

Family Foundation Funds



OUR MISSION

The Community Foundation
of Greater Des Moines
improves quality of life for all
by promoting charitable giving,
connecting donors with causes
they care about and providing
leadership on important
community issues...we're
simply better together.

Family Foundation Funds

Philanthropy has been one of the fastest-growing sectors in the United States for more than a decade.

Expanding numbers of nonprofit organizations strive to serve vital community needs, supported by ever-increasing generous donors.

Accompanying this rapid growth is greater complexity, competition and regulation which can be cumbersome for families and individuals inspired to give.

A key choice for many donors is whether to create a new, or continue with an existing, private family foundation to fulfill their charitable goals and handle the administrative, investment and grantmaking responsibilities this entails.

Individuals often choose to establish a private family foundation to fulfill their

charitable goals and find the administrative oversight to be complicated.

The Community Foundation of Greater Des Moines offers families an alternative—Family Foundation Funds. These funds provide a range of personalized options for all donors, combined with the highest level of professional expertise, tax savings, investment management and service.

About the Community Foundation of Greater Des Moines

For more than 40 years the Community Foundation has been working closely with donors, local leaders and hundreds of nonprofit organizations to improve quality of life. In addition to endowment management, the Community Foundation provides a variety of planned giving options.

The Community Foundation is a publicly supported charity and offers maximum tax benefits to donors. This includes access to Endow Iowa Tax Credits, which are only available through a qualified Iowa community foundation.

Family Foundations and the Community Foundation of Greater Des Moines

The Community Foundation often hears from individuals and families who currently operate a private foundation or those considering establishing one. For many, the administrative burden becomes arduous and expensive and questions arise regarding the future of the private foundation.

The Community Foundation is an excellent resource for individuals with private foundations or those considering creating their own private foundation. We offer ways to ease administrative burden and increase efficiencies, enhance programmatic expertise and explore legacy and succession planning.

For individuals concerned about the future of their private foundation, legacy and succession planning may be accomplished by transferring assets to the Community Foundation in a fund established in the name of the family foundation. We work with donors to craft guidelines that capture their philanthropic intentions or establish individual funds for heirs to carry out their charitable interests.



The Rasmussen Family

“As the Rasmussen Foundation evolved, it made sense that the next step in our charitable giving was to work with the Community Foundation. The partnership with the Community Foundation helped our giving become more established, we were able to keep our identity and we continued to give locally.”

Frequently Asked Questions and Benefits

If you choose to establish a Family Foundation Fund at the Community Foundation or transfer your private foundation assets to the Community Foundation, you maintain the ability to make decisions about the charitable causes your fund supports.

The Community Foundation offers relief from the administrative responsibilities of managing your philanthropic giving including accounting, grant application due diligence, investment of the assets and IRS reporting. Your fund is included in the Community Foundation's state and federal reporting, tax returns, audits and filings. The board of a private foundation, by contrast, is responsible for these items.

Selection of Fund Name

The choice is yours. The name of your fund can represent your family or you may choose to be anonymous. Gifts will be made to the charities you select in the name of your fund.

Family Involvement

As the donor establishing the fund, you can select an advisory board and how successor advisors are chosen.

Confidentiality

The Community Foundation provides anonymity for all funds. Grantmaking through your fund can be anonymous (or selectively anonymous). Private foundations require disclosure and their information is freely accessible on websites such as GuideStar.org where the general public can review tax returns (990-PF), organizations that received grants, the private foundation's board and the private foundation's assets.



The Shah Family

“Our charitable fund allows us to create the legacy we desire to leave in our community while teaching the importance of giving to our children. We see the impact the Community Foundation has in Greater Des Moines as a donor-driven, quality-minded organization that provides long-term value for the community.”

FREQUENTLY ASKED QUESTIONS AND BENEFITS

No Minimum Distribution

There is no minimum distribution requirement with a Family Foundation Fund at the Community Foundation. A private foundation must distribute a minimum of five percent of its net investment assets annually.

Lower Costs

The administration of a Family Foundation Fund at the Community Foundation is typically lower than the annual expenses incurred to operate a private foundation. In addition, there are legal, accounting, tax-exempt and filing fees incurred when private foundations are established.

Maximum Tax Benefits

Contributions through the Community Foundation offer a deduction of up to 50 percent adjusted gross income for gifts of cash versus 30 percent for private foundations and 30 percent of adjusted gross income for capital gain property versus 20 percent for private foundations.

In addition Endow Iowa Tax Credits are available only through Iowa community foundations and provide a 25 percent Iowa tax credit in addition to normal federal charitable income tax deductions for certain charitable gifts.

No Excise Tax

A private foundation requires you to pay one to two percent excise tax on the foundation's net investment income. Community Foundation funds are not subject to excise tax.



Patty and Jim Cownie

“There are many advantages both administratively and legally to establishing a Family Foundation Fund. We have had a fund with the Community Foundation for more than ten years. The service we receive is accurate, quick and always responsive.”

FREQUENTLY ASKED QUESTIONS AND BENEFITS

Investment Management

The Community Foundation provides professional fund management and investment expertise but you may also choose to work with your preferred investment manager. If you prefer to retain a private foundation, the Community Foundation can provide investment services to your private foundation.

Succession Planning

You have multiple options including naming successor advisors, crafting language that describes your intentions for future generations, selecting the Community Foundation giving experts to handle your intentions or allowing the Community Foundation to direct your funds to emerging community needs.

Supporting Nonprofit Organizations

You can support any 501(c)(3) charitable organization through your Family Foundation Fund including local, national and international charities if they have a 501(c)(3) based in the United States.

Transferring assets from a private foundation

Please consult with your attorney to close a private foundation. When you are ready to transfer the private foundation's assets to establish a Family Foundation Fund at the Community Foundation, our staff will work with you to keep the process simple.



The Ruan Family

“Currently, we are in our third generation of giving and the Community Foundation serves as an important vehicle that connects us with those community issues that we care about most. We truly appreciate the way the Community Foundation effectively manages our family fund.”

FREQUENTLY ASKED QUESTIONS AND BENEFITS


Access to resources

The Community Foundation offers a knowledgeable staff who provide a high level of professional expertise and personal service. We are connected to hundreds of local charities and can share about unique giving opportunities that match your interests.

Our professional staff will answer questions that may arise about your fund including responding to grant inquiries, providing research on charities of interest, facilitating grant distributions and providing quarterly fund status reports. Our staff is available when requested to advise and assist in evaluating and selecting grantees.

Additionally we offer site visits to area nonprofit organizations that are of interest as well as educational events that enable you to give back meaningfully.

The Community Foundation provides you and your family an efficient and effective way to conduct your charitable giving, while allowing you to focus on making a difference with your charitable funds in the areas you care about most.



For more information on
Family Foundation Funds,
please contact the
Community Foundation of
Greater Des Moines at
515-883-2626.

www.desmoinesfoundation.org



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