

# Donor Advised Funds



## Purpose of a Donor Advised Fund:

- Consolidated reporting on charitable gifts.
- Tool to teach philanthropy from one generation to the next.
- Connect the immediacy of the donor's tax benefits to the longer term needs of the community.
- Tax-free growth of investments for future grants to charitable causes.

## Benefits of the Catholic Community Foundation:

- Unlike any other community foundation, our core value is in providing donors the opportunity to participate in the development of funds that generate grants to be used in the context of our Gospel values.
- All funds are managed under the USCCB guidelines for socially responsible investing.
- As a repository of grant requests from the Catholic community, we can inform you about effective programs that would benefit from your support.

## Tax Benefits:

- Donors can make a gift to the Foundation and receive full and immediate tax deduction.
- Avoid capital gains on gifts of appreciated property.
- Investments in Donor Advised Funds can grow tax free.

## Getting Started:

- Open a Donor Advised Fund to assist with tax deductions for large gains.
- Use a Donor Advised Fund to "place" the required distribution from your family foundation.
- Transfer to us just the amount of your annual giving to local charities, for consolidated reporting.
- Minimum to start \$10,000
- 5% set-up fee
- 1% annual fee
- Online access; fund balances, grant history, gift history, database of grantees
- Grants are disbursed within 30 days of request
- Minimum grant \$250
- 25% of grants have to be for local Catholic causes
- No international grants



**THE CATHOLIC**  
**COMMUNITY FOUNDATION**  
OF SANTA CLARA COUNTY

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# Parish Endowments

## Purpose of a Parish Endowment:

- Provide long-term support with annual distributions specifically for that parish.
- Endowments are forever, and last longer than any individual or building.
- An endowment is a permanent fund invested to produce income for a particular purpose.
- It is the perfect example of compound interest and investment growth.
- Over time, only the income is granted, so your donation continues to give forever.
- It serves as a cornerstone for introduction stewardship packets and planned giving.

## Benefits of The Catholic Community Foundation:

- Unlike any other community foundation, our core value is in providing donors the opportunity to participate in the development of funds that generate grants to be used in the context of our Gospel values.
- All funds are managed under the USCCB guidelines for socially responsible investing.
- As a partner in the Catholic philanthropy of donors, existing endowments will get visibility for other donors.
- Pooling together resources empowers our Investment Committee to have increased access to top investment managers in a diversified portfolio designed to enhance the real purchasing power of the assets and annual grants.

## Tax Benefits:

- Donors can make a gift to the Foundation and receive full and immediate tax deduction.
- Avoid capital gains on gifts of appreciated property.

## The Basic Facts:

- Minimum to start \$1,000
- 5% set-up fee
- .5% annual fee
- Minimum balance for grant disbursements: \$25,000
- Grants are made once a year
- Disbursement amount is 3%-5%

## Getting Started:

- The minimum has been decreased to allow any individual to start a parish endowment.
- Bring together 10 families willing to each chip in to start a lasting legacy for your parish.



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# Designated Endowments

## Purpose of a Designated Endowment:

- Provide long-term support with annual distributions to specific institutions or ministries that you love.
- An endowment is a permanent fund invested to produce income for a particular purpose.
- Over time, only the income is granted, so your donation continues to give forever.

## Benefits of The Catholic Community Foundation:

- Unlike any other community foundation, our core value is in providing donors the opportunity to participate in the development of funds that generate grants to be used in the context of our Gospel values.
- All funds are managed under the USCCB guidelines for socially responsible investing.
- As a partner in the Catholic philanthropy of donors, we can pass along information about effective programs from designated endowments.

## Tax Benefits:

- Donors can make a gift to the Foundation and receive full and immediate tax deduction.
- Avoid capital gains on gifts of appreciated property.

## Getting Started:

- Minimum to start \$10,000 (\$1,000 if designee is a parish)
- 5% set-up fee (on the first \$100,000)
- .5% annual fee
- Minimum balance for grant disbursements: \$25,000
- Disbursement amount is 3%-5%
- Grants are made once a year
- Beneficiaries may be any Catholic organization or program in Santa Clara County
- No international beneficiaries



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# Agency Funds

## Purpose of an Agency Fund:

- An agency fund is owned by a Catholic organization, and invested with The Catholic Community Foundation.
- To share in the vision of long term financial support for Catholic organizations and ministries in Santa Clara County.
- Utilize the added value from the Foundation's investment offerings
- Balance long-term investment growth with risk, investment volatility, and length of restriction.

## Benefits of The Catholic Community Foundation:

- Unlike any other community foundation, our core value is in providing donors the opportunity to participate in the development of funds that generate grants to be used in the context of our Gospel values.
- All funds are managed under the USCCB guidelines for socially responsible investing.
- Rely on the Foundation's investment capabilities, and still retain control of the assets.
- All of these funds are marketed to our donors

## Distinguishing Characteristics of an Agency Fund:

- The non-profit retains title of the assets, the Foundation is a fiduciary agent for investments.
- The fund is not subject to a set percentage for disbursements, and can be fully withdrawn.

## Getting Started:

- Minimum to start \$50,000
- 5% set-up fee, maximum of \$5,000
- .75% annual fee
- Withdrawals can be taken up to two times a year, with 30-day notice.



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# Field of Interest Endowments

## Purpose of a Field of Interest Endowment:

- Provide long-term support with annual distributions to specific areas of interest that you love.
- Field of interest grants are made from the fund to Catholic ministries.
- An endowment is a permanent fund invested to produce income for a particular purpose.
- Over time, only the income is granted, so your donation continues to give forever.

## Benefits of The Catholic Community Foundation:

- Unlike any other community foundation, our core value is in providing donors the opportunity to participate in the development of funds that generate grants to be used in the context of our Gospel values.
- All funds are managed under the USCCB guidelines for socially responsible investing.
- We manage the application and review process for all grants.

## Tax Benefits:

- Donors can make a gift to the Foundation and receive full and immediate tax deduction.
- Avoid capital gains on gifts of appreciated property.

## Getting Started:

- Minimum to start \$100,000
- 5% set-up fee
- 2% annual fee
- The grant cycle will start after 9 months investment experience and line up with current cycles.
- Grant committee opens up application cycle once a year.
- Applications are reviewed for intended "field of interest"
- No maximum number or minimum amount of grants made in a cycle
- Amount available per cycle is 3%-5% of invested balance
- 100% of grants to local Catholic causes
- No international grants



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# For Advisors & Their Clients

## Community Foundation vs. Private Foundation:

- More favorable tax considerations with a community foundation.
- You are not responsible for a number of regulatory requirements, The Catholic Community Foundation provides all administrative & financial services.

## Benefits of The Catholic Community Foundation:

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- All funds are managed under the USCCB guidelines for socially responsible investing.
- We already manage the application and review process for all grants.
- As a repository of grant requests from the Catholic community, we can inform you about effective programs that would benefit from your support.

## Options & Policies:

### Donor Advised Funds:

- Minimum to start \$10,000
- 5% set-up fee
- 1% annual fee
- Minimum grant \$250
- Online access; fund balances, grant history, gift history, database of grantees
- Grants are disbursed within 30 days of request

### Designated Endowments:

- Minimum to start \$10,000 (\$1,000 if designee is a parish)
- 5% set-up fee
- .5% annual fee
- Minimum investment balance for grant disbursements: \$25,000
- Disbursement amount is 3%-5% a year
- Grants are made once a year

### Agency Funds:

- Minimum to start \$50,000
- 5% set-up fee, maximum of \$5,000
- .5% annual fee
- Funds are owned by a Catholic organization, and invested with The Catholic Community Foundation.
- The fund is not subject to a set percentage for disbursements, and can be fully withdrawn.
- Withdrawals can be taken up to two times a year, with 30-day notice.

### Field of Interest Endowments:

- Minimum to start \$100,000
- 5% set-up fee
- 2% annual fee
- The grant cycle will start after 9 months investment experience.
- Amount available per cycle is 3%-5% of invested balance
- Grant committee opens up application cycle once a year, and reviews all applications.



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