed into the community.

Advisors may also partner with ACF to manage a client's matured planned gift. This ongoing partnership between the advisor and ACF ensures the client's philanthropic wishes are honored long after their lifetime.

Fund asset minimums

In order to provide this benefit to professional advisors, ACF has certain asset minimums in place to ensure efficient management and oversight by our investment team. **These minimums include:**

$50,000 TOTAL

for the first ACF fund managed by an advisor, in conjunction with a planned gift

$150,000 TOTAL

for the first ACF fund managed by an advisor

$50,000*

for each subsequent ACF fund managed by an advisor with an existing ACF partnership

How to partner

Investment advisors who are external to ACF must meet certain requirements and be approved by the ACF investment team. These partnerships are governed by ACF's Externally Managed Fund Standards and Guidelines, based on IRS requirements regarding the management of charitable funds.

External investment advisors are required to complete brief quarterly oversight reports for all ACF funds that they manage. Additional information is available at **azfoundation.org/ExternalManagement.**

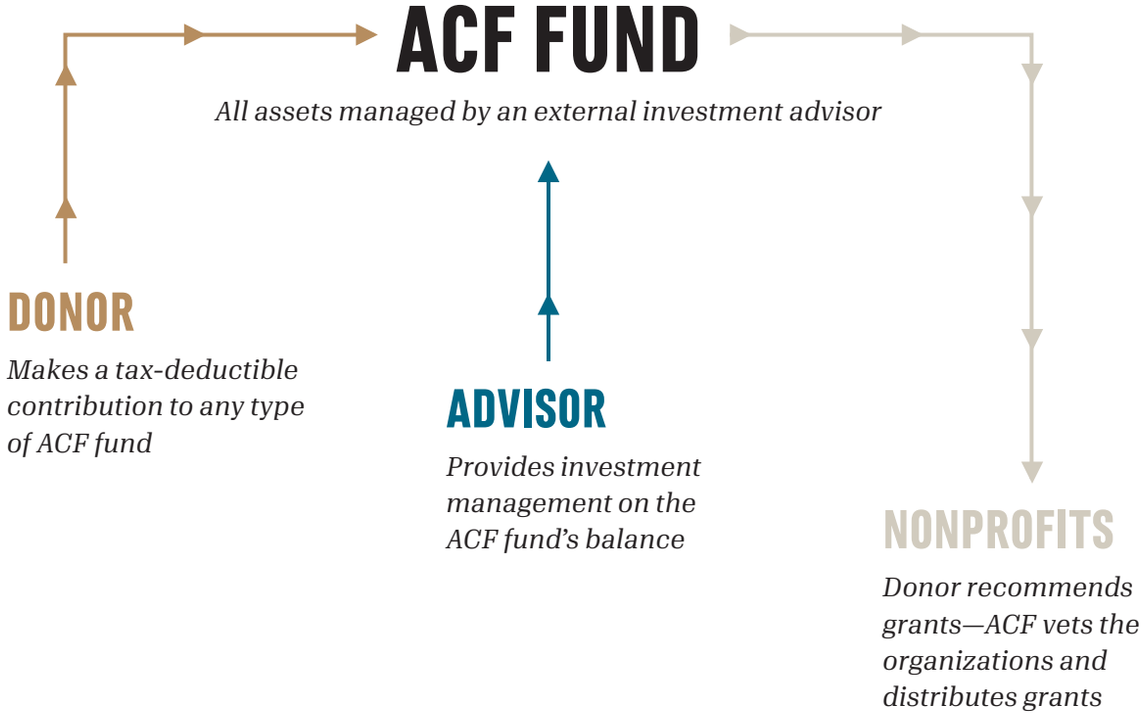
**Externally managed funds are required to maintain a minimum fund balance of at least $50,000 on an ongoing basis.*

How the Program Works

Funds that meet the minimum balance requirement are eligible to recommend an external investment advisor.

Once approved, you can manage your clients' ACF fund assets, in adherence with ACF investment guidelines, policies, and oversight by our investment team.

When your clients are ready to make grant recommendations, ACF will work directly with you to ensure enough funds are available to meet their grantmaking goals.



Want to learn more? **Let's talk.**

Our team is ready to build a lasting professional partnership. Call us today to set up a meeting.

STATEWIDE
602.381.1400

ACF OF **COCHISE**
520.439.0595

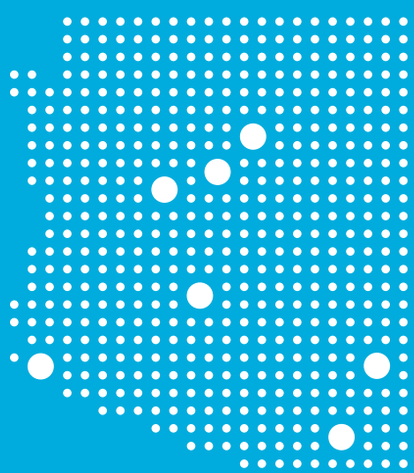
ACF OF **FLAGSTAFF**
928.526.1956

ACF OF THE **GILA VALLEY**
520.439.0595

ACF OF **SEDONA**
928.399.7218

ACF OF **YAVAPAI COUNTY**
928.583.7815

ACF OF **YUMA**
928.539.5343



Disclaimer: The information contained in this document is not intended as and is not a substitute for tax advice. For current tax or legal advice, please consult with an accountant or attorney.

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ARIZONA
COMMUNITY
FOUNDATION

azfoundation.org