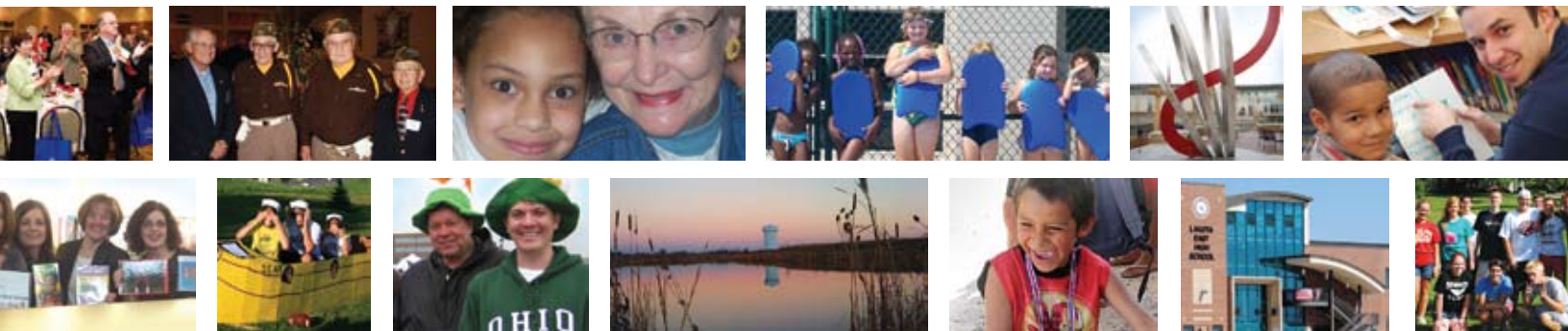


# Your Dream. Your Gift. Your Legacy.



## A Guide to Charitable Giving



# The Community Foundation of West

## OUR MISSION

*To encourage, support and facilitate philanthropy and improve the quality of life in the West Chester/Liberty area.*

## OUR VISION

*The Community Foundation of West Chester/Liberty serves as a leader and resource for philanthropy; builds and permanently holds a growing endowment for the community's changing needs; provides flexible and cost-effective ways for donors to improve their community now and into the future; promotes collaboration among local funding organizations and service providers to address community needs; and, makes grants and provides counsel and assistance that will have a significant impact upon the residents of West Chester and Liberty Townships.*

## HISTORY & PURPOSE

Established in 1999, a small group of thoughtful, committed citizens met each week to take an annual fundraiser and roll it into a long-term commitment. The group worked to meet the needs of the community forging the path that would become The Community Foundation of West Chester/Liberty. Built from the ground up; one donor at a time, The Community Foundation worked to show how charitable dollars could impact the needs of the community connecting donors with those causes important to them. With the generous support of the Foundation's Founding Families, Founding Businesses and community supporters, the Foundation was able to provide grant opportunities to support the interests of the community. The Community Foundation of West Chester/Liberty is proud to have worked with a variety of donors from all income levels to fulfill their philanthropic goals. Whether donors are supporting an established fund or opening a new fund that best meets their charitable dreams, the Foundation is there offering the best service to help guide them through the process.

## LEADERSHIP

The Community Foundation is governed by a 25 member Board of Directors. These Directors represent the community and provide their professional expertise in their partnership with the Foundation. In addition, the Community Foundation relies on an Advisory Board and seven Standing Board Committees to help guide the work of the Foundation.

## FINANCIAL MANAGEMENT

To safeguard principal and yield a competitive rate of return, Community Foundation assets are professionally managed following the guidelines set forth in The Community Foundation's Investment Policy. Oversight is provided by our Finance & Investment Committee comprised of top financial and investment experts.

## INTEGRITY

The Community Foundation of West Chester/Liberty is confirmed in compliance with the National Standards for U.S. Community Foundations, voluntarily adopting the policies and procedures to guarantee that we conduct business not only legally, but ethically.



## SERVICES

The staff at The Community Foundation of West Chester/Liberty is available to help define your philanthropic goals, discuss your charitable plans and evaluate a variety of giving options that best meet the needs of you and your family. We work with you and/or your tax, legal and financial planning counsel to determine the best charitable plan to meet your goals.

**For more information or to set-up an appointment, please call  
The Community Foundation's office at 513-874-5450.**

# Chester/Liberty



Photo courtesy of Barb Trimble Photography



# What Are Your Dreams?



People choose to support charitable causes for a variety of reasons. Perhaps you have compassion for the less fortunate or hold the belief that you need to give something back to society. Maybe you have a favorite cause or institution, or perhaps you simply benefit from the tax incentives offered for charitable gifts. Whatever your reasons for giving, we will help you determine how to maximize your gift.

## 1 DEFINE YOUR GOALS

What are your charitable goals...your passions? What organizations do you support today? What type of charitable gift gives you the most satisfaction?

## 2 CREATE YOUR PLAN

What changes do you want to see happen? What types of programs/projects do you like to support? How much do you want to be involved in your charitable giving?

## 3 DETERMINE YOUR GIVING LEVEL

What is your charitable comfort level? What tax advantages are available to you? What are your financial objectives?

## 4 IMPLEMENT YOUR STRATEGY

After determining the philanthropic route best suited for you, you might create a new charitable fund or chose to support an existing fund. Whether you already have a plan in place or you are just getting started, The Community Foundation is here to help. A variety of options are available to help you meet your charitable goals today and into the future. The Foundation's staff will help make your charitable dreams a reality. You can easily establish a charitable fund in your name, your family's name or a name that provides anonymity.



The many benefits of working with The Community Foundation of West Chester/Liberty:

- **PERSONALIZED SERVICE** – We make giving easy and effective, accepting a wide variety of gifts and providing donors with a variety of charitable options for consideration. Paperwork is limited and our professional staff provides prompt and personal service.
- **LOCAL EXPERTISE** – Our professional staff has an in-depth understanding of the issues, opportunities and resources that shape our community. The staff monitors all areas of community need, including: human services, education, parks and recreation, healthcare, the arts and economic development. This expertise helps to guide your charitable plans and ensure that distributions are targeted to where they will do the most good.
- **COMMUNITY LEADERSHIP** – We invest in the long term and bring people and organizations together, convening diverse voices to address local issues and opportunities. Our business is building community.
- **SIMPLICITY** – Creating a philanthropic fund can avoid the legal complexities and fees, administrative burdens and compliance requirements of establishing and maintaining a private foundation.
- **TAX BENEFITS** – The Foundation is able to offer the maximum tax advantages under federal law.
- **PERMANENCE** – The Foundation builds endowment funds that benefit the community forever and create personal legacies.
- **IMPACT** – We multiply the impact of gift dollars by pooling them with other gifts and grants.

The Community Foundation of West Chester/Liberty thanks you for considering a charitable gift. We hope that you will choose to entrust us with your dreams, your gifts and your legacy.



# Charitable Funds



The Community Foundation of West Chester/Liberty offers a variety of fund types providing varying levels of restrictions. Let us help you determine what type of fund is best for you!

## COMMUNITY GRANT FUND

The Community Foundation's Community Grant Fund offers flexible donors an opportunity to support the broad interests of the entire community. Donations made to The Community Foundation, with no restrictions placed on the gift, are often placed into this Fund. Also, a significant portion of the proceeds from our fundraisers; such as, The Key Event and Community Golf Classic are placed into this fund. The Community Grant Fund allows the Foundation to respond quickly to pressing community needs by expanding services and programs and creating partnerships to leverage grant dollars. Grants are recommended by the Foundation's Community Grant Committee, with approval by the Board of Directors, to organizations and initiatives that enhance the quality of life in West Chester/Liberty.

## AGENCY ENDOWMENTS

Agency Endowments are established by a charitable organization to support their mission and goals. These funds help create a steady stream of income for the agency's operations, programming and other organizational needs.



Photo courtesy of Murray Multimedia Resources ©2011

## REACH OUT LAKOTA

In 2002, the Board of Director's for Reach Out Lakota established an Agency Fund at the Community Foundation of West Chester/Liberty. Reach Out Lakota, is a community-based food and clothing outlet that is operated solely on the support received from the West Chester/Liberty community and the grants awarded by The Community Foundation. Reach Out Lakota's mission is to assist families in the Lakota School District who, through some form of hardship, have found it difficult to support their families. When general donations are down, Reach Out Lakota relies on their Agency Fund to supplement their income.



Photo courtesy of Murray Multimedia Resources ©2011

## DONOR ADVISED FUNDS

Donor Advised Funds provide an opportunity for donors to recommend distributions to specific charities at their convenience. These funds allow the donor to combine income tax planning with charitable giving. Donors obtain an income tax deduction for the value of appreciated assets at the time their gift is made to their Donor Advised Fund at the Foundation. With the tax deduction received, the Donors are then free to make grant recommendations to charities of their choice within their own time frame. The Donor Advised Fund held at the Community Foundation is similar to having your own private foundation. Donor Advised Funds can be established by individuals, families or businesses.



### CLARK-THERDERS INSURANCE AGENCY, INC. FUND

In 2004, the Clark Theders Insurance Agency, Inc. established a Donor Advised Fund to help facilitate their charitable giving. Employees are encouraged to nominate charitable organizations to be considered for funding. After nominations are received, employees vote to determine which organization will receive a generous grant award.



### WILLIAM A. AND LAVERNE R. STAUTBERG ENDOWMENT FUND

In honor of their 64th Wedding Anniversary in 2007, the family of William and LaVerne Stautberg presented the couple with a donor advised fund held in their name at The Community Foundation. The Fund awards grants annually to the Stautberg's favorite charities, causes and schools. This charitable fund captured the spirit of giving they maintained during their lifetime and enables their children and grandchildren to continue the service that was such an important part of their lives. Engaging the family creates an intentional focus on philanthropy and teaches the power of endowment.



#### LAKOTA F.I.E.L.D.S. (FRIENDS INVESTED IN ENHANCING LAKOTA DISTRICT STADIUMS) FUND

A group of private citizens, committed to working with the Lakota School Board, acquired the necessary funding to facilitate upgrades, such as turf, to the football stadiums at Lakota East and Lakota West High Schools. Established as the Lakota F.I.E.L.D.S Fund they use charitable dollars to make these planned improvements happen. By making the investment of turf in the stadiums, F.I.E.L.D.S enabled both stadiums to extend their usage to a broader array of users within the community.



#### DESIGNATED FUNDS

Designated Funds are established by Donors whose intent is to have their gift benefit a designated charitable organization or purpose. These funds can create a permanent endowment to support the charitable organization or purpose for the long-term.

#### THE SQUARE AT UNION CENTRE FUND

In 2007, The Square at Union Centre Fund was established to build endowment funds to support programming and refurbishing at The Square @ Union Centre. The Square, featuring the First Financial Bank Clock Tower, hosts a variety of events for the community to enjoy; including the First Financial Bank's Thursday After Hours @ the Square and the West Chester's Farmer's Market presented by First Financial Bank. Generous financial support for The Square @ Union Centre was provided by First Financial Bank at the Title Level followed by AK Steel, BAE Systems and Huntington Bank at the Supporting Level.

## FIELD OF INTEREST FUNDS

A Field of Interest Fund is the perfect choice for donors who wish to support a geographic area of their choice or a particular interest; such as, the arts, environment, or children. These funds are typically established by individuals or a family who want to address a particular interest; however, they want the Foundation to handle the grantmaking on their behalf. The Community Foundation is able to honor a donor's wishes on an annual basis by awarding grants from the Fund to organizations and programs that address their specific field of interest. These types of funds provide flexibility for the Foundation's program staff and/or Community Grants Committee to award grants to a variety of organizations to meet their changing needs. However, since the Fund is targeted for a particular interest, it allows donors to leave their footprint on the causes most important to them during their lifetime.



## POWER OF THE PURSE FUND

Initiated by the Foundation's Board of Directors, this Fund was created to educate, inspire and increase the number of women committed to philanthropy. Members of the Power of Purse Giving Circle pool together members' resources to award an annual grant to causes important to women.

## SCHOLARSHIP FUNDS

Scholarship Funds provide an opportunity to help students achieve their educational goals. Scholarship funds can be designed for any level of education from pre-school to post-graduate work. Donors may designate particular eligibility requirements, field of study or a specific geographic area.



### BOB LAWHORN EDUCATION FUND

Bob Lawhorn was a self-made man who never forgot his roots. A graduate of Norwood High School, Bob attended the University of Cincinnati and eventually became a successful businessman. Bob got involved with the Community Foundation of West Chester/Liberty in its early stages and launched the Community Foundation's first annual Community Golf Classic.

A spirited man who cared about others throughout his life, Bob reached out to people from all walks of life which was demonstrated by his caring smile, generosity, humor, and sincere compassion. His zest for life was felt by everyone he touched. After a short, courageous battle with cancer, Bob passed away in the spring of 2005.

Bob not only valued education, but also the importance of giving back to one's community. To honor Bob's legacy, an endowment was created by his family and friends to fund a full 4-year tuition scholarship to graduates of Norwood High School. The scholarship to University of Cincinnati for full-time undergraduate enrollment is awarded to the applicant who most exemplifies the qualities Bob possessed. Bob's legacy will continue through the recipients of the scholarship in his name.



### KRISTIN RENNEKER SCHOLARSHIP FUND

A daughter, a sister, a friend, an athlete...Kristin Renneker meant so much to those who knew her and loved her. She was a good friend and teammate and always encouraged others to *"be the best you can be."* Being the youngest of five, she was competitive by nature but never had an attitude toward those who were better students or better athletes. She loved being a peer counselor; and, although she thoroughly enjoyed soccer, her real love was basketball. She was excited to make JV as a freshman and thrilled to be pulled up to dress for Varsity mid-year.

Kristin was in the process of completing her college applications and visits when the accident that took her life occurred...January 4th of her senior year. She so wanted to receive a scholarship to help pay for her education, and since she never had that opportunity, it seemed fitting that a scholarship be established in her name. Spearheaded and supported by the Lakota Athletic Boosters, the Kristin Renneker Scholarship began through the generosity of many. Initially, the Fund was held by the Lakota School District; however, in 2002, the scholarship fund was transferred to The Community Foundation of West Chester/Liberty. Annually, the Fund awards two \$2,000 scholarships in Kristin's name to outstanding young women (one from each of the Lakota High Schools, East and West) to help them achieve their dreams. While Kristin is not here to realize her dreams, her legacy will forever be felt by those who receive the scholarship bearing her name.

# Your Gifts!

The Community Foundation receives gifts of all sizes. Whether you are considering a gift of cash, securities, closely-held stock or real estate, all gifts are important to the work of the Community Foundation in our community. All types of assets may be used to contribute to an existing fund or to create a new fund to better serve your charitable goals.

CHARITABLE INCOME TAX DEDUCTIONS FOR INDIVIDUALS		
Type of Contribution	Amount that can be deducted	% of AGI that can be deducted in one year.
Cash	Fair Market Value	50%
Ordinary income property, such as inventory, depreciable property, agricultural products, oil and gas property, Section 306 stock, original issue discount debt instruments, artwork by its creator and other property, the sale of which at fair market value would yield short-term capital gain.	Cost Basis	50%
Short-term capital property (held less than 12 months) such as stocks, bonds, and other capital assets, the sale of which at fair market value would yield short-term capital gain.	Cost Basis	50%
Long-term capital gain property (held more than 12 months) such as stocks, bonds and other capital assets, the sale of which at fair market value would yield long-term capital gain.	Fair Market Value	30%
Long-term appreciated real property	Fair Market Value	30%
Tangible personal property, if the recipient's use of the property is unrelated to its exempt purpose or function.	Cost Basis	50%

*\*Contributions in excess of the percentage limitation may be carried over for charitable deduction purposed in the five succeeding taxable years. Please review your giving options and related tax benefits with your professional tax advisor.*

## RETIREMENT ASSETS: 401(K), IRA, PENSION DEATH BENEFITS

Retirement plan assets are some of the most tax efficient assets to transfer to a charity upon your passing. Double taxation can erode the value of retirement assets. In some cases, the combination of taxes can reach as high as 80 percent, leaving very little for your heirs. By leaving retirement assets to The Community Foundation of West Chester/Liberty, you can maximize the value of your retirement assets by avoiding income taxes while reducing your estate taxes. Your hard-earned assets will be preserved for the good of the community forever.

Naming the Community Foundation of West Chester/Liberty as a beneficiary of retirement assets is as easy as adding a few sentences on your IRA beneficiary form. Assets can be used to support a current Fund at the Community Foundation or you could create a new Fund to address your specific goals.

“To The Community Foundation of West Chester/Liberty, a nonprofit corporation of Ohio, to be used to enhance/create a component fund known as the \_\_\_\_\_ Fund, which shall be administered in accordance with the \_\_\_\_\_ Fund Agreement with The Community Foundation of West Chester/Liberty. If Participant fails to execute such agreement, this gift shall be used for such general and charitable purposes as The Community Foundation of West Chester/Liberty’s Board of Directors shall determine, in its sole discretion, as set forth in the bylaws of The Community Foundation of West Chester/Liberty.”



## CASH

The simplest and most popular type of gift to give is cash. Gifts of cash can be used to establish a new fund or to support an existing fund. Gifts of cash are also given in honor or memory of a close friend or loved one.

## REAL ESTATE

A gift of real estate is a unique way of providing a charitable gift. Whether you have a home, farmland or business property, the Community Foundation may be able to provide a recognizable tax savings for you.

Gifts of real estate provide a charitable deduction for the appraised fair market value. The gift also provides a reduction on your taxable estate and avoids the tax on your capital gain if held for over 12 months. Because each gift of real estate varies, Donors who are considering this type of gift should contact a Community Foundation staff member to discuss the process and details of making such a gift.



## STOCKS, BONDS, MUTUAL FUNDS

Gifts of long term appreciated property in the form of stocks, bonds or mutual funds may provide a greater tax benefit than a cash gift of equivalent value. These gifts provide a charitable deduction for the full market value. You will also avoid capital gains tax – money you would have to pay if you liquidated the property.

You may consider a gift of closely held stock that is not generally sold to the general public. If you must liquidate it, giving it to a charitable organization will offer you and your company a number of advantages. You will receive a charitable deduction for the fair appraised market value (not the cost basis) and avoid tax of the capital gain. A liquidating event may result in the sale of the stock at fair market value.

## THE ADDED DIVIDENDS OF GIVING SECURITIES

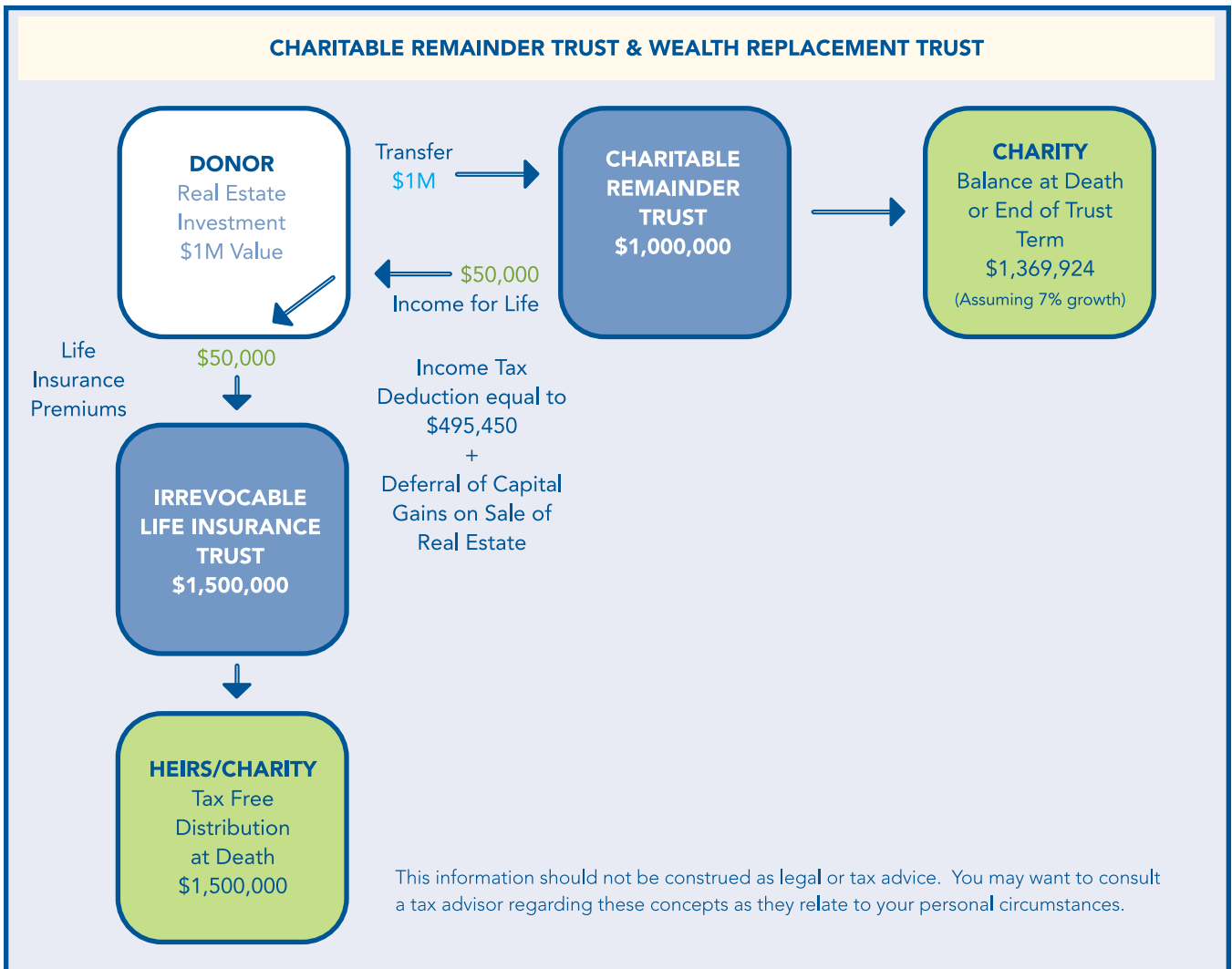
Consider a gift of \$10,000 of either cash or securities. Your charitable deduction would be the same regardless of the gift, however assuming the 28% bracket, your net cost of a cash gift would be \$7,200. While a gift of securities that were purchased for \$1,000 could save \$1,350 in capital gains tax, leaving the new cost of your gift at \$5,850.

### HOW TO MAKE A GIFT FOR 59 CENTS ON THE DOLLAR:

	CASH	APPRECIATED SECURITIES
Current fair market value of charitable gift	\$10,000	\$10,000
Cost Basis (original investment)	\$10,000	\$1,000
Income tax savings (assuming 28% income tax bracket)	\$2,800	\$2,800
Capital gains tax you save by giving stock (assuming 15% capital gains bracket)	\$0	\$1,350
<b>NET COST OF GIFT</b>	<b>\$7,200</b>	<b>\$5,850</b>

**LIFE INSURANCE POLICIES**

Giving a life insurance policy is an easy and inexpensive way to make a substantial contribution to The Community Foundation of West Chester/Liberty. In later years, many people find that they don't need all the insurance they did when they were younger, or they may choose to purchase a new policy to donate to leverage their gift.



### LIFE INSURANCE POLICIES *(CONTINUED)*

There are three common methods to turn life insurance policies into a charitable gift:

**OPTION 1:** Simply list the Community Foundation as the beneficiary when purchasing a new life insurance policy, or execute a simple change of beneficiary form on a current policy. Upon your passing, your estate receives a charitable deduction and the death benefit passes to the Community Foundation tax-free. You may also name the Community Foundation a successor beneficiary in the event your primary beneficiary passes away before you do.

**OPTION 2:** You may donate an existing, paid-up life insurance policy to the Community Foundation or purchase a new paid-up policy in the Community Foundation's name. As long as all rights of ownership are transferred to the Foundation, you should receive a current income tax deduction equal to the lesser of your basis in the policy or the policy value. Examples of policies that may no longer be needed include:

- Business insurance after the business has been sold
- Income replacement insurance after you've retired
- Estate insurance when your estate has been reduced below the taxable level
- Mortgage insurance after the mortgage has been repaid

**OPTION 3:** You may transfer an existing insurance policy or purchase a new policy on your life and name The Community Foundation of West Chester/Liberty as the owner. Every year you donate sufficient funds to The Community Foundation to pay the annual premiums. These contributions are tax-deductible, subject to individual limitations. In the event you stop providing these funds, the Foundation reserves the right to cash in the policy.



### ARTER LEGACY FUND

Local business owner and insurance representative, Brent Arter loves the West Chester/Liberty Township community. The community has been a generous supporter of his business that was started in West Chester in 1974. Having grown up in the area, Brent has witnessed firsthand the community's growth. Farmland has turned into housing developments. Businesses, retail stores and restaurants continue to be attracted to one of the fastest growing areas in the region. However, Brent is well aware that there has always been needs and will continue to be needs in the community. Community improvements will need to be made to the parks, schools and the arts. Friends and neighbors who have fallen on hard times will continue to rely upon support from the social services agencies who are providing services to the less fortunate.

Through the donation of a life insurance policy, Brent and his family have created a Legacy Fund that will provide ongoing funding to support the community's future needs. Brent's charitable gift of a life insurance policy is easy to do through the Community Foundation. Whether the donor selects to leave an entire policy, like the Arter's, or chooses to leave a percentage of their policy, this charitable tool helps to build funds that will be sure to provide a lasting impact in our community. There is no doubt that this generous gift will enhance the Arter's legacy on our community.

## PRIVATE FOUNDATION CONVERSION

Administrative costs to operate a family foundation can be high, since they are subject to a restrictive set of rules and excise taxes may be levied on both the foundation and donors if rules are violated. In addition, the charitable income tax deduction is lower for donations to private foundations than it is for donations to public charities.



### RICHARD L. & PATRICIA F. ALDERSON FAMILY FUND

After the sale of their business in 1995, Dick and Patti Alderson established a private foundation that provided a tax benefit and allowed them the opportunity to filter their charitable giving back to causes important to them.

In 1999, the Community Foundation was established under the leadership of Patti and other charitably minded residents who saw a vision of what The Community Foundation of West Chester/Liberty could do for the Community. Patti's involvement with The Community Foundation allowed her to see firsthand all the benefits a Community Foundation can provide to donors. She quickly realized that creating a private foundation was the wrong path for her family. Why mess with all of the annual filings, fees and restrictions when they could continue their charitable work through a Donor Advised Fund at the Community Foundation? Dick and Patti converted their private foundation into the Richard L. & Patricia F. Alderson Family Fund in 2007. Their fund continues to grow steadily through the power of endowment. Each year, the family is able to advise the Community Foundation of the causes they wish to support.

## COMMUNITY OR PRIVATE FOUNDATION: WHICH OPTION IS BEST FOR YOU?

The Community Foundation of West Chester/Liberty offers donors a variety of advantages when creating a charitable fund over a private Foundation.

	Private Foundation	Donor Advised Fund @ The Community Foundation
Set up Cost	Significant; upwards of \$10,000	No Charge to Set up
Time to Set up	Months	Immediate
Ongoing Taxes	1% to 2% Excise Tax on Net Investment Income	No Taxation
Required Expenditures	Must annually grant 5% of the average fair market value of the assets each year.	Make recommended grants at donor's will. No annually required grantmaking.
Privacy	No Privacy with Public Tax Filings Annually	Total Privacy. All fund activities may be anonymous.
Succession to Next Generation	Yes	Yes
Fees Paid	Yes to institution holding assets.	Yes, to The Community Foundation to be used to benefit the community.
Assistance in Giving	None	Immediate access to expertise who will bring you a wealth of knowledge about your community and beyond.

## CONVERTING A PRIVATE FOUNDATION TO A FUND AT THE COMMUNITY FOUNDATION

Like the Alderson's, many people enjoy the experience of giving through a private foundation; however, there may come a time when the individual or family determines that converting their private foundation to a charitable fund at the Community Foundation may be a better option in helping them reach their charitable goals. Terminations may occur when:

- The work of a private foundation has become overwhelming.
- The next generation is uninterested or there are no heirs to administer the private foundation.
- Administration of the private foundation seems too costly or cumbersome.
- You or your advisors identify a tax planning need for the higher public charity tax benefits available through a Community Foundation.
- Assets in the private foundation have declined to an extent where the costs and annual payout requirements make it impractical to maintain.
- You become concerned about exposing yourself to liability, excise taxes and penalties associated with private foundations.
- You are interested in tapping into the community grantmaking expertise of a Community Foundation so that your charitable dollars will make a more significant impact.

## SERVICES TO PRIVATE FOUNDATIONS

For Donors who are not quite ready to terminate their private foundations but seek simpler management, The Community Foundation is able to provide a variety of fee-based, back-office services that include the recommendation of worthy charities and programs, grant administration and check processing. Contact the Foundation to learn more.

## SUPPORTING ORGANIZATIONS

Established by an individual, group, family or business, a supporting organization is a separate non-profit corporation that operates under The Community Foundation of West Chester/Liberty and qualifies as a public charity. A supporting organization is an excellent alternative to a private foundation, with only a fraction of the administrative responsibilities and lower costs. You select some board members, maintain personal involvement and support cherished causes. The Community Foundation provides an array of philanthropic and administrative services to make the giving experience simple and enjoyable. Benefits of creating a supporting organization include:

- Receive an immediate tax deduction
- Access the expertise of the Community Foundation's professional staff
- Avoid the 5% annual distribution required by the establishment of a private foundation. This allows grants for any size to be awarded at any time.
- Enjoy public charity status
- Establishment of a Board of Directors to provide oversight

A careful review of the various ways to leave a charitable gift can help make your gifts become more meaningful for you and the charities you choose to support. We recommend that you speak with your attorney, accountant or other financial planner to determine what method is best for you.

## CHARITABLE BEQUESTS

Through a bequest, you can establish any kind of charitable fund or give to an existing fund. Gifts provided through wills or trust accounts represent the majority of the planned gifts received by charities.

By leaving a gift in your will to The Community Foundation of West Chester/Liberty, you may reduce your estate taxes while supporting your community. You may give a specific dollar amount, property or a percentage of your estate. You may also give a remainder of your estate after bequests have been made to your family and friends.

When planning a bequest to The Community Foundation of West Chester/Liberty, be sure to meet with a member of our staff to be certain that your wishes and intentions are clearly understood today, so that they may be fulfilled in the future.



*Consider leaving a gift to The Community Foundation of West Chester/Liberty in your will. You may reduce your estate taxes while supporting your community for generations to come.*

# Your Legacy

Once you have established your philanthropic goals and identified assets to give, you can determine which giving instruments best meet your financial objectives.

Whether you want to simply remove assets from your estate, avoid taxes on capital gains, establish a life income or preserve more of your estate for your heirs, the Community Foundation of West Chester/Liberty can help. Our staff is happy to meet with you to discuss giving alternatives and opportunities.

## LEGACY SOCIETY

The Community Foundation of West Chester/Liberty's Legacy Society recognizes those who have remembered the Community Foundation in their will or estate plan. While we honor those who have notified us of their plans via our membership application, we also appreciate those who wish to remain anonymous.

Legacy Society members are invited to a special annual recognition event, as well as other Foundation events throughout the year. Legacy Society members are recognized in our annual report and on our website and receive regular communications from the Community Foundation. In addition, legacy pins, showcasing the Foundation's logo are provided to those recognizable donors.



## CONSIDER WHAT TYPE OF BEQUEST IS RIGHT FOR YOU!

You and your advisor may consider the following samples of several types of bequests when preparing your will.

### OUTRIGHT BEQUEST/DISTRIBUTION

I give \_\_\_\_\_ (e.g., dollar amount, specific property, residuary estate, entire estate) to The Community Foundation of West Chester/Liberty an Ohio nonprofit corporation.

### CONTINGENT BEQUEST/DISTRIBUTION

In the event that \_\_\_\_\_ (name of primary beneficiary) shall not survive me, then I give \_\_\_\_\_ (e.g., dollar amount, specific property, residuary estate, entire estate) to The Community Foundation of West Chester/Liberty an Ohio nonprofit corporation.

### BEQUEST IN A WILL TO CREATE (OR ADD TO) A FUND

I give \_\_\_\_\_ (e.g., dollar amount, specific property, residuary estate, entire estate) to The Community Foundation of West Chester/Liberty an Ohio nonprofit corporation.

This gift shall be used to add to (or to create) a component fund (to be) known as the \_\_\_\_\_ Fund, which shall be administered in accordance with the terms set forth in the \_\_\_\_\_ Fund Agreement with The Community Foundation of West Chester/Liberty. In the event that I fail to execute such agreement, this gift shall be used for such general and charitable purposes as The Community Foundation's Board of Directors shall determine, in its sole discretion, as set forth in the Bylaws of the Community Foundation of West Chester Liberty.

### DISTRIBUTION FROM A TRUST TO CREATE (OR ADD TO) A FUND

Upon the death of the donor(s), the Trustee shall distribute all of the then principal and income of the Trust (other than any amount due \_\_\_\_\_) to The Community Foundation of West Chester/Liberty an Ohio nonprofit corporation. This distribution to The Community Foundation of West Chester/Liberty shall be used to add to (or to create) a component fund (to be) known as the \_\_\_\_\_ Fund, which shall be administered in accordance with the terms set forth in the \_\_\_\_\_ Fund Agreement with The Community Foundation of West Chester/Liberty. In the event that the donor(s) fail(s) to execute such agreement, this gift shall be used for such general and charitable purposes as The Community Foundation's Board of Directors shall determine, in its sole discretion, as set forth in the Bylaws of The Community Foundation of West Chester/Liberty.

### CHARITABLE GIFT ANNUITY'S

Charitable gift annuities are one of the simplest and most popular forms of life income gifts. It involves a simple agreement whereby the Community Foundation accepts a gift of cash, securities, or property and agrees to pay a specified, fixed dollar amount to the donor or another beneficiary. The fixed amount is based on the beneficiary's age. The older you are, the higher the rate. Charitable gift annuities offer several tax advantages as well. Part of the gift qualifies for a current federal income tax deduction. By transferring an appreciated asset to the Community Foundation, you will reduce and defer your capital gains tax and may reduce probate costs and estate taxes. Check with your tax or financial advisor for detailed tax implications. Because the gift is irrevocable, the charity maintains control of the gift and becomes responsible for paying income for the lifetime of each beneficiary. Check with your tax or financial advisor for detailed tax implications.

A deferred gift annuity allows you to make a gift now and receive payments later in life. This type of gift is attractive to younger donors who are planning for retirement. You will receive a higher rate and a lifetime income, based on when you want to start receiving payments (at least 12 months after establishing the fund). If you need current tax deductions and want to augment retirement income on a tax-sheltered basis, a deferred gift annuity is an excellent option.

### CHARITABLE TRUSTS

With a charitable lead trust, you donate income to a charity such as The Community Foundation of West Chester/Liberty. Through the trust, you determine how much will be paid to The Community Foundation and for how long. The principal that remains after the trust terminates will revert back to you or pass to another designated individual. You may choose between variable or fixed income payments. Charitable Lead Trusts are an effective tool for excluding assets and subsequent appreciation on those assets from your taxable estate while ensuring your favorite causes receive significant charitable support.

## CHARITABLE REMAINDER TRUSTS

A charitable remainder trust is a planned charitable gift made while you are living or through your will that also provides income for yourself and/or a loved one. A charitable remainder trust pays you and/or other beneficiaries an amount of money for the beneficiaries' life or for a term of years (up to 20 years). At the end of the trust term, the remainder is then paid to a charitable beneficiary. Charitable remainder trusts offer a great deal of flexibility. Payments may be made to you throughout your life, and then directed to your spouse or other beneficiaries after your death. The trust may also be set up by your will, benefiting a loved one for his or her lifetime. The eventual distribution to The Community Foundation of West Chester/Liberty will take effect only at the end of the trust term.

### MARTHA DAVIS – DAVIS WENDELL FUND

In 1998, Marty Davis moved from Florida to the West Chester/Liberty area to be closer to her family. After settling in her new home, Marty was in search of ways to get involved in her new community. She got a job at the West Chester Library, volunteered at the local animal shelter and joined Four Bridges Country Club.

On a trip to the Four Bridges Clubhouse in the summer of 2000, Marty came across a group of people volunteering for the Community Foundation who were hosting their 1st Annual Community Golf Classic. Marty was hooked! What a great way to meet people in the community and raise funds to support your local community. Marty soon got involved with a variety of Community Foundation Committees and became a member of the Community Foundation's Board of Directors.

In 2004, Marty was in the process of selling a substantially appreciated piece of lakefront property in Michigan. On the advice of her attorney and financial planner, Marty established a Charitable Remainder Trust that provides Marty with a steady income stream today. Upon Marty's passing additional assets will be allocated to the Davis Wendell Fund held at The Community Foundation. This Donor Advised Fund will continue to support the causes that are important to Marty and will allow Marty's children and grandchildren to continue Marty's legacy by granting dollars each year to deserving charities of their choice.



### FIXED PAYMENTS: CHARITABLE REMAINDER ANNUITY TRUST

A charitable remainder annuity trust pays a lifetime income based on the initial value of the assets funding the trust. The payout rate must be at least 5% of the initial fair market value of the gift. If you establish an annuity trust, you will receive a deduction for the present value of the charitable remainder interest and avoid capital gains tax on the transfer of appreciated long-term securities. Charitable remainder annuity trusts cannot accept additional contributions after the trust is funded.

### VARIABLE PAYMENTS: CHARITABLE REMAINDER UNITRUST

The percentage payment you receive from a Unitrust varies from year to year as the fair market value of your trust assets fluctuates. If the value of the trust assets increases, so too would your payments. You must specify a payment rate (at least 5% by law). If your trust assets outperform that rate, the extra gains would be reinvested, eventually increasing your principal and payments. You may view this as a possible hedge against inflation, assuming growth in value of the trust assets is somewhat comparable to the inflation rate.

The reverse, however, is also true. If your trust earns less than the rate you specify, you will still be paid that same percentage. This could erode your principal and lower your payments.

To emphasize asset growth and a higher charitable deduction, establish a lower trust payout rate. If you select a higher trust payout rate, you'll receive a lower charitable deduction.

You can fund a Unitrust with cash or, ideally, with long-term, highly appreciated securities. The charitable deduction you're allowed is based on the fair market value of the assets (even though you may have purchased them for much less), the payout rate you choose, the number of individual beneficiaries you specify and the age of the beneficiaries or the term of years the trust is established. Your tax, legal and financial planning counsel can help you assess the options best suited to your situation.



### REMAINDER INTEREST IN A RESIDENCE OF FARM

A gift of a remainder interest in a personal residence or farm allows you to continue to occupy the residence or operate the farm without disruption. You get an income tax charitable deduction for the present value of the remainder interest. In computing this value, depreciation may be taken into account. This gift allows you to avoid any potential capital gains tax on the built-in appreciation. In contrast, should the same gift be made to a Unitrust, you must give up possession of the property. But a gift of a remainder interest provides a deduction that frees up tax dollars into spendable income without causing any disruption in lifestyle. Taxes, insurance, and normal maintenance remain your responsibility. You will be entitled to additional deductions upon making subsequent capital improvements.

A large, light blue graphic in the background depicts two stylized human figures from the chest up, facing each other with their arms raised to hold a large heart shape. The figures are composed of simple, rounded shapes. The heart is formed by the negative space between the two figures' arms and chests.

**WHAT IS YOUR LEGACY?**

**PLEASE CONSIDER A GIFT**

to The Community Foundation  
of West Chester/Liberty.



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[www.wclfoundation.com](http://www.wclfoundation.com)

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The Community Foundation of West Chester/Liberty is confirmed in compliance with the National Standards for U.S. Community Foundations, voluntarily adopting the policies and procedures to guarantee that we conduct business not only legally, but ethically.