

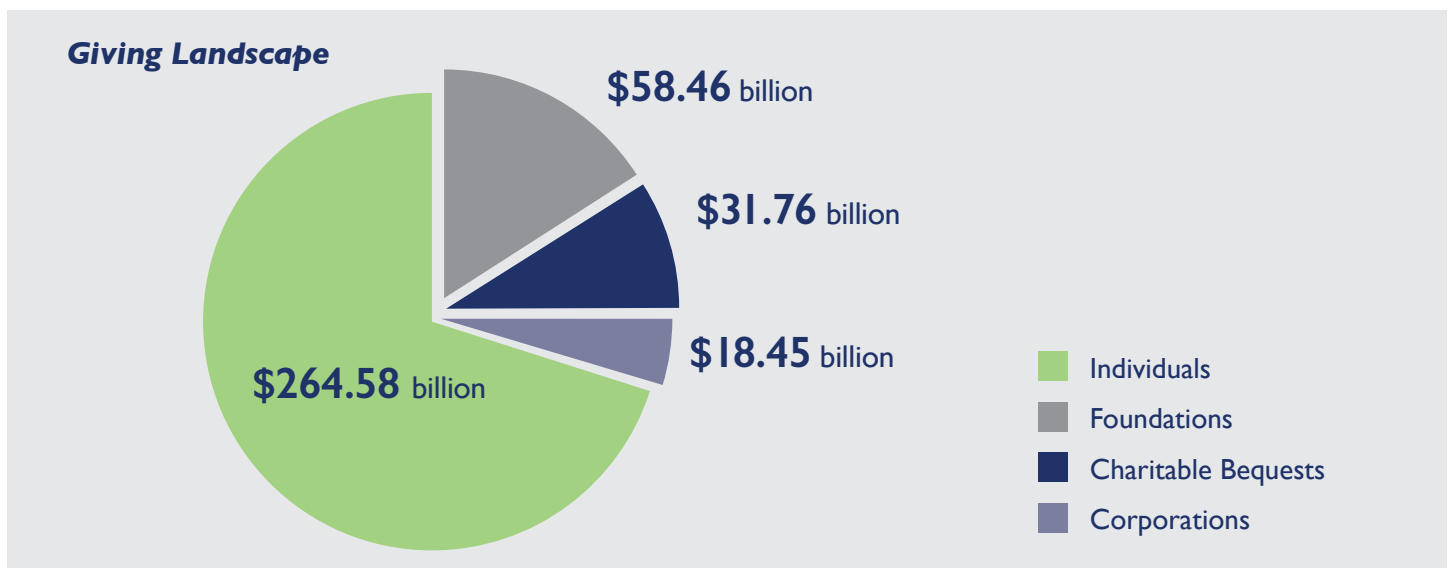


# PHILANTHROPY IS BIG BUSINESS

– And Good for Your Business with Hudson Community Foundation

## **Philanthropy Is Growing**

With charitable giving on the rise, more of your clients are interested in how they can leave a legacy and make an impact in the lives of others. Of the billions donated each year, most comes from individuals:



## **Our Goal Is to Help You**

It is the goal of Hudson Community Foundation (HCF) to work closely with you to help your clients develop giving approaches that match personal interests and tax-planning needs. We can help integrate charitable giving within estate and financial plans, establish charitable funds to facilitate giving, provide clients the option to give anonymously, and allow clients to work with their preferred investment managers. HCF values our relationship with you, and we support you and your clients at every step in the giving process.

## **Hudson Community Foundation's Donor Advised Fund (DAF) Program**

The fastest form of charitable giving in the U.S. today is the Donor Advised Fund. With HCF's program, you now have a simple, flexible and tax-wise way to help your clients manage their charitable giving. Your clients enjoy immediate and maximum tax benefits, make grants on a flexible timetable and build their legacy of family philanthropy for generations to come.

## **When to Recommend DAFs**

There are key periods for recommending DAFs to clients.

*For instance, when your client:*

- Is experiencing an extraordinarily high income year
- Wants maximum flexibility to change charitable beneficiaries over time
- Wants to involve children and grandchildren in charitable giving
- Makes cash gifts to charities but would benefit from giving appreciated assets
- Wants to keep his or her charitable giving anonymous
- Is concerned about the complexity and cost of a private foundation
- Experiences fluctuating income but wants to maintain a steady level of giving

## **Call us to open your DAF today!**

Hudson Community Foundation  
49 East Main Street | Hudson, OH 44236  
(330) 655-3580 | [www.MyHCF.org](http://www.MyHCF.org)

# DONOR ADVISED FUNDS: A FLEXIBLE ALTERNATIVE TO PRIVATE FOUNDATIONS

## **How would opening a Donor Advised Fund compare to opening a private foundation?**

Donor Advised Funds have the hands-on, flexible appeal of a private foundation without all the paperwork. While private foundations can require significant administrative costs, Hudson Community Foundation's expert staff handles all the administrative tasks of a Donor Advised Fund.

Donor advisors are able to make grant recommendations throughout the year. Many choose to include their families in the decision-making process as a way to encourage family philanthropy.

|   | HCF DONOR ADVISED FUND   | PRIVATE FOUNDATION  |
|---|--|---|
| Start-up Time & Costs                                   | Immediate and no cost  | 6–9 months<br>Requires IRS approval, and legal fees are typically substantial                   |
| Administrative Fees                                     | First \$500,000 (1%)<br>Next \$500,000 (.75%)<br>Next \$1,500,000 (.50%) | Range is typically 2.5%–4%  |
| Required Payout   | None   | Must distribute 5% of net asset value annually, regardless of asset earnings.                   |
| Advisor Can Manage                                      | Yes (often limited at other DAFs)  | Yes   |
| Confidentiality   | Donor can choose anonymity both in giving and grant making               | Must file detailed and public tax returns on all grants, investments, fees, trustee names, etc. |
| Valuation for Charitable Deduction – Closely Held Stock | Fair market value  | Cost basis  |
| Valuation of Publicly Traded Securities                 | Fair market value  | Fair market value   |
| Income Tax Deduction (% of AGI with 5-Year Carryover)   | 50% for cash<br>30% for appreciated assets                               | 30% for cash<br>20% for appreciated assets  |
| Tax on Investment Income                                | No   | Up to 2%  |

**Call us to open your DAF today!**  
(330) 655-3580 | [www.MyHCF.org](http://www.MyHCF.org)

