



Vehicles of Giving Overview

Lake County residents who partner with The Lake County Community Foundation are diverse. They have individual charitable interests, unique family situations and specific financial circumstances. However, they share one characteristic—they all want their giving to make an impact. They want to contribute to the prosperity of the community and its people for years to come.

The Lake County Community Foundation understands that every philanthropic agenda is unique and that the needs of the region are broad and evolving. In its own grant making, the Foundation prioritizes livable communities, human capital, efficient governance and regional mobility. Our donor partners share these interests as well as many others, and we remain flexible to address a variety of evolving community needs. There are numerous options to consider as you work with the Foundation in defining your own giving program:

Donor Advised Funds: These funds, which may be endowed or expendable over a period of years, allow you to be actively engaged in the grant making process and to designate a successor generation of advisors. They are attractive alternatives to private family foundations because of their tax advantages and reporting. You benefit from all of the resources of the Foundation in establishing and increasing such funds as well as recommending the causes and organizations supported.

Unrestricted Funds: These funds enable the Foundation to continue to respond to evolving community needs and to develop new areas of support.

Restricted Funds: You may establish funds that are directed toward an area of interest or specify a charitable organization or organizations as the perpetual recipient/s of support. These funds may be established with endowed or expendable resources.

Field of Interest Funds: These funds allow donors to establish broad parameters for the use of resources such as education, the arts or people with disabilities. You may contribute to an existing field of interest fund or create one of your own.

The kinds of resources that may be used to establish and increase funds through the Foundation are as varied as the funds themselves. Commitments of cash, securities and other property are the most traditional forms of fund support. Bequests often allow Foundation partners to launch or build funds with commitments not feasible otherwise. Beyond bequests, there are many other estate planning options to help you fulfill your charitable intentions. For example:

Charitable Remainder Trust: This trust makes payments of a fixed percentage of its assets to you, a family member or another loved one either simultaneously or consecutively for a period of time. At the end of this period, the remainder of the trust is paid to The Lake County Community Foundation for charitable purposes.

Charitable Lead Trust: This is the reverse situation from a charitable remainder trust. The Lake County Community Foundation receives returns from your trust for a specified period. At the end of the “lead” period, as specified by the donor, the remainder of the trust is paid to designated family members or others.

Charitable Gift Annuity: This is an arrangement through which the Foundation agrees to pay a fixed sum periodically to you or other recipients for the term of one or two lifetimes. Upon the death of the last annuitant, assets used to establish the annuity agreement immediately become assets of the Foundation to be used for charitable purposes.

The Foundation’s donors are encouraged to explore the individualized combinations of funding and philanthropic options that are right for them. You might want to designate some funds as totally unrestricted, for example, and other funds as donor advised. You might want to establish a fund with cash or securities and make an estate planning arrangement to increase that fund. Foundation staff is ready to work with you and your financial advisors to develop the strategy that addresses your capacities and interests. Best of all, you know that your charitable intentions will be carried out by The Lake County Community Foundation—today, tomorrow and for generations to come.

Donor Advised Funds at The Lake County Community Foundation

The donor advised fund program allows an individual, family or business to establish a fund at The Lake County Community Foundation¹ and remain actively involved in grant making from that fund during their lives and the lives of one generation of successor advisors. This fund can be a creative and efficient alternative to establishing a private foundation, free from its administrative burdens, reporting requirements and tax obligations. Through The Lake County Community Foundation, donors may also access information and expertise on nonprofit organizations, community issues, and opportunities in grant making.

Fund Structure, Principal and Income:

- Initial advisors may make recommendations based on the fund’s full principal and annual income. The fund’s principal may not be exhausted for at least three years.
- The founding donor may establish the terms of the successor advisors’ authority.
- Upon termination of the successor advisors’ authority, or that of the initial advisor, if no successor is named, the fund’s remaining principal, if any, will be directed in one of two ways:
 - Funds with less than \$100,000 will be added to the Foundation’s unrestricted fund or another fund identified by the founding donor.
 - Funds with greater than \$100,000 would convert to an individual fund in the name of the founding donor for unrestricted purposes or broadly restricted to one of the Foundation’s

¹The Lake County Community Foundation is an affiliate of The Chicago Community Trust, which has served as metropolitan Chicago’s community foundation since 1915. The Lake County Community Foundation was established in 2003 with the mission to improve the quality of life of the most vulnerable residents of the county by providing civic leadership, promoting collective philanthropy and partnering with our grant recipients.

primary grant making areas: livable communities, human capital, efficient governance or regional mobility.

Scope of Grant Making:

- Grant recommendations made by fund advisors should principally benefit charitable organizations serving residents of Lake County. Advisors may also make recommendations for distributions to qualified charitable organizations anywhere within the United States.

Fund Details:

- An initial gift of \$10,000 is required to establish a fund. You may make additional contributions of any amount at any time. You will take an immediate federal tax deduction for each contribution made to your donor advised fund, but may take your time to evaluate and select grant recipients. You may establish and add to your fund with an array of assets.
- Gifts may be *intervivos* (during life) or *testamentary* (at death).
- Individual grant recommendations must be at least \$250.
- Grant recommendations are processed semi-monthly and are generally paid within that month. Grant recommendations occasionally require additional time e.g. if they are made with specific contingencies or to agencies which require further review.
- You may choose to receive assistance from the Foundation in identifying charitable needs and opportunities, researching prospective grant recipients and making grant recommendations.
- You will receive a quarterly summary of account activity.
- Unlike a private foundation, you may choose to remain anonymous in any or all donations.
- The current annual administrative fee is 60 basis points (.60%) of the net asset value, calculated on a rolling three-year average.
- No tax is imposed on the investment income because of the Foundation's status as a public charity.
- Investment and financial management fees on the fund's assets are charged to the fund.

To learn more about donor advised funds and other philanthropic services, please contact:

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