

A photograph of four hands, two from each of two people, gently cupping a large, bright red heart. The hands are positioned in the center-left of the frame, with the heart resting in the palms. The background is a solid, vibrant blue. The overall composition is clean and symbolic, representing care, support, and philanthropy.

# A GUIDE TO PHILANTHROPY

Charitable Giving  
THROUGH THE FOUNDATION FOR  
DELAWARE COUNTY



**Giving creates extraordinary opportunities. For your community. For your family. And for your legacy. Our role is to help you make the most of your investment, now and in the future.**

Since 2016, The Foundation for Delaware County has served as a critical bridge linking donors' charitable goals with causes they care about and pressing community needs. We help donors take their lifetime of effort, hard work, and passion and turn it into a lasting legacy through charitable fund services. Giving plans range from addressing current issues to establishing long-term charitable estate funds. Whether you are giving as an individual, family, business, or organization, we offer a path for every type of philanthropy.

## **WHAT IS A COMMUNITY FOUNDATION?**

Community foundations, like the Foundation, are instruments of civic good. People and organizations establish funds with community foundations and contribute a variety of assets to be used for charitable purposes. Community foundations bring donors together to pool grant-making dollars into a coordinated investment for the social improvement of the geographic region they serve.



## **HOW DO THE FOUNDATION FOR DELAWARE COUNTY AND DONORS WORK TOGETHER?**

The Foundation takes care of the administrative burdens so donors can focus on their charitable interests and desired community impact. Donors enjoy favorable tax advantages and relief from burdens associated with running a private foundation or establishing an independent nonprofit.

Over time, the initial charitable contribution grows through tax-free investments managed by the Foundation. That growth provides donors with even more philanthropic dollars for their fund and a portion of the earnings from the investments is used by the Foundation to make grants to address community needs. Your gift—and its future earnings—provides a permanent source of capital for the causes you care about and our community's wellbeing, helping to do good work forever.

# WHY WORK WITH US?

## COMPLETE PHILANTHROPIC SERVICES

24/7 online fund access through our donor portal.

Simplicity: Once your charitable fund is established, our staff will process your grants, maintain historical records of your giving, and provide regular fund statements to make tax reporting as seamless as possible.

Efficient alternative to a private foundation.

Multi-year, multi-generational grantmaking.

Anonymous giving options.

## INVESTMENT MANAGEMENT

Your charitable fund is pooled and professionally managed in a large and diversified portfolio to achieve greater leverage and strong returns.

## ABILITY TO ACCEPT COMPLEX GIFTS

Gifting stock, land or other highly appreciated assets maximizes your tax advantage by allowing you to avoid capital gains

We offer a number of planned giving options, including charitable gift annuities.

## TAX BENEFITS

"Bunching" allows a donor to group, or bunch, several years' worth of charitable donations into one contribution, which can push their itemized deductions above the new higher standard deduction.

Tax benefits for IRA Required Minimum Distribution, Qualified Charitable Deductions (QCD) can be utilized for various funds, including designated, scholarship or field of interest funds.

## PERSONALIZED SERVICE

Our staff is here to serve as your philanthropic advisor. Foundation staff have expertise in the community's needs and the nonprofits that serve the county.

The Foundation will partner with you to focus on the causes and projects you care about. If your interests change over time, your grantmaking can, too.

## JOIN A COMMUNITY OF PHILANTHROPISTS

You can connect with charitably minded peers through events and site tours, building lasting relationships through the Foundation's donor network.

# COMMUNITY FOUNDATIONS IMPROVE THE QUALITY OF LIFE IN THEIR COMMUNITIES, TODAY AND FOREVER.



# GIVING OPTIONS

A smiling woman with long brown hair, wearing a floral dress, stands on a city street holding a large wicker basket filled with various flowers, including pink daisies, yellow roses, and orange flowers. The background shows a blurred city street with other pedestrians and buildings.

## GIVE NOW

Help address current, critical needs and opportunities to make a lasting impact. We help you create a philanthropic plan to connect your values with your charitable giving.

## GIVE LATER

Leave an enduring legacy for the organizations and communities you care about with a planned gift as part of your estate.

**YOUR COMMUNITY  
YOUR FOUNDATION  
YOUR POWER TO DO GOOD**



# FUNDS ARE TAILORED TO YOUR NEEDS AND PASSIONS

The Foundation offers a range of giving options tailored to your needs, your charitable interests, your impact timeline, and your desired degree of involvement.

## GIVE AN UNRESTRICTED GIFT TO THE FOUNDATION

In this case, the Foundation makes decisions about how to allocate distributions from the fund towards the greatest needs and priorities in our community.

## ESTABLISH YOUR OWN FUND

You may set up a fund in your name or the name of someone you wish to honor, similar to a family foundation. Assets are pooled alongside others at the Foundation and managed by a professional investment team.

Donors may choose to distribute grants to any registered U.S. charity or seek assistance from the Foundation for giving ideas.

## CONTRIBUTE TO AN EXISTING FUND

There are many existing charitable funds already set up at the Foundation that you may contribute to at any time. Proceeds support the area of need outlined in the selected fund.



## THE FOUNDATION OFFERS A HANDS-ON APPROACH TO PHILANTHROPY



# GIFTS DURING YOUR LIFETIME

An outright gift during your lifetime is a wonderful way to express your charitable interests and put your assets to work in the community right away.



**B**eth and Scott Albright are leading lives quite different from what they imagined growing up. A change in their financial circumstances and a desire to give back to others are among the reasons the couple decided to open a donor-advised fund at the Foundation.

Beth and Scott approached the Foundation because they liked the idea of having personal guidance when making philanthropic decisions. Their donor-advised fund can support nonprofits outside Delaware County. Still, they wanted to support the growth of a community foundation in their own backyard, and they valued the staff's understanding of the nonprofit community.

*"We appreciate the flexibility of investing in a donor-advised fund at our community foundation. The staff really works with us – taking the time to listen to what our family cares about and providing background information on the organizations working on those issues. That is why The Foundation for Delaware County is a great fit for us." - Beth Albright*

**Our donors have turned a life event — selling a business, receiving an inheritance, retiring, or owning appreciated stocks — into an opportunity to do good.**

**They come from many different walks of life, professions, and backgrounds, yet they all aspire to become part of something bigger than themselves. They have committed to providing for our community today and in the future.**



# TYPES OF FUNDS

## DONOR-ADVISED FUND

A donor-advised fund allows you to be actively engaged in the grantmaking process. Grants may be made to any eligible nonprofit organizations in the U.S. or worldwide. Our staff is also available to identify organizations that match your charitable interests. Recommending grants from your fund is simple and can be managed through an online account or by contacting a philanthropic services team member. We handle managerial tasks, from investment administration to grants management.

## DESIGNATED FUND

A designated fund allows you to provide lasting support for nonprofit organizations you have cared about during your life. One fund can be established to support one or more organizations. Donors can specify a set amount or percentage of a fund's spendable return to support designated charities.

## SCHOLARSHIP FUND

Creating a scholarship fund can help students pursue their dreams by advancing their education. You determine the scholarship purpose, and we manage the details. We can assist you with selecting the scholarship's eligibility criteria and award amount and identifying an appropriate selection process.

## PRIVATE FOUNDATION ALTERNATIVE FUND

A private foundation alternative fund enables donors to facilitate their family's charitable giving activities without the administrative costs and management burdens of a traditional private family foundation.

## UNRESTRICTED FUND

An unrestricted fund is designed for maximum impact. Giving without restrictions ensures that your gift will support the greatest needs today and in the future, preserving your charitable legacy and keeping it relevant even as times change.

## CORPORATE PHILANTHROPY

The Foundation can help large or small businesses set up and/or manage affiliated philanthropy programs. Our services include turnkey administrative services, screening for grant requests, and online fund access, so you can review activity and make grant recommendations.

## FIELD OF INTEREST FUND

A field of interest fund allows you to focus on a specific interest area, such as the arts or the environment, or may include a geographic area or population being served. Unlike a one-time gift, field of interest funds are designed to continue for generations, extending your impact long after the original donation is made.

## NONPROFIT FUNDS

Nonprofit organizations can create charitable funds to support their missions. We accept contributions from your supporters, manage the fund, administer complex gifts and planned giving assets, and distribute a prudent amount each year to your organization.



# COMPARING DONOR- ADVISED FUNDS & PRIVATE FOUNDATIONS

*If you are considering creating a private foundation or starting a donor-advised fund, compare your options below.*

		Donor-Advised Funds at the Foundation	Commercial Donor-Advised Fund	Private Foundation
Set-up	Start-Up Costs	None	None	\$5,000-\$10,000 in professional fees
	Time Frame	Immediate	Immediate	6-12 months to incorporate, create bylaws & obtain 501(c)(3) status
	Minimum Contributions	\$1,000 to start fund; \$10,000 required to grant	Initial contribution requirements vary up to \$ 5,000+	Typically established with assets of \$7-10+ million
Fee	Administration	Annual fee 1% of fund balance	Annual fees vary	Vary with size and complexity
Taxes	Cash	Deduction up to 60% adjusted gross income	Deductions up to 60% of adjusted gross income	Deduction up to 30% of adjusted gross income
	Capital Gain on stock or property	Deduction up to 30% of adjusted gross income	Deduction Up to 30% of adjusted gross income	Deduction Up to 20% of adjusted gross income
	Excise Taxes	None	None	1.39%
Administration	Administrative Services	Accounting, audit, due diligence, check writing, etc.	Accounting, audit, due diligence, check writing, etc. Fees vary	Accounting, audit, due diligence, compliance & legal are the responsibility of the private foundation
	Investment Options	Investment vehicles selected by PFM Asset Management and overseen by Investment Committee comprised of top financial experts	Mutual Funds with no investment advice in many cases	Investment vehicles selected and overseen by board
	Fund Distribution	Any qualified US 501(c)(3) charity, including those delivering international services	Any qualified US 501(c)(3) charity, including those delivering international services	Any qualified US 501(c)(3) charity, including those delivering international services
Visibility	Public Disclosure	Limited public disclosure of fund. Anonymity is possible	Limited public disclosure of fund. Anonymity is possible	Grant distributions must be disclosed on IRS form 990-PF. Asset balance is also public information
Grantmaking	Community Knowledge	Foundation has in-depth knowledge of local nonprofits and community needs	Limited or no knowledge of local nonprofits and community needs	Responsible for assessing nonprofit and community needs

# TYPES OF GIFTS

Here are a few of the common types of gifts the Foundation can accept. We also accept complex gifts that many organizations cannot, and we welcome a discussion about your specific situation.

## CASH

Cash gifts may be deducted up to 60% of adjusted gross income for income tax purposes.

## PUBLICLY TRADED SECURITIES

You'll receive an immediate charitable deduction for the fair market value of the securities donated (up to 30% of AGI) and an exemption from any capital gains tax on any appreciation. If the deduction is larger than you can use in one year, the surplus can be carried over the next five years.

For stock and ETF transfer instructions, contact Kim Grochowski, Associate Director of Advancement: 610-744-1954.

## CLOSELY HELD STOCK AND LLCs

Donating a portion of your privately held stock allows you to receive a fair market value deduction for the contribution and avoid paying capital gains tax on illiquid assets that have greatly appreciated in value.

## QUALIFIED CHARITABLE DISTRIBUTIONS

For donors aged 70½ or older, a qualified charitable distribution (QCD) made directly from your IRA to a public charity like the Foundation can help you avoid paying taxes on your distributions while supporting your favorite charities. Note: QCDs cannot fund donor-advised funds but may be used to establish any one of our other types of funds.

## LIFE INSURANCE

You may make a charitable gift with life insurance by irrevocably assigning all or a portion of your policy to the Foundation. You may make annual tax-deductible contributions to cover the policy's premium, or, if the policy is fully paid up, you will receive an immediate tax deduction for the policy's cash surrender value.

## MUTUAL FUND SHARES

Similar to stock gifts, mutual funds are deductible up to the full fair market value.

For mutual fund transfer instructions, contact Kim Grochowski, Associate Director of Advancement. Please note: mutual fund shares can take 7 to 21 days to transfer.

## REAL ESTATE, JEWELRY, ART, AND OTHER PROPERTY

From land to homes to antiques, the Foundation can accept more complex gifts, but they may require an appraisal.

*\*Contributions are subject to specific AGI limits depending on the type of asset donated.*





**Dr. William H. Erb and Sally Smith Erb**

## LEAVING A LEGACY

**A**lmost 50 years ago, Swarthmore resident Thomas B. McCabe, President and CEO of Scott Paper Company decided to honor a friendship with Dr. William H. Erb, a general surgeon at Taylor Hospital and McCabe's doctor. He transferred 4,000 shares of Scott Paper stock to a trust with the beneficiary a designated fund, now managed by The Foundation for Delaware County.

Today, that \$55,000 in stock is worth more than \$1.6 million. It is a great example of how a well-managed fund can grow, create a legacy, and be used to benefit the donor's interests.



**From right: Alan Mennig, Barbara Mennig, Susan Abtouche, Kathy Ardekani, and Monika Collins**

**W**hite Horse Village established a nonprofit endowment fund with The Foundation for Delaware County in 2022. This endowment fund provides a continuous stream of funding for the organization that will last forever.

In addition to managing the endowment fund, the Foundation provides planned giving services to facilitate the growth of the endowment. This includes providing the option to purchase Charitable Gift Annuities (CGAs) for residents who wish to support White Horse Village. CGAs give donors a steady stream of income for life, while also providing support for their favorite charitable causes.

# GIFT PLANNING

A philanthropic legacy is a unique expression of your values, generosity, and support for the causes and organizations you care about. Planned gifts offer a chance to have a lasting impact and the continuation of your philanthropic vision. What difference do you want to make in the world?

## THE BENEFITS OF GIFT PLANNING

### **Support the causes and organizations you care about forever.**

A planned gift ensures that the organizations you care about continue receiving support, even after your death.

### **Continue a family tradition of giving.**

Pass on your values to your children. Our team can work with your family to continue your philanthropic vision in supporting the causes you care about.

### **Maximize your estate and/or reduce the tax burden on your heirs.**

When you donate assets to your fund, whether during your life or as part of your will or trust, it removes the asset from your estate, lowering your taxable estate.

### **Give back to your community.**

When you give through the Foundation, you can ensure that your gift has a positive impact on the people of Delaware County.

**There are many different giving methods available to you. Below are some of the most popular options:**

#### **Bequests**

Bequests are among the most popular forms of planned giving. A bequest allows you to give a percentage, dollar amount, or the remainder of your estate to an already-existing fund or name a new fund at the Foundation.

#### **Beneficiary Designation Gifts**

You can designate a fund at the Foundation as a beneficiary of a retirement, investment, bank account, or life insurance policy.

#### **IRA Charitable Rollover**

If you are 70½, you may make an IRA qualified charitable distribution of up to \$100,000 this year and in future years.

#### **Life Income Gifts**

A life income gift allows a donor to make a charitable contribution while still receiving income for themselves or a beneficiary. Two popular types of Life Income Gifts:

##### ***Charitable Gift Annuities***

A charitable gift annuity allows you to contribute assets to the Foundation and receive an income tax charitable deduction while receiving a guaranteed income for life.

##### ***Charitable Remainder Trusts***

You may transfer cash or equities irrevocably to a trust. The trust is then invested, and the assets are managed by the Foundation. You would receive either fixed or fluctuating income payments for life. When you no longer need the income, the remainder will go to the fund you designate at the Foundation.



# YOUR INVESTMENT

Once you open a charitable fund, your money is pooled with other assets of the Foundation to achieve better investment diversification and access to high-yield investment opportunities that receive strong returns.

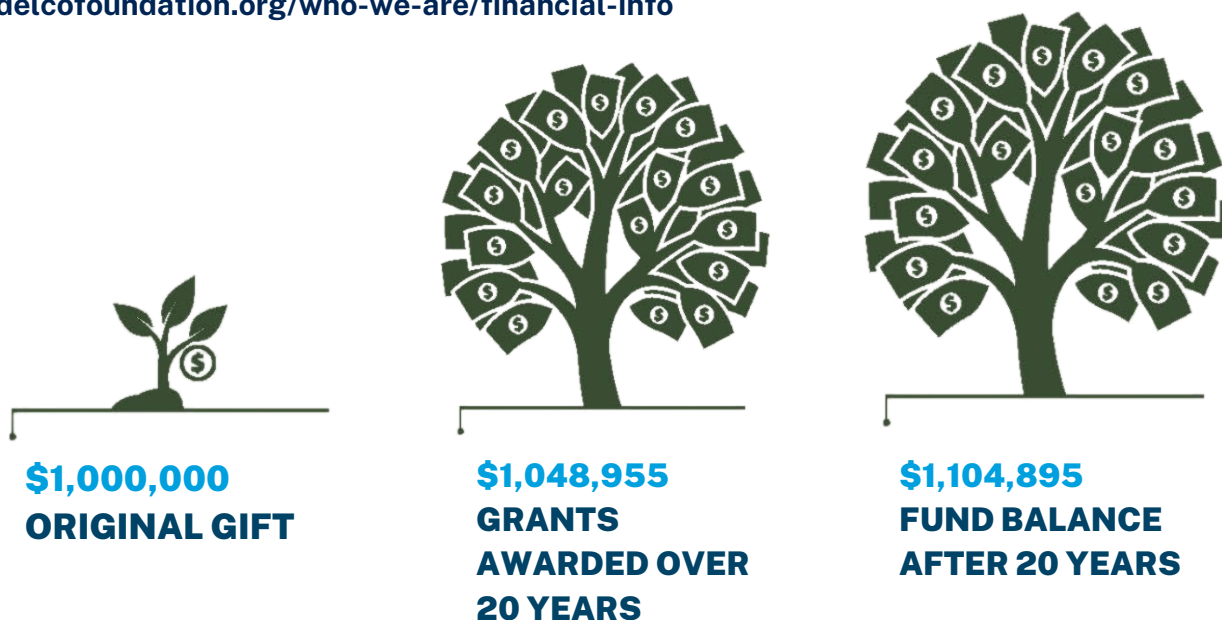
The Foundation is committed to prudent investment strategies and fiscal policies concentrated on the long-term growth of the endowment's principal.

The Foundation's investment strategy is currently managed by PFM Asset Management. The investment strategy and performance are overseen by a volunteer investment management committee chaired by the heads and former heads of major financial institutions. They measure performance against a benchmark that is a composite built from percentages of various investment indices.

The Foundation has a diversified asset allocation strategy. Total investment return to the fund comprises current income (dividends and interest), realized gains and losses on the sale of investment assets, and unrealized gains and losses on changes in market value. Each month, an investment return is allocated to a fund based on its share of the investment pool. Investment management fees are not included in this schedule but are netted against the performance of the Foundation's investment fund and average approximately .65 percent.

*Please see the financial page on our website for more information, including historical returns by year and the growth of our overall asset base.*

**[delcofoundation.org/who-we-are/financial-info](http://delcofoundation.org/who-we-are/financial-info)**



# WHAT ARE THE MINIMUMS AND FEES?

As you're considering opening a charitable fund and determining which option is best for you, it's important to note that all charitable fund sponsors have one thing in common – administrative fees. Rarely are two fee structures the same. Some organizations design their fee structures based on fund type, while others charge based on fund longevity or level of fund support.

A charitable fund may be opened with as little as \$1,000. \$10,000 is necessary to begin granting for Donor-Advised Funds, Field of Interest Funds, and Designated Funds; \$25,000 is required for Scholarship Funds.

## Annual Administrative Fees for Donor-Advised, Field of Interest, Designated, Unrestricted, and Nonprofit Funds.

.....1%

*Minimum grant size - \$250*

*Minimum fee - \$250*

## Annual Administrative Fees for Scholarships

.....1.5 - 2.5%

*Minimum grant size - \$500*

*Minimum fee - \$500*

# THE IMPACT OF YOUR INVESTMENT

One of the most important details in assessing a fee structure is understanding how fees are used. For example, at commercial institutions, fees generated from funds become revenue that can be used at the firm's discretion and primarily benefits stockholders.

At community foundations, like The Foundation for Delaware County, fees not only cover the cost of fund support (tax receipting, grant due diligence, research, and other donor services), but they directly fund the work that enables our communities to thrive: community convenings, strategic grantmaking, donor connections, facilitated dialogues, and nonprofit training.







# FOREVER, OUR COMMUNITY

If every Delaware County resident left 5% of their estate to charity, it would result in nearly \$7 billion to our community. Imagine the good that could come from that investment.



## THE DELAWARE COUNTY WE DREAM OF TODAY COULD BECOME THE REALITY OF TOMORROW

Over the next 40 years, individuals and families in Delaware County will leave approximately \$140 billion through their estates.

An investment of just a fraction of these resources would transform lives - providing vital funding to our schools so that every child has access to a quality education; strengthening our healthcare services so that no person goes without the medical care they need; igniting economic opportunities to spur job growth and reduce poverty. It could create community spaces, support local arts, and preserve our natural resources.

This financial commitment would create a legacy of compassion, opportunity, and resilience that would echo through generations. This is not just a gift to a charity; it's an investment in our collective future. The difference it could make is beyond measure.



# HOW TO GET STARTED

## CHOOSE YOUR PASSION

The first step in setting up a charitable fund is identifying who or what you want to support. If you would like guidance, we have deep roots in the community and can provide insights about local challenges and critical, emerging needs.

## CONSIDER YOUR ASSETS

A number of different assets may be used to start your fund with the Foundation, including cash, publicly traded securities, privately held stock, interests in limited partnerships, real estate, life insurance, personal property, and private foundation assets.

## INVOLVE YOUR PROFESSIONAL ADVISOR

We have experience working with professional advisors - attorneys, accountants, and wealth managers - across the region to facilitate their clients' local giving.

## IDENTIFY YOUR TIMEFRAME

You may decide you want to see an impact quickly or provide support for many years to come.

## SET UP A MEETING WITH THE FOUNDATION

We will help you create a fund that is tailored to your interests and accomplishes your goals. Our options are flexible: your fund can broadly benefit the community or focus on specific issues, organizations, or students; you can create it as a semi-permanent or permanently endowed fund.

**Contact Monika Collins, Vice President of Advancement and Philanthropic Services: (610)744-1015; [mcollins@delcofoundation.org](mailto:mcollins@delcofoundation.org) or visit [delcofoundation.org/start-a-fund](http://delcofoundation.org/start-a-fund).**



DONOR-ADVISED  
FUNDS

SCHOLARSHIP  
FUNDS

DESIGNATED  
FUNDS

FIELD OF  
INTEREST FUNDS

PRIVATE  
FOUNDATION  
ALTERNATIVE  
FUNDS

NONPROFIT  
ENDOWMENT FUNDS

CORPORATE  
PHILANTHROPY  
FUNDS

## THE FOUNDATION FOR DELAWARE COUNTY

We are more than just a platform for charitable funds; we're at the center of a community movement. The Foundation empowers individuals, families, and businesses to maximize their philanthropic potential. We are a catalyst for smarter philanthropy - not just donations, but strategic investments in our shared future.

The exponential power of collective action has transformed the Foundation into one of the largest philanthropic engines in the region. Each year, we distribute more than \$2 million dollars in grants to dozens of nonprofits and community groups that provide vital services and resources for our neighborhoods.

Our work stretches beyond financial assistance. We support local nonprofit organizations by providing skill-building events, training, and resources for staff. We provide forums for funders, government officials, and nonprofit leaders to converge, learn, and foster a dynamic, interconnected community that works together.

Our connection to the communities we serve isn't distant or abstract; it's deep and personal. Our public health programs directly impact thousands of individuals each year, allowing us to both offer essential services and gain a true understanding of community needs.

Join us. Together, we can shape a future where compassion fuels change, where collective generosity amplifies impact, and where we, as one community, empower lives and redefine the landscape of philanthropy.



THE  
FOUNDATION FOR ●  
DELAWARE ●  
COUNTY ●

Visit us online at [delcofoundation.org](http://delcofoundation.org) or in person at  
200 East State Street, Suite 304, Media, PA 19063.

Learn more about the ways we can help you have a positive  
impact on the community and the causes you care about.

Monika Collins: (610)744-1015 or [mcollins@delcofoundation.org](mailto:mcollins@delcofoundation.org)