THE LAKE COUNTY
COMMUNITY FOUNDATION
An affiliate of The Chicago Community Trust

CHARITABLE GIVING FUND GUIDE

Do you have a special charitable dream that you would like to fulfill? Maybe your life or the life of a loved one has been helped by a particular organization. Perhaps you feel strongly about a cause. Or, you may want to create a legacy or pass along values to future generations.

Whatever your motivation for giving, the key to a rewarding experience is to find the best fit between your charitable dreams and financial resources to achieve your goal.

START SOMETHING

***Start Something* good today.**
Consider establishing a charitable giving fund with The Lake County Community Foundation.

2020

114 S. Genesee Street, Suite 505, Waukegan, IL 60085 | 847.377.0520 | lakecountycf.org

At The Lake County Community Foundation, we believe in the power of community and philanthropy to change lives. LCCF can help you match your passion with your philanthropy.

Now in its 15th year in Lake County, LCCF works as a catalyst for generosity and change; a connector of donors, partners, dollars, ideas and organizations; and as the permanent steward of charitable funds dedicated to Lake County and our most vulnerable residents. As a geographic affiliate of The Chicago Community Trust, one of the nation's oldest and largest community foundations, LCCF provides a variety of charitable giving services to assist individuals, families, corporations and institutions in achieving philanthropic goals.

FUNDS & SERVICES OFFERED

DONOR ADVISED FUNDS

A donor advised fund is a philanthropic vehicle that allows donors to make a charitable contribution, receive an immediate tax deduction and then recommend grants from the fund over time. A fund allows donors to remain actively involved in distributions from the fund during their lives and, if desired, the life of a successor generation of advisors by making grant recommendations for approval by LCCF's executive director. A maximum of two generations of successor advisors can be named. A donor advised fund can be a creative, economic and more efficient alternative to establishing a private foundation.

DESIGNATED FUNDS

A designated fund allows a donor to designate a specific charitable organization or organizations as the recipient or recipients of the distributions from the fund. LCCF, as an affiliate of The Chicago Community Trust, ensures that the designated recipients receive support as long as they remain in existence and continue to fulfill their intended charitable purpose. Designated Funds are often funded with estate gifts.

AGENCY FUNDS — ENDOWED AND NON-ENDOWED

An agency fund is held and managed by LCCF as the sponsoring organization on behalf of the nonprofit organization, or agency, which is both the donor and the beneficiary of the fund.

- A **PERMANENT ENDOWMENT FUND** gives organizations the opportunity to create a fund that generates investment income, year after year, which is then paid out pursuant to a spending policy. The permanence of an endowment fund is both appealing and reassuring to donors and nonprofit boards of directors who seek the enduring value of a dedicated source of income to support the organization they love, today and forever.
- A **NON-ENDOWED AGENCY FUND** gives organizations the opportunity to build non-endowed dollars in a professionally managed fund that can generate investment income, year after year, but also remains fully accessible with a vote of the nonprofit's board. A portion of the earned income can be drawn down in set annual payments or reinvested in the fund to grow over time, according to the organization's needs. It's a flexible, cost-effective way for nonprofits to build funds for a project or future operational needs.

PLANNED GIVING – THE LAKE COUNTY LEGACY SOCIETY MEMBERSHIP

The Lake County Legacy Society recognizes individuals and families who have chosen to shape Lake County's future by making a gift to The Lake County Community Foundation in their estate plans. By doing so and agreeing to be publicly recognized, this inspires others to consider such long-term gifts for the benefit of Lake County. These can take many forms, including designated bequests for specific fields of interest or unrestricted estate gifts.

TEN REASONS TO ESTABLISH A FUND WITH THE LAKE COUNTY COMMUNITY FOUNDATION

Establishing your own named charitable giving fund is simple and rewarding. The Foundation holds a family of funds ranging in size and shape—all of which support individuals, families and organizations in achieving their philanthropic goals and from which great charitable and community benefit is derived annually.

- **EFFICIENCY AND CONVENIENCE**
  A fund is a simple, effective way to put charitable assets to work and an affordable alternative to operating a private foundation. LCCF handles the administrative, accounting, audit, legal and reporting requirements.

- **PROFESSIONAL INVESTMENT MANAGEMENT**
  Due diligence is performed through LCCF's investment managers to preserve the investment structure of your philanthropic assets.

- **RECOGNITION OR ANONYMITY**
  You can choose the name of your fund and receive recognition when grants are made in its name, or you may give anonymously.

- **SERVICE AND SCOPE**
  You receive individualized service to help you achieve your personal charitable goals, or those of your organization and agency. Funds at LCCF can be as broad or as focused in scope as donors wish.

- **TAX ADVANTAGES**
  LCCF is a 501(c)(3) public charity, so your gift qualifies for maximum deductions. You do not pay taxes on investment earnings from the fund.

- **YOUR LEGACY**
  Your gift will support causes you care about most—now and forever. Should community issues you wish to address now become resolved in the future, LCCF will preserve the integrity of the original donor intent and redirect grants to fund similar causes.

- **ACCOUNTABILITY**
  LCCF investment policy and annual independent audit as a supporting organization and geographic affiliate of The Chicago Community Trust are available for review.

- **ONLINE PRESENCE**
  Your fund has a dedicated page on www.lakecountycf.org, enabling you and others to give directly online. Grant making is supported via the Instant Impact online portal.

- **LOCAL EXPERTISE**
  LCCF has a knowledgeable staff that has built strong relationships with community leaders and nonprofits across Lake County. This means informed grant making for greater impact—not just checks out the door.

- **COMMUNITY IMPACT**
  LCCF serves many donors and therefore has unique opportunities to leverage common interests and pool resources for gifts that have meaningful and lasting impact in our region.

A COMPARISON OF DONOR ADVISED FUNDS AT THE LAKE COUNTY COMMUNITY FOUNDATION & PRIVATE FOUNDATIONS

	DONOR ADVISED FUNDS AT LCCF	PRIVATE FOUNDATIONS
Fund Basis	A component fund of LCCF.	An independently organized not-for-profit corporation or trust.
Tax Status	Shares the public charity status of LCCF.	Must apply for tax exemption from the IRS.
Ease of Creation Costs/Timing	No establishment costs. May be created immediately.	Full corporate start-up costs plus legal, accounting and filing costs. Lengthy IRS approval.
Assets Required	$10,000 or more.	Substantial assets required.
Charitable Deduction of Cash Gifts	Tax deduction of up to 60% of adjusted gross income.	Tax deduction is limited to 30% of adjusted gross income.
Charitable Deduction of Appreciated Property	Tax deduction for full fair market value, including closely held stock, up to 30% of adjusted gross income.	Tax deduction limited to original cost basis, up to 20% of adjusted gross income. Only listed securities deductible at fair market value.
Control of Assets and Grants	Individual, family or committee makes grant recommendations. Final decisions rest with LCCF.	Complete control is retained over investments and grant making, subject to meeting IRS requirements.
Duration	Two generations typically.	Perpetual.
Fund Distributions	None mandatory-no minimum payout required.	Approximately 5% of net investment value must be paid out for charitable purposes annually. Prohibition against grants to support lobbying. Restriction on scholarship and research grants.
Confidentiality	Name of donors need only be revealed to the IRS.	Asset balances, names/addresses of directors and contributors, grants, investments, fees and salaries must be made public through 990-PF.
Grant Making Management	Staff expertise in identifying recipients, proposal review and performance evaluation.	Trustees must perform, contract or hire for these services.
Annual Costs	0.6% of the fund's net asset value is charged as a fee for fund administration. There is also an embedded expense ratio within the investment pool.	Administration can be costly.
Annual Tax Filing and Administration	Not required.	Must be filed by the foundation, with required supporting schedules.
Investments	No federal investment requirements; no equity concentration restrictions; opportunity to participate in investment pools.	Foundation must research and secure its own investments. Certain types of investments prohibited.

THE LAKE COUNTY COMMUNITY FOUNDATION INVESTMENT POOL

The Lake County Community Foundation is grateful for the generosity of those who make Lake County a stronger, healthier, more vital region by establishing named funds to achieve their charitable goals. The Foundation stewards 28 charitable funds and endowments for general community benefit or designated purposes, including 20 donor advised funds, 3 designated funds, 4 agency funds, 1 scholarship fund, the Robert F. Reusché Operating Endowment, and both restricted and unrestricted endowment funds. The Foundation is also able to receive and convert family foundation assets and maintain field of interest funds.

ASSET ALLOCATION TARGET

Equity **76%**

- *Large-Cap Domestic* *40%*
- *Small and Mid-Cap Domestic* *10%*
- *Developed International* *15%*
- *Emerging Markets* *11%*

Fixed Income **24%**

- *Fixed Income* *24%*

Cash **0%**

INVESTMENT MANAGERS

Large-Cap Equity
Fidelity Growth Discovery Fund
Fidelity Value Fund

Small- and Mid-Cap Equity
Fidelity Small-Cap Growth Fund
Fidelity Small-Cap Stock Fund
Fidelity Mid-Cap Value Fund

International Developing Markets
Fidelity International Discovery Fund

International Emerging Markets
Fidelity Emerging Markets

Managed Fixed Income Funds
Fidelity Strategic Income
Fidelity Intermediate Bond Funds

INVESTMENT PERFORMANCE *for quarter ending 9/30/19*

	Q3-2019	*1 YR*	*3 YR*	*5 YR*
Investment Pool	**-0.50%**	**1.19%**	**9.72%**	**7.67%**
Policy Index	0.55%	3.20%	9.53%	7.94%

INVESTMENT MANAGEMENT FEE

Approximately 0.84% (Embedded Expense Ratio)

INVESTMENT ADVISOR

Monticello Associates, est. 1992

FUND POLICIES & PROCEDURES

HOW TO RECOMMEND A GRANT

Grant recommendations may be made by any person designated to make a recommendation, (e.g., donor advisors, additional advisors or successor advisors). Successor advisors are only allowed to make grant recommendations after the death of the original donor.

To simplify the grant making process, The Lake County Community Foundation uses an online donor portal called Instant Impact to support grant making from donor advised funds. At the time your fund is established Foundation staff will set you up with an Instant Impact account enabling you to:

- Make grant recommendations from your fund
- View your fund's spendable balance
- Review your previous grant making history

Should you choose not to use Instant Impact, our staff can work with you to facilitate the grant recommendation. For this, we require the name, address and telephone number of the recipient organization. You must also provide a point of contact at the charity receiving the grant. As a part of our charitable giving program, The Lake County Community Foundation will undertake its own due diligence procedures to ensure the recipient organization is a qualified charity. In addition, LCCF will send payments directly to the charitable organization, not to or through donors or designated advisors.

GRANT TIMING

Typically, grants are processed in 5–10 business days; however, it make take up to 14 business days from the time a grant recommendation is received for a grant check to be mailed to the grant recipient. If a grant is not approved, is delayed or if more information is required, LCCF staff will contact you. You can review your past and pending grants using Instant Impact.

GRANT ELIGIBILITY

Grants may only be made to qualified charities organized and operating anywhere in the United States. A qualified charity is a U.S. tax-exempt organization as described in Section 501 (c)(3) of the Internal Revenue Code or a governmental entity described in Section 170 (c) of the Code, only if that organization or unit also qualifies as a public charity as described in Section 509 (a)(1),(2) or (3) of the Code or a private operating foundation described in Section 4942 (j)(3) of the Code. Places of worship, government and municipal entities and most educational institutions qualify. *Grants may also be made to any international public charity with U.S. based public charity affiliates.*

GRANT SIZE

The minimum grant size is $250. There is no limit on the number of grants that can be made from a fund, so long as the fund has sufficient assets.

GRANT PROHIBITIONS

A fund may not be used to make grants that personally benefit a donor or an advisor or satisfy a pledge obligation of the donor or advisor, e.g., a grant cannot be used to pay membership fees, dues, tuition, purchase tickets for a benefit or purchase items at a charitable auction or sweepstakes. The fund may not be used to split payments to a fundraising event (a "bifurcated grant") e.g., paying the non-charitable portion individually and the deductible portion from the fund. Pursuant to the Internal Revenue Code, LCCF will not approve grants to individuals, private non-operating foundations, political candidates or parties or for lobbying purposes.

DONOR RECOGNITION

Donors may choose from a variety of recognition levels:

- Reference the fund name only
- Reference the fund name and individual names
- Recognize "in honor of" or "in memory of" an individual
- Remain anonymous

ADMINISTRATIVE FEES

Fees support fund and grant management, investment oversight and reporting as well as the general operations of the Foundation. Administrative fees are 60 basis points (.6%) annually, and may vary depending on the type of fund. For more information regarding fee structure, please contact LCCF.

FUND REPORTING

Statements will be mailed to you quarterly to keep you apprised of your fund's status. These statements will reflect a summary of fund balances, investment allocation, contributions to the fund and grants made from the fund. In addition to receiving these quarterly statements, you may access your fund's spendable balance and check on the status of your grants using our online platform, Instant Impact.

INVESTMENT ADVISOR

Monticello Associates is an independent asset management consulting firm providing non-discretionary investment advisory services and is retained by The Chicago Community Trust and Affiliates. Based in Denver and founded by B. Grady Durham in 1992, the firm's singular focus on endowment and foundation clients and high net worth families has been integral to its success.

The company today works primarily with many of the most prominent museums, hospitals, schools and families in the United States. For more information visit www.monticelloassociates.com.

ABOUT THE LAKE COUNTY COMMUNITY FOUNDATION

The Lake County Community Foundation is a public charity and sponsoring organization of charitable funds. As an affiliate of The Chicago Community Trust, LCCF brings together philanthropists and donors, dollars and ideas to build permanent funds to benefit Lake County, Illinois—today and for generations to come. Since 2003, LCCF has grown to nearly $13 million in assets, and has served as a catalyst for generosity and change; a connector of people and organizations; and as the permanent steward of charitable funds dedicated improving the lives of the most vulnerable residents of Lake County. For additional information, visit www.lakecountycf.org.

START SOMETHING

***Start Something* good today.**

Consider establishing a charitable giving fund with The Lake County Community Foundation.

SPEAK TO AN EXPERT

As you consider your giving options, please remember that every sponsoring organization has its own rules and policies. We encourage you to engage a professional advisor to help guide you through the process.

ABOUT YOUR FUND

DONOR INFORMATION

Primary Donor

First Name _____ Middle Initial _____ Last Name _____

Date of Birth _____ Social Security Number _____

Address _____

Primary Phone _____ Business Phone _____

E-mail (required for fund communication) _____

Additional Primary Donor

First Name _____ Middle Initial _____ Last Name _____

Date of Birth _____ Social Security Number _____

Address _____

Primary Phone _____ Business Phone _____

E-mail (required for fund communication) _____

FUND ADVISOR INFORMATION

Donors listed above are considered the primary fund advisors and have the authority to access fund information, recommend grants, name additional fund advisors and successor advisors. If the donors do not wish to act as fund advisors, please indicate below.

Additional Fund Advisor

First Name _____ Middle Initial _____ Last Name _____

Name of Trust, Foundation, Estate or Corporation (if applicable) _____

Relationship to Primary Donor _____ Date of Birth _____

Address _____

Primary Phone _____ Business Phone _____

E-mail (required for fund communication) _____

Successor Advisor 1

First Name _____ Middle Initial _____ Last Name _____

Name of Trust, Foundation, Estate or Corporation (if applicable)_____

Relationship to Primary Donor _____ Date of Birth _____

Address _____

Primary Phone _____ Business Phone _____

E-mail (required for fund communication) _____

Successor Advisor 2

First Name _____ Middle Initial _____ Last Name _____

Name of Trust, Foundation, Estate or Corporation (if applicable)_____

Relationship to Primary Donor _____ Date of Birth _____

Address _____

Primary Phone _____ Business Phone _____

E-mail (required for fund communication) _____

NAME YOUR FUND

What will you call your fund? _____

NOTE: The word "Fund" must appear in the title. For example: "The Smith Family Fund"