

DONOR ADVISED FUND

FACT SHEET

COMMUNITY FOUNDATION OF NEW JERSEY

Establishing a donor advised fund at the Community Foundation of New Jersey is the first step of a totally unique journey.

The Community Foundation offers individual and family donors an enriched experience and intensive staff support on top of the maximum tax deduction for contributions. While fundholders have discretion over their giving, the Community Foundation is available to provide guidance, lend expertise, and properly vet institutions and programs. Holders of donor advised funds are also invited to participate in the Community Foundation's Changemaker Projects, carefully-curated initiatives that address some of the toughest or most overlooked community challenges.

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Individual and family donors enter into a simple letter of agreement with the **Community Foundation**, a nonprofit 501(c)(3) public charity. Anyone may request a letter of agreement by calling **973.267.5533** or emailing **info@cfnj.org**. The Foundation's staff will assist donors with the process and Hans Dekker, the Foundation's president, is available to answer additional questions.

- 1** To open a fund, a donor makes an irrevocable contribution to the **Community Foundation**, a public charity, and takes a tax deduction in the year in which they make the contribution
- 2** The donors choose the name of their Fund
- 3** The donors can then recommend to the **Community Foundation** a preferred investment option for their Fund
- 4** The donors may recommend grants to charities at any time, or request assistance in determining the best way to fulfill their philanthropic interests. The number of grants issued per year is not limited

MINIMUMS

\$25,000 — an initial irrevocable charitable contribution to your Donor Advised Fund; no minimum for subsequent contributions

\$100 — for grant recommendations

DEDUCTION LIMITS

Donors may be eligible for the maximum tax deduction for their charitable contribution:

- Cash equivalents: up to 50%* of Adjusted Gross Income (AGI)
- Long-term appreciated securities: up to 30%* of AGI, generally deductible at Fair Market Value (FMV)
- Other long-term appreciated assets: up to 30%* of AGI, generally deductible at Fair Market Value (FMV)

* Deductibility limits are dependent on the type of asset contributed.

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ASSETS ACCEPTED

Cash equivalents (by check or wire) and securities (including restricted stock).

Certain special assets (including real estate and illiquid assets) are accepted on a case-by-case basis.

INVESTMENT OPTIONS

Donors may choose among different asset allocation pools.

Learn more about investment options at www.cfnj.org/investmentoptions

SUPPORTING YOUR CHARITIES

Donors may:

- Donate assets that make the most sense from a tax perspective and then support multiple charities from a single contribution to the fund
- Recommend grants to any IRS-qualified public charity
- Recommend grants online, by fax or by mail
- Customize a grant recommendation for a purpose (for example, "In memory of")
- Set up recurring grant recommendations (monthly, quarterly, semi-annually, annually)
- Support the Community Foundation's Changemaker Projects aimed at issues that undermine our communities' well-being

RECOGNITION OR ANONYMITY

The Community Foundation prepares customized correspondence for grants from donors fund and issues the grants to the recommended charities.

The Community Foundation asks that charities acknowledge donors for grants from their Donor Advised Funds. Alternatively, the Foundation can make grants anonymously upon a donor's request.

INVOLVING FAMILY

Donors may name successor advisors for their fund, recommend that the remaining assets go to specified charities, or ask that the **Community Foundation** steward their charitable legacy into the future.

ADMINISTRATION, FEES & EXPENSES

The Community Foundation charges a maximum annual administrative fee of 1% (subject to a minimum fee of \$200, whichever is greater). As the fund size grows the administrative fee is reduced.

Investment expenses range depending on the investment pool chosen.

For more
information,
please contact

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Community
Foundation
of New Jersey

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WWW.CFNJ.ORG

SIMPLIFY YOUR GIVING. AMPLIFY YOUR IMPACT.