

We can help you meet your clients' needs ...

One of the many distinguishing characteristics of the Connecticut Community Foundation is its flexibility in helping individuals and families achieve philanthropic goals. At the same time, opportunities available through the Foundation can be effective financial, estate and tax planning tools. To illustrate this flexibility and to suggest circumstances which might match client needs, below is a set of “situational uses” of the Foundation. For more information or questions, please contact Ann Merriam Feinberg, director of outreach and development, at amerriamfeinberg@conncf.org or 203-753-1315.

Leaving a Legacy to the Community

In an estate-planning conversation, your client expresses a desire to give something back to the community. A permanent endowment fund established at the Foundation assures that your client's wishes to benefit the community in perpetuity will be fulfilled. An **unrestricted or preference endowment fund** can be established which will make it possible for the Foundation to use the distributions from that fund in the way that best meets the community's needs over the decades. Your client may establish a **field of interest endowment fund** that support interests such as the arts, education, scholarships; specific programs; or organizations in a particular town. Your client may want to perpetuate giving to several charitable organizations through a **designated endowment fund** to provide annual contributions to the client's choice of organizations. Although the Foundation focuses its grant-making within its service area, any nonprofit in the United States can receive grants from the Foundation.

- *Lydie Strobidge's bequest represents a split gift. Half of her bequest supports helping to build a stronger infrastructure for the arts in our region. While with the remainder of her bequest, she chose to designate a social service organization which she supported during her lifetime.*

Your client likes the idea of using a **charitable remainder trust** to unlock the income potential of a low basis stock paying little or no dividend, but also feels a responsibility to use the asset to leave a substantial legacy for heirs. Creating an **irrevocable life insurance trust**, funded with the tax savings and a portion of the increased income from the charitable remainder trust, could make possible two “legacies.” First, your client's heirs receive a “wealth legacy” in the form of the death benefit from the life insurance trust; and second, the distribution from the charitable remainder trust establishes a “philanthropic legacy” for the community in the form of an **endowment fund** providing funding in perpetuity to improve the region.

Investment Portfolio Diversification

Your client owns a substantial position in one company's stock with little cost basis. Rather than selling the stock and paying a capital gains tax, the client can establish a charitable gift annuity at the Foundation, reduce the tax and receive a lifetime annuity.

- *In Washington, Conn., a woman who supports several organizations in and around town established a charitable gift annuity which, upon her death, will transition into an unrestricted fund in memory of her husband and family members. The income from that fund will go to support her many charitable interests and beyond.*

Creating a Memorial

A client may wish to establish a memorial fund for a loved one and let friends and relatives know about it encouraging memorial contributions in lieu of flowers. Another client may wish to join with a group of friends and relatives to remember an individual they respected. A scholarship or other type of named fund can easily be established for as little as \$5,000. All gifts to the fund are tax deductible to the fullest extent of the law.

- *A group of Cheshire residents, with support from the Cheshire Jaycees, wanted a lasting tribute to their friend Michael Pulisciano, Sr., one of the town's most dedicated volunteers. A scholarship fund in his name benefits Cheshire High School graduates who exemplify his involvement in the community.*

Honoring a Special Occasion

A client is seeking a meaningful way to honor a friend or colleague or mark a special milestone such as a birthday, anniversary, or retirement. The fund can be designated for particular agencies or fields of interest that have a special meaning to the person being honored.

- *The family and friends of Burton Albert, a local business owner, established an advised fund in honor of his 60th birthday. The fund lets him be involved with the grant-making process, so he is regularly reminded of his family and friends' tribute.*

Endowment for a Favorite Agency

Your client has one or more favorites nonprofit agencies for which she would like to leave an endowment bequest. However, she is concerned that the agency may eventually change its mission or go out of business or that the agency lacks the investment expertise to manage an endowment. A designated fund at the Foundation will be part of the Foundation's pooled investment portfolio. In addition, the Foundation will monitor the designated agencies over time to ensure that the donor's charitable intent continues to be met.

- *Dr. William Finkelstein, who practiced internal medicine in Waterbury, had a keen interest in mentoring young doctors. He established the Dr. William Finkelstein Fellowship Fund to provide an annual fellowship at St. Mary's Hospital, where he served as chief of staff.*

End-of-Year Charitable Giving

Your client has higher-than-usual income in a given year and would like to take a charitable deduction to offset some of the income. Establishing a permanent or nonpermanent **Donor Advised Fund** allows the client to deduct the entire amount of the contribution to the Foundation in the year of the gift and then distribute the fund assets to other nonprofits anywhere in the United States over several years.

- *A couple from Naugatuck, both active volunteers in their community, set up their own advised fund to manage and organize their charitable and philanthropic endeavors each year. They use the fund to gain end-of-year charitable tax deductions but can make grants over time to the causes, programs and organizations that matter to each of them.*

Family Philanthropy

Your client wants a vehicle to introduce children or grandchildren to the "responsibilities of wealth" and to "teach philanthropy." Establishing a **Donor Advised Fund** within the Connecticut Community Foundation and using the Foundation's staff to consult with the family on the development and implementation of a meaningful philanthropic program is a good first step.

- *A local physician and his wife started an advised fund to manage its philanthropic work here in the local community and beyond. Their fund is a working tool to foster family philanthropy with their grown children and growing grandchildren. Annually, all members of the family make recommendations for grants to causes that are important to them. The Foundation ensures that the grants go to their intended recipients and are used for their intended purposes.*

Alternative to a Private Foundation

Your client would like to establish a private foundation and wants to include family members in the grant-making decision process. However, the assets to be placed into the private foundation are valued at less than the several million dollars recommended to justify the financial and administrative costs. A **Donor Advised Fund** may be the perfect alternative. Or your client may already have a family foundation and is tired of the "fuss and bother" (and expense) of maintaining it. Transferring the family foundation's assets to a **Donor Advised Fund** or a **Supporting Organization** within the Connecticut Community Foundation is a possible solution. The expenses of the family's giving vehicle would almost certainly be reduced. In both situations, family members work together on grant decisions and utilize the expertise of the Foundation's professional staff for grant-making suggestions, administration and investment management.

- *After the deaths of many of its original donors, the Salem Foundation was faced with the decision of how to continue. The second generation of donors was also getting older, and the administrative responsibilities had grown considerably since the foundation was started. The trustees decided to convert the foundation into an advised fund at the Connecticut Community Foundation. The Salem Foundation's advisory committee works with CCF staff to select programs for funding.*

Management of Private and Corporate Foundations

If your client has an existing private foundation, the Connecticut Community Foundation offers administrative and grant-making services for a fee. Private foundations can also be terminated and transferred into advised funds.

- *Naugatuck Savings Bank established a foundation to benefit programs in the towns where the bank has branches. The Connecticut Community Foundation administers the bank's foundation: evaluating grant proposals, providing staff support, and helping to shape grant guidelines and identify funding priorities.*

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