



CHARITABLE FUNDS GUIDE FOR FUNDHOLDERS

T A B L E O F C O N T E N T S

This guide includes fact sheets and detailed information that can help you make decisions, as well as design and implement a giving plan that maximizes your tax benefits and social impact.

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Think boldly and creatively about ways to give.

We uphold our fundholders' priorities. We understand our communities. And we're proud of the many ways we work with our partners to give to the charities they care about.

For over 45 years, the Community Foundation of New Jersey (CFNJ) has collaborated with fundholders to open donor advised funds (DAFs), create a lasting charitable legacy, and connect with charities to make a greater collective impact. We are one of more than 600 community foundations across the nation that manages philanthropic funds on behalf of individuals, families, businesses, and organizations. And our range of giving vehicles include legacy funds, DAFs, collaborative funds, scholarship funds, and more.

We not only provide flexible, tailored options to direct and manage our fundholders' charitable giving. CFNJ's staff also works closely with them to create a purposeful legacy, while improving lives and solving complex challenges.

Fundholders can be involved in designing and executing their current or future giving plan — at whatever level they choose.

OUR 2024 IMPACT

- **\$1 billion** in charitable assets
- **1,200** total funds
- **\$105 million** in community grants
- **8,500** grants delivered



Make your philanthropic goals a reality.

Why work with us? We offer distinctive benefits, listen to our fundholders, and advise them on the best ways to craft a strategy that achieves their philanthropic and tax-savings goals. At the Community Foundation, we can:

1. PROVIDE FULL SUPPORT

Giving should be easy and convenient, so we provide a full range of support to individuals who open a fund — delivering about 8,000 grants on their behalf annually. CFNJ also eliminates administrative requirements, screens organizations for grant eligibility, and offers the flexibility to pursue various charitable purposes. Every individual fundholder has online fund access to make grant contributions, review balances, and more.

2. MEASURE YOUR IMPACT

If you're seeking a partner, we can help you explore, plan, and create a customized charitable strategy and offer our expertise on how to reach your objectives. Our specialists research and evaluate organizations that serve your areas of interest, and we can arrange site visits. CFNJ can also provide educational resources and help measure the impact of your grantmaking.

3. INCORPORATE YOUR INTERESTS

We believe that connecting fundholders' philanthropic interests to critical imperatives, and pooling their dollars with our own, allows us to have a greater collective impact on issues that matter to all of us. We can also provide anonymity upon your request.

4. ENGAGE YOUR FAMILY

We welcome discussing values, the importance of philanthropy, and a succession plan among your family members. We also invite you to use our [*Family Giving Workbook*](#) to help strengthen your family relationships and legacy, while inspiring the younger generation to learn about finances and start their own philanthropic journey.

5. PRIORITIZE TAX BENEFITS

CFNJ can work closely with professional advisors to help fundholders incorporate charitable giving into their financial and estate planning in simple and tax-beneficial ways. Fundholders are also offered the opportunity to learn about important community issues and how to make an impact with their gifts.



Leverage our expertise to manage your giving.

The Community Foundation offers maximum flexibility for investing the dollars in your fund. When you partner with us, you can work with your own financial advisor, explore venture or social impact investing, consider investment options from our wealth management partners, and manage investments that are offered on CFNJ's platform.

CFNJ Charitable Funds

Fund Types	Benefits	Steps
Legacy Funds	Provides a unique opportunity to create a charitable legacy and preserve your impact on a cause or community in the future.	<p>You may create a legacy fund as part of a will, through a bequest, and/or through a letter of agreement with CFNJ.</p> <p>You also have broad flexibility in specifying the focus and reach of your legacy.</p>
DAFs	Simplifies your giving from a centralized fund — on top of the maximum tax deduction for contributions. You also increase your giving potential to causes that matter to you.	<p>You choose the name of your fund, select a preferred investment, and may recommend grants to charities at any time.</p> <p>There's no limit to the number of grants that may be issued in any given year.</p>
Collaborative Funds	Allows individual funders to come together to gather larger financial resources, minimize costs and explore innovations, weigh grantmaking decisions, and tackle major societal issues as a collective.	As a member of the collective, you provide funding to cover grantmaking, contracts and salaries, and operational expenses. CFNJ assists the collective with compliance, day-to-day activities, the grantmaking process, and more.
Designated Fund Agency	Creates a long-term income stream for a charity of your choice.	You permanently support an organization of your choice with a focused charitable commitment.

CFNJ Charitable Funds

Fund Types	Benefits	Steps
Corporate Philanthropy Funds	<p>Helps businesses give back to the community in a way that aligns with their company objectives and approaches philanthropy in a focused, efficient manner that makes the most of their charitable investment.</p>	<p>We partner with your company to outsource some or all of your philanthropic administration. We satisfy a spectrum of needs in the process — from crafting guidelines and identifying nonprofit partners, to overseeing grants and performing evaluation.</p>
Special Project Funds	<p>Allows for flexible, innovative ways to generate new approaches to address current challenges and opportunities throughout New Jersey.</p>	<p>These funds can be initiated by a business, foundation, donor, CFNJ, or a special partnership.</p>
Scholarship Funds	<p>Ensures you make a powerful impact on students by helping them seize an educational opportunity that sets them on a path to independence and success after high school.</p>	<p>You can design a scholarship fund that reflects your values, memorializes a loved one, honors a special person’s accomplishments, or celebrates a lifetime of achievement.</p>

To learn more about the various funds we offer, review our fact sheets at [cfnj.org](https://www.cfnj.org) or contact us at **973.267.5533**.



Our donor advised funds are different.

You choose where to give, and we'll provide structure and guide the achievement of your goals. Many fundholders choose DAFs as a solution because they allow you to maximize your tax deduction for contributions, your money grows tax-free, and it's a simple and convenient giving vehicle. With DAFs:

You have flexibility to customize your investments.

With a fund at the Community Foundation, you're not locked into one of our investment options although you're welcome to select one. You can invest with your own financial advisor for social impact or choose other philanthropic solutions. We can also provide anonymity upon your request.

You can design charitable projects beyond 501(c)(3)s.

With a DAF, you can support the projects and organizations that you're passionate about, including the arts, education, food insecurity, maternal care, and more.

Some institutions limit your giving to 501(c)(3) nonprofit organizations. At CFNJ, we can implement direct charitable projects.

You can use your non-publicly traded assets.

We accept various assets and can be a resource to you, along with your advisors, to ensure the maximum tax deduction. You can turn your non-publicly traded asset into a liquid DAF that supports the communities you care about.

Done well, there's no limit to the ways you can give.

You get structure with your giving plan.

We can design customizable solutions that meet your needs, now and in the future.

No matter the fund type, we'll conduct the research, partnership-building, site visits, and impact assessment to ensure your philanthropy drives the change you desire to see in your communities.

You can support issues that positively impact your community.

We have a stake in the same communities as you. Tell us where you live, and we'd love to share about our work there. New Jersey is our home, too.

You will get clear outcomes.

We have a well-earned reputation of delivering clear outcomes and reporting back on our collective progress. Our expertise is why companies, nonprofits, professional advisors, and venture philanthropists collaborate with us.

Even your fees go toward doing good.

Many financial institutions offer philanthropic funds. However, our fees directly benefit many worthwhile projects that make New Jersey a better place.



Preserve your charitable legacy for generations.

Crafting a charitable legacy can be both a challenging and rewarding process. We help individuals and families design the vision and the implementation of their legacies, starting with these three core questions listed on the right.

With answers to these questions, our top priority is to steward your philanthropic legacy and ensure your goals are met.

We can assist you with:

TOP 3 QUESTIONS

- 1 **Where are the communities and/or regions you want to benefit?**
- 2 **What charities and/or causes should your legacy giving support?**
- 3 **How long should your philanthropic legacy last?**

- **Aligning Your Values and Goals with Your Legacy**

Hundreds of individuals and families have worked with us to design legacy funds that best capture their philanthropic intent. CFNJ is well-positioned to leverage its institutional knowledge and expertise — ensuring your dollars will continue to have an impact on the communities and causes that are most important to you.

- **Opening and Implementing a Legacy Fund**

You may create a legacy fund as part of a will, through a bequest, or through a letter of agreement with CFNJ — which is a nonprofit 501(c)(3) public charity. We can work with a family's attorney or wealth advisor to design the fund and desired language.

- **Selecting Charities, Causes, or Communities**

Fundholders have broad flexibility in specifying the focus and reach of their legacies. One option is to provide a stream of future funding to specific organizations and/or causes. Another option is to create a fund that can adapt to future needs and challenges. CFNJ is uniquely capable of stewarding these funds in a way that is faithful to the family's goals, in furtherance of your legacy, and responsive to a community's future needs.

- **Setting a Duration of Impact**

Many fundholders are interested in designing a legacy that can last in perpetuity and choose to achieve that goal by endowing their legacy fund. Others prefer that their funds exist for a set period of time — 10, 20, or 50 years until they sunset. Our specialists can help you weigh these choices and design a grantmaking and investment plan that reflects your preferred time horizon for your philanthropic legacy.



Commit to a cause with your planned gift to a fund.

There are a variety of ways to make a planned, long-term gift to the Community Foundation. Because of the contemporaneous and local stewardship of legacy funds, planned gifts are often timeless in terms of impact. Our team can walk you through these options, including the benefits associated with each of them.

Planned Giving Options

Your Goal	Your Gift	How to Make the Gift	Your Benefits
Establish a future gift, while maintaining lifetime control of your assets	Bequest	Name CFNJ in your will or living trust	<ul style="list-style-type: none"> • Donation exempt from federal estate tax • Control of assets during your lifetime
Secure income for you or a loved one with potential for income growth	Charitable Remainder Trust	Establish and fund a trust, naming CFNJ or a fund as the beneficiary	<ul style="list-style-type: none"> • Fixed or variable income for life or a term of years • Immediate income tax charitable deduction • Ability to use a variety of assets to fund trust
Provide secure income for CFNJ now and for children and/or grandchildren in the future	Charitable Lead Trust	Establish and fund a trust, naming CFNJ or a fund as the beneficiary	<ul style="list-style-type: none"> • Reduction of your taxable estate • Meaningful support for loved ones • Immediate benefit for CFNJ
Identify a simple, tax-effective way to make a future gift	Retirement Plan Assets	Name your fund as a beneficiary of your retirement plan	<ul style="list-style-type: none"> • Avoid taxes that come with estate assets • Simple and inexpensive to establish
Supplement income with fixed payments that may be partially tax-free	Charitable Gift Annuity	Establish a simple annuity contract with CFNJ	<ul style="list-style-type: none"> • Fixed life payments for 1 or 2 individuals • Immediate income tax charitable deduction • Current and future savings on income taxes

Planned Giving Options

Your Goal	Your Gift	How to Make the Gift	Your Benefits
Transfer real property ownership and convert it into a gift	Real Estate	Donate a portion or all of the property to CFNJ	<ul style="list-style-type: none"> • Income and capital gain tax savings • Relief from management of unused property • Ability to retain and/or convert into trust income
Leverage an insurance policy that's no longer needed	Life Insurance	Name CFNJ as an owner and/or beneficiary of a policy	<ul style="list-style-type: none"> • Eligibility for an income tax deduction based on the value of the paid policy • Simple, inexpensive way to make a gift
Find a way to make a gift despite limited cash and securities	Other Assets (e.g., tangible property)	Donate the asset outright today or fund a charitable trust or annuity	<ul style="list-style-type: none"> • Potential income and capital gains tax savings

Ready to get started? Contact us at **973.267.5533** or info@cfnj.org with any questions or to establish your fund.



Compare our benefits to private foundations.

Private foundations come with administrative tasks and regulatory requirements that can distract from a family’s philanthropic mission. With our services, fundholders have the time, support, and advantages they need to focus on giving.

Options	Advantages	Benefits
DAF Option	Create tax advantages and open a whole new set of charitable options by establishing a DAF with us. You can use it to complement an existing private foundation and gain access to all of our donor services.	<p>5% Payout Solution. Gain flexibility in your grantmaking by making your 5% IRS payout requirement to a DAF.</p> <p>Anonymous Grantmaking. Information about private foundations is readily available for public inspection. Use a DAF to anonymously achieve a charitable goal.</p>
Conversion Option	Give your family’s philanthropy the gift of time by converting your private foundation to a DAF. We can eliminate the time-consuming administration and legal responsibilities, while you enjoy the flexibility of and access to a suite of donor services.	<p>Reduced Costs. Use expert resources that streamline investing, grantmaking, accounting, and tax filings.</p> <p>Greater Tax Benefits. Receive greater tax incentives on future gifts, such as fair market value deduction of closely held stock contributions and real estate.</p> <p>More Giving Time. Focus on your philanthropy and making a difference in the community.</p>
Consulting & Management Options	Focus more on your charitable vision — and less on administrative tasks and regulations — with a suite of services that will give valuable time back to the creators, families, and directors of private foundations.	<p>Strategic Design & Focus. We can provide in-depth research and explore key trends and historical grant patterns. We also follow up on end-of-grant reports and present evaluations.</p> <p>Grant Management. We can handle all grant inquiries, filter unsolicited grant requests, accept and review grant proposals, and more.</p> <p>Board Preparation. Our staff can settle board meeting schedules, agendas, and location; prepare the board book and minutes; create grant summaries and recommendations; and handle all communications.</p>

DONOR ADVISED FUND



PRIVATE FOUNDATION

<p>Donor recommends grants to nonprofits</p>	<p>Donor elects a board to oversee grantmaking</p>						
<p>Housed under CFNJ's public charity status</p>	<p>IRS must approve tax-exempt status</p>						
<p>Highly favorable tax deductions</p>	<p>Less favorable tax deductions</p>						
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<p>Community experts & grantmaking best practices</p>	<p>Researches & evaluates its own grants</p>						
<p>No minimum distribution requirements</p>	<p>Required to distribute 5% of net value annually</p>						
<p>No taxes</p>	<p>Subject to excise tax of 1.39%</p>						



Family philanthropy can unite individuals across geography and generations. The best philanthropy is guided by a family's values and passions.

Reaffirm your values and goals as a family.

If you're interested in bringing your family together to ensure your collective giving funds the solutions our communities need, we can assist you with that process. As a first step, we advise that you consider areas of interest — like the ones listed below — to start defining your family's vision. We also recommend using our [*Family Giving Workbook*](#) to identify common views, discuss the benefits of working together, and set goals.

The workbook is available on cfnj.org or you can contact our team if you're seeking advice as you navigate your family's philanthropic journey.

Your Family's Philanthropic Areas of Interest

- Housing
- Arts & Culture
- Immigrant & Refugee Support
- Civil & Human Rights Advocacy
- Mental Health & Well-Being
- Education
- Nonprofit Journalism, Broadcasting & Publishing
- Environment Conservation
- Violence & Exploitation Prevention or Survivor Assistance
- Family Services & Support
- Workforce Development & Job Training
- Food & Nutrition
- Animal Shelter & Rescue
- Other: _____

CONTACT US



*Let's partner to translate your
passions and gifts into impact.*



info@cfnj.org | 973.267.5533 | cfnj.org
Mailing Address: Post Office Box 338
Morristown, NJ 07963-0338