Customized Giving Solutions

Partner with the charitable experts at the Arizona Community Foundation to invest in your community.
The dictionary definition of philanthropy is ‘love of mankind,’ which really resonates for me. Working with ACF has made giving back a wonderful experience.

HAL TASHMAN
Entrepreneur, former ACF board member, 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 the state and around the country. As a result, our team has a deep understanding of the passion and knowledge that drives effective, long-lasting change in the community.

Our personal service, expert guidance, and flexible options create a giving experience that is unique to you and the causes you care about. As your partner in philanthropy, we wholeheartedly support you through your giving journey. Every decision you make along the way is backed by our commitment to honor your charitable interests forever.

Bring your charitable goals to life.
WHY ACF?

When you choose ACF, you partner with a community-based, nonprofit foundation with over 40 years of experience.

Our role is to help you realize your philanthropic goals through customized charitable giving solutions. Today, we manage over $1.1 billion in charitable assets and have distributed over $1 billion into our communities through grants, scholarships, and loans. Our personalized service model recognizes the individuality 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.

- For twelve years, 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.
With offices across the state, our professional staff is available to support you in lifetime giving, multi-generational giving, and the creation of charitable legacies. ACF philanthropic advisors will help you navigate the charitable giving process from start to finish, covering everything from finding the right fund type to making grants in the community.

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.

Through your partnership with ACF you gain access to an array of services, including:

- **Cost effective alternatives to private foundations** that maximize your tax benefits, including donor advised funds and supporting organizations
- **Personalized strategy and goals** for your grantmaking, including developing your charitable giving plan and facilitating multi-generational involvement
- **A full range of fund types** to personalize your giving and support cherished nonprofit organizations or causes, both during your lifetime and beyond
- **Expertise in complex assets** and the infrastructure to accept business interests, stock, real estate, and more
- **Vetting of nonprofit organizations** that align with your philanthropic goals, whether you wish to give locally, statewide, nationally, or even internationally
- **Nonprofit site visits and meetings** with nonprofit executive directors and board members

As an ACF philanthropic advisor, Lisa works with donors to create personal giving strategies.
Fund Types

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 you give more effectively and efficiently. 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.

### Collaborative Fund
A group contributes to a single fund and grants are recommended by a committee, often supporting a common cause or jointly-funded program.

### 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 public charity alternatives to creating a private foundation. These three giving vehicles are compared below.

<table>
<thead>
<tr>
<th></th>
<th>DONOR ADVISED FUND</th>
<th>SUPPORTING ORGANIZATION</th>
<th>PRIVATE FOUNDATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Startup cost</strong></td>
<td>None</td>
<td>Minimal</td>
<td>High</td>
</tr>
<tr>
<td><strong>Minimum size</strong></td>
<td>$25,000</td>
<td>$3 million</td>
<td>Substantial assets required to justify startup and maintenance</td>
</tr>
<tr>
<td><strong>Income tax deduction</strong></td>
<td>60% for cash</td>
<td>60% for cash</td>
<td>30% for cash</td>
</tr>
<tr>
<td></td>
<td>30% for appreciated property</td>
<td>30% for appreciated property</td>
<td>20% for appreciated property</td>
</tr>
<tr>
<td><strong>Payout requirements</strong></td>
<td>None</td>
<td>None</td>
<td>5% of assets annually</td>
</tr>
<tr>
<td><strong>Option to support charities anonymously</strong></td>
<td>Yes</td>
<td>Yes**</td>
<td>No</td>
</tr>
<tr>
<td><strong>Ability to name successors</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Consider this when</strong></td>
<td>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</td>
<td>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</td>
<td>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</td>
</tr>
</tbody>
</table>

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

You also have the option to leave a lasting legacy by establishing or giving to a named fund after your lifetime. Gifts that are planned today and realized after your lifetime ensure a healthy future for your favorite causes and organizations. Additionally, some planned gifts may qualify for income and estate tax benefits.

ACF’s planned giving professionals work closely with you to determine which planned gift and fund type will best serve your estate plans and future legacy. With your permission, we will also partner with your financial planners, lawyers, and accountants to provide a seamless planning experience and maximize tax, financial, and estate planning objectives.

Because you are not limited to one giving vehicle at ACF, you may choose a combination of lifetime and legacy giving. Some donors even leverage giving vehicles that also generate income during their lifetime.

There are a number of ways to give after your lifetime, varying in simplicity, flexibility, and permanency. Explore all the options to find the right fit for you.

Additional details and suggested gift planning language are available upon request from your dedicated Relationship Manager.

Getting Started with a Planned Gift

Our testamentary fund agreement allows you to name the fund(s) your gift will create, include fund advisors, establish a scholarship, identify your charitable interest areas, or even select specific nonprofit organizations to receive recurring grants in the future.

As your charitable interests evolve, you can use our sample gift planning language to change your testamentary agreement, saving you and your attorney the time and expense of amending your will, trust, or other gift instrument.

It’s never too early to begin building your legacy. When you’re ready, here are a few things you can do to get started:

1. Make sure you have an up-to-date estate plan that reflects your charitable objectives. Without a plan, you surrender control of your property and assets to the probate courts.

2. Contact your financial planner, lawyer, or accountant for help in establishing a charitable component in your will, trust, or other gift instrument. We recommend that you encourage your advisor to work with ACF’s team so we can collaboratively serve your charitable interests.
Get in touch with ACF’s planned giving professionals to complete a testamentary fund agreement.

3. Consider donating a percentage of your assets along with cash alternatives such as retirement assets, investment accounts, annuities, business interests, real estate, insurance policies, personal property, or other assets.
Intelligent Giving

Cash, check, and credit card gifts are popular options for donating, but these offer limited tax benefits—particularly when making larger gifts. We welcome a variety of simple and complex assets as charitable options, whether credited to an existing fund, a fund established by a donor or family, or as a planned gift.

**These assets include:**
- MARKETABLE SECURITIES
- LIFE INSURANCE POLICIES
- REAL ESTATE, INCLUDING LAND
- BUSINESS INTERESTS
- RETIREMENT ACCOUNT ASSETS

Donating long-term appreciated assets can be an intelligent giving strategy. As a donor, you are generally entitled to the full fair market value tax deduction at the time of your gift and may be able to eliminate capital gains taxes on the gifted asset. Through these combined tax advantages, you may realize you have more to give to a charitable fund than if you sell the assets and donate the cash proceeds.

*Additional details including a full list of giftable assets is available upon request from your dedicated Relationship Manager.*

Preserving Charitable Assets for the Future

ACF’s prudent, diversified investment program looks beyond short-term volatility and trends when investing and managing your charitable assets. Over the last 40 years, ACF’s investment program has had a solid track record of securing positive returns while acting with care, skill, and informed professional judgment. Our number one goal is to achieve long-term returns to fund your philanthropic interests.

The size of ACF’s holdings assures substantial efficiencies and economies of scale, plus access to asset classes and investment managers not generally available to smaller, individual funds.

All of our investment decisions are overseen by ACF’s Investment Committee, which is comprised of seasoned investment and business professionals drawn from our board of directors and the larger business community. The committee also works closely with ACF’s investment team and consulting firm to formulate investment policy, determine strategic asset allocation, and hire, monitor, and evaluate investment managers.

**External Fund Management**

At a donor’s request and recommendation, charitable assets of a certain size may be managed by external money managers who are independent of the donor and agree to adhere to investment guidelines and policies prescribed by ACF. More information about this option is available at [azfoundation.org/externalmanagement](http://azfoundation.org/externalmanagement).
OUR NUMBER ONE GOAL IS TO ACHIEVE LONG-TERM RETURNS TO FUND YOUR PHILANTHROPIC INTERESTS.

HEIDI JANNENGA
As a member of the board and a corporate advised fund founder, Heidi and her company WebPT have built strong ties to ACF.
More than just fund management

When you choose ACF as your philanthropic partner, you also support ACF’s broader investments in the community. In addition to discretionary grantmaking and scholarship distribution, ACF strengthens Arizona communities through specialized centers for philanthropy, innovative co-investing and loan programs, and cause-driven initiatives and giving circles.

ESSEN OTU
As the founder of the REAP giving circle and current board member, Essen has partnered with ACF to make a difference for Black Arizonans.
Centers for Philanthropy

ACF operates three Centers for Philanthropy that leverage specialized teams of philanthropic experts to meet donors’ unique needs.

The Pakis Center for Business Philanthropy provides a range of back-office services and strategies to help companies of all sizes be a force for good in the communities where they do business.

The Center for Sports Philanthropy simplifies foundation management for sports teams, corporate leaders, and professional athletes—both current and retired.

The Kellenberger + Tollefson Center for LGBTQ Philanthropy contributes to an Arizona and society that advances justice and opportunity for LGBTQ people and the communities where they live.

Impact Investing

ACF has emerged as a national leader in the practice of impact investing—deploying charitable capital in ways that create both a social and financial return, often leveraging additional financing to bring projects to scale and achieve greater impact. As these loans are repaid, funds become available to support other projects, creating a continual recycling of available loan funds.

The Community Impact Loan Fund provides low-cost capital for nonprofit community projects to facilitate program growth and efficiency, as well as renovations and acquisition of facilities. This collaborative approach uses private capital for public good, including nonprofit housing projects that offer safe, decent, and affordable housing to individuals and seniors.

The Affordable Housing Predevelopment Loan Fund provides zero-interest loans to nonprofit housing developers for the initial phase of affordable housing projects, prior to securing permanent financing. This fund creates supportive housing, rehabilitates foreclosed and abandoned properties, and converts existing inventory for affordable uses.

The Rural Development Investment Fund assists rural communities with low-interest, short-term financing for infrastructure projects that USDA Rural Development has committed to funding. Loans from this fund benefit water systems, schools, affordable housing, firehouses, parks, and related needs in rural communities.

Philanthropy for All

Celebrating the rich cultural diversity that defines Arizona, ACF’s Philanthropy for All program offers a host of giving initiatives led by people of color who are addressing some of the state’s most pressing needs.

Members of the Black Philanthropy Initiative work to advance equity, leadership, and social justice for African Americans through grantmaking to Black-led nonprofits and organizations and by organizing community convenings on topics that shine a light on racial equity and Black history.

Latinos Unidos offers a model of philanthropy for serving Latinos and Latino-led nonprofits. Latinos Unidos fosters the gifts of talent, time, and financial resources that build on the many assets and inherent strengths of Arizona’s Latino communities.

Guided by holistic values, the Native American Initiative invests in capacity building to support the next generation of leaders, maintains close connections with the needs of Arizona’s indigenous community, nurtures existing relationships and deepens the interconnections between ACF and American Indian nonprofit leaders.

ACF is also home to giving circles that allow individuals to contribute to a common cause for greater collective impact—either as a supporting donor or as a member actively involved in deciding how funds are distributed.

The African-American Women’s Giving and Empowerment Circle transforms the lives of African-American women and girls in Arizona through the collective investment of time, treasure, and talent.

The Arizona Asian Pacific American Women’s Giving Circle supports the health, safety, education, and economic success of Asian Pacific American women and girls in Arizona.

The LGBTQ Leaders Impact Fund is designed for donors who are interested in engaging with their peers to make large, strategic investments that benefit the LGBTQ community.

Real Engagement Through Active Philanthropy (REAP) provides Black men with a mechanism for community investment through strategic philanthropy.

Students Engaged in Ethical Donations (SEED) is a youth-led philanthropic initiative for Black high school or college students who are interested in giving back to the community.

These programs offer additional opportunities for donors to give through ACF beyond establishing a named charitable fund.
Ready to begin your giving journey? Let’s talk.

Our team is here to answer questions and learn more about your charitable goals.

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.