



COMMUNITY
FOUNDATION
of **NEW JERSEY**



CHARITABLE FUNDS GUIDE FOR ADVISORS

*Aligning Your Clients'
Financial Goals With
Their Charitable Vision*

cfnj.org

Maximize financial returns for your clients and their causes.

The Community Foundation of New Jersey (CFNJ) cares about the same causes and communities that your clients do. And we can be a useful resource as you engage in conversations about structuring and implementing their giving plans.

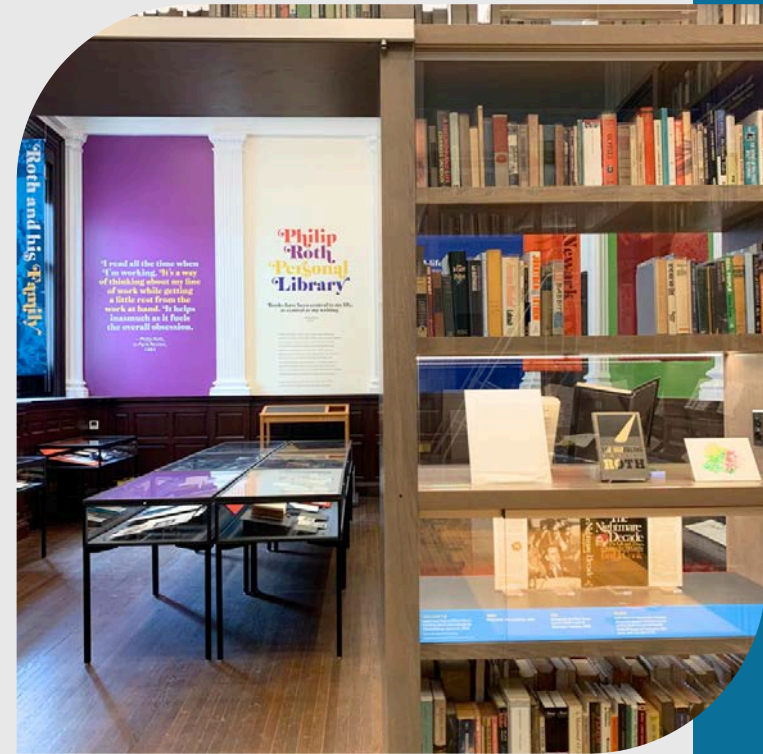
For over 46 years, we've served charitable individuals, families, and organizations across New Jersey. **In the past 10 years alone, they have collectively given over \$835 million to causes.** And our partnership with the Community Foundation of South Jersey allows us to serve even more communities in the state.

We are one of about 900 community foundations across the nation that works with advisors to help their clients support the causes they love in a way that's personal and powerful.

No matter the issue or concern, our team can help your clients think boldly about ways to give while bringing their charitable vision to life.

OUR 2025 IMPACT

- **\$1.17 billion** in charitable assets
- **1,200** total funds
- **\$163 million** in community grants
- **8,900** grants delivered



Depending on your clients' needs, we can assist with everything from donor advised funds (DAFs) and private foundation succession planning, to stewarding charitable bequests for causes through legacy funds.



Integrate philanthropy into your clients' life and tax decisions.

We are committed to helping your clients achieve their goals of integrating philanthropy into their major life and tax-planning decisions.

As a Community Foundation, we can take a flexible, personal approach to your clients' giving because our experienced team manages a range of giving vehicles and understands the unique contours of our communities.

Our [cfnj.org](https://www.cfnj.org) website and this guide includes information on various aspects of charitable giving, including fact sheets on:

FACT SHEETS

- **DAFs**
- **Legacy Funds**
- **Donating Non-Publicly Traded Assets**
- **Impact Investing**
- **Fund Succession**
- **And More**

CFNJ values our ability to collaborate with advisors in service of their clients. We can help you and your clients design and implement their giving plan — at whatever level they choose.

Our staff can assist you with:

1. PRIORITIZING TAX BENEFITS

CFNJ funds can help your clients incorporate charitable giving into their financial and estate planning in simple and tax-beneficial ways.

Your clients are also offered the opportunity to learn about important community issues and how to make an impact with their gifts.

2. PROVIDING FULL SUPPORT

Giving should be easy and convenient, so we provide a full range of support to your clients — delivering as many grants as they wish annually.

CFNJ also eliminates administrative requirements, screens organizations for grant eligibility, and provides the flexibility to pursue a range of charitable purposes. Every fundholder has online fund access to make grant contributions, review balances, and more.

3. MEASURING CLIENT IMPACT

We can help your clients explore, plan, and create a customized charitable strategy and offer our expertise on how to reach their objectives. Our team researches and evaluates organizations that serve their areas of interest, and we can arrange site visits.

CFNJ can also provide educational resources and measure the impact of your clients' grantmaking.

Tailor philanthropic solutions to meet your clients' unique needs.

If you have a client who is ready to open a fund, we can work with you in designing a creative way for them to give back and make their mark on the world.

Giving Solution	Scenario
IRA	<p>An individual was financially well-off in retirement, so he opted to use his IRA dollars for a good cause.</p> <p>By rolling over an IRA amount below \$108,000 (and because he was above 70½ years of age), this individual was able to make a qualified charitable distribution that didn't count as taxable income.</p> <p>This solution ensured more dollars were available for his ultimate charitable goal of creating a permanent endowment for his local church.</p>
DAF	<p>An anonymous fundholder supports a free giveaway of Broadway and Off-Broadway tickets to service members who visit New York City during Fleet Week. The donor's DAF also funds a program that assists Paterson and Newark high school students in securing good summer jobs.</p>
Real Estate	<p>A New Jersey family gifted their condo in Washington, D.C., to us and used the dollars to pursue a new passion: investing in medical technologies in countries that don't typically get significant investment in healthcare solutions.</p> <p>Because we accept real estate, we can offer donors a fair market value tax deduction and, in many cases, a way to avoid capital gains tax.</p>
Shift Private Foundation Grantmaking to CFNJ	<p>A private foundation asked CFNJ to manage its local grantmaking in a New Jersey community that its family members has longstanding ties in.</p> <p>Over the years, the foundation has awarded many grants to fund college-readiness programs, neighborhood beautification projects, and economic empowerment.</p>



We've shared a few examples of unique gifts that fundholders have contributed to the Community Foundation in the chart at the left.

Tailoring solutions that work for your client is important to us, so rest assured that we can seamlessly handle an array of giving vehicles.

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



Leverage our expertise to manage your clients' giving.

The Community Foundation offers maximum flexibility for investing dollars in your clients' fund. To learn more about the various funds we offer, review the charitable funds chart below with your clients or check out our fact sheets at [cfnj.org/resources](https://www.cfnj.org/resources).

Fund Types	Client Benefits	Steps
Legacy Funds	Provides a unique opportunity to create a charitable legacy and preserve your clients' impact on a cause or community in the future.	<p>Clients may create a legacy fund as part of a will, through a bequest, and/or through a letter of agreement with CFNJ.</p> <p>They also have broad flexibility in specifying the focus and reach, and changing or amending their legacy, without altering their will.</p>
DAFs	Simplifies giving from a centralized fund — on top of the maximum tax deduction for contributions. Your clients can also increase their giving potential to causes that matter to them and be more flexible and creative.	<p>Clients choose the name of their 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.	Your clients pool their funding with like-minded donors and are a part of a shared governance group. CFNJ assists with compliance, day-to-day activities, the grantmaking process, and impact measurement.
Scholarship Funds	Ensures your clients make a powerful impact on students by helping them seize an educational opportunity that sets them up on a path to independence and success after high school.	Clients can design a scholarship fund that reflects their values, memorializes a loved one, honors a special person's accomplishments, or celebrates a lifetime of achievement.

Fund Types	Client Benefits	Steps
Corporate Philanthropy Funds	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.	We partner with you and your clients to outsource some or all of their philanthropic administration. We satisfy a spectrum of needs in the process — from identifying nonprofit partners to overseeing grants.
Agency Endowment Funds	Assists your clients' charitable organization in establishing an endowment fund that meets current and future needs.	CFNJ invests the endowment into a pool that's designed and managed for long-term charitable purposes, freeing your clients to concentrate on their charitable work.
Special Project Funds	Allows for flexible, innovative ways to generate new approaches to address current challenges and opportunities throughout New Jersey.	These funds can be initiated by a business, a foundation, a donor, CFNJ, or a special partnership.
Designated Agency Fund	Creates a long-term income stream for a charity of your clients' choice.	Your client permanently supports an organization with a focused charitable commitment.

Provide advantages so your clients can focus on giving.

Private foundations come with administrative tasks and regulatory requirements that can distract from your clients' philanthropic mission.

With our services, your clients will have the time, support, and advantages they need to focus on giving.

To help guide your clients' decisions, we list the advantages and benefits of opening a DAF in the chart at the right. A fact sheet on page 12 also compares DAFs to private foundations that you can review with your clients.

Options	Advantages	Benefits
DAF Option	Create tax advantages and open a whole new set of charitable options by establishing a DAF with us. Your clients can use it to complement an existing private foundation and gain access to all of our donor services.	<p>Excise Tax Planning: Contribute additional qualifying distributions to a DAF and reduce excise taxes on realized gains and earned investment income.</p> <p>5% Payout Solution: Gain flexibility in grantmaking by making your clients' 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	Your client can give their family philanthropy the gift of time by converting their private foundation to a DAF. We eliminate the time-consuming administration and legal responsibilities, while your clients 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: Your clients can devote greater time to their philanthropy and making a difference in the community.</p>
Consulting & Management Options	Your clients can focus more on their 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 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 handle all grant inquiries, filter unsolicited grant requests, accept and review grant proposals, and more.</p> <p>Board Preparation: Our staff settles board meeting schedules, agendas, and location; prepares the board book and minutes; creates grant summaries and recommendations; and handles all communications.</p>



Offer convenience and customization with DAFs.

Your clients choose where to give, and we'll help provide the structure, guidance, and clarity they need to ensure their charitable giving reflects their values.

Many advisors recommend DAFs as a solution because they allow clients to maximize their tax deduction for contributions, their money grows tax-free, and it's a simple and convenient giving vehicle.

With our DAFs, your clients:

- **Aren't locked into one of our investment options.** They can invest with a recommended advisor for social impact or choose other philanthropic solutions.
- **Can design charitable projects beyond 501(c)(3)s.** Some institutions limit your clients' giving to nonprofits. At CFNJ, we can implement direct charitable projects, such as supporting workforce development planning or creating an innovative STEM curriculum in a local school.
- **Will receive clear outcomes.** We will report back on the impact of your grantmaking. Our expertise is why companies, nonprofits, professional advisors, and venture philanthropists collaborate with us.
- **Can customize solutions that meet current and future needs.** We'll conduct the research, partnership-building, site visits, and impact assessment to ensure your clients' philanthropy drives the change they desire to see.

DONOR ADVISED FUND

VS

PRIVATE FOUNDATION

Donor recommends grants to nonprofits			Donor elects a board to oversee grantmaking		
Housed under CFNJ's public charity status			IRS must approve tax-exempt status		
Highly favorable tax deductions			Less favorable tax deductions		
CASH UP TO 60% OF AGI	PUBLICLY TRADED SECURITIES FAIR MARKET VALUE UP TO 30% OF AGI	REAL ESTATE & CLOSELY HELD SECURITIES FAIR MARKET VALUE UP TO 30% OF AGI	CASH UP TO 30% OF AGI	PUBLICLY TRADED SECURITIES FAIR MARKET VALUE UP TO 20% OF AGI	REAL ESTATE & CLOSELY HELD SECURITIES COST BASIS UP TO 20% OF AGI
Community experts & grantmaking best practices			Researches & evaluates its own grants		
No minimum distribution requirements			Required to distribute 5% of net value annually		
No taxes			Subject to excise tax of 1.39%		

Start a conversation with your client about charitable giving.

If you're interested in talking with your clients about charitable giving, we can help you with that process. As a first step, we recommend:

- Discussing the reasons why your client is considering philanthropy
- Identifying potential giving vehicles
- Exploring areas of interest

We also invite you to use the list below to gauge your clients' potential charitable interests and to check out our [Family Giving Workbook](#) on our website if your client is thinking about involving family.

CFNJ specializes in supporting advisors as they craft a strategy that aligns their clients' goals with their values. We here to help you define and execute your client's vision.

Clients' Philanthropic Areas of Interest

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



We can help you incorporate your client's passions into rewarding projects that matter, including building a philanthropic legacy with their children and grandchildren.



Help your client commit to a cause with a planned gift.



There are a variety of ways to make a planned, long-term gift to the Community Foundation. Our team can walk you through these options listed in the chart below, including the benefits associated with each of them.

Goal	Gift	Steps	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
Ensure your clients' charitable goals are known in the future	Legacy Fund	Establish and fund a legacy fund with CFNJ, now or upon death	<ul style="list-style-type: none"> Simple way to provide a future donation Control over the future allocation of the clients' funds

Goal	Gift	Steps	Benefits
Establish a future gift, while maintaining lifetime control of the clients' assets	Bequest	Name CFNJ in the clients' will or living trust	<ul style="list-style-type: none"> Donation exempt from federal estate tax Control of assets during lifetime
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
Secure income for your clients or their 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 the client's fund 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 clients' 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 the clients' fund as a beneficiary of their retirement plan	<ul style="list-style-type: none"> Avoid taxes that come with estate assets Simple and inexpensive to establish



CONTACT US

For more information, contact us at
info@cfnj.org.

Community Foundation of New Jersey
PO Box 338
Morristown, NJ 07963-0338
973.267.5533 | cfnj.org