

Toolkit for Professional Advisors

Cumberland Community Foundation, Inc.



Resources for Assisting Your Clients with Their Charitable Goals



Cumberland Community
Foundation, Inc.

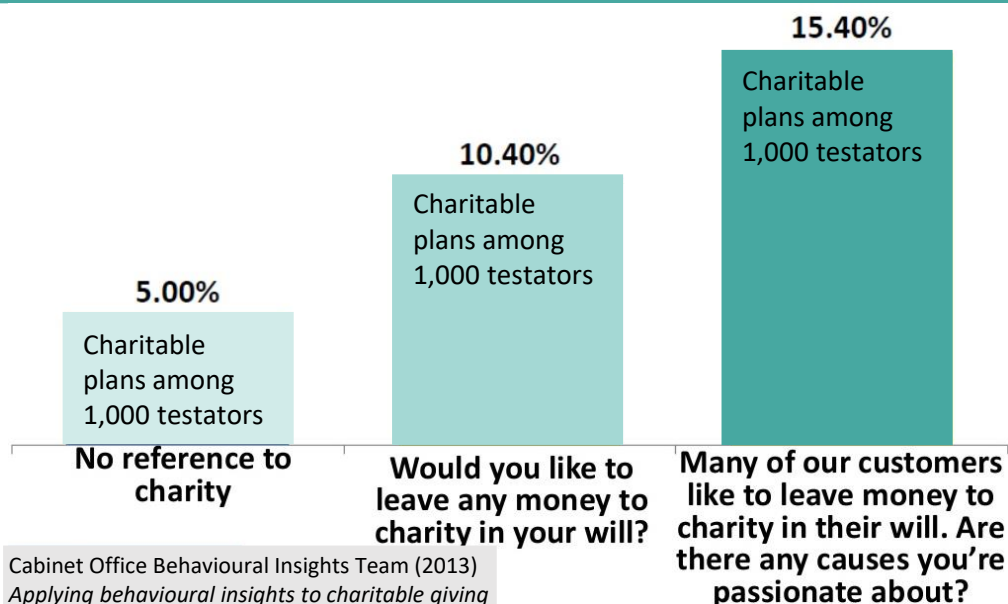
The Charitable Conversation

As a trusted professional advisor, you hold the future of charitable giving in your hands. Many parties benefit whenever a charitable gift conversation is held between professional advisors and clients:

- Clients often fulfill their charitable vision, pay less in taxes, create a legacy, and have a greater impact on the organizations and causes that are most important to them.
- Professional advisors often solidify client relationships, expand their role, and connect with family members over generations.
- The community is certainly strengthened through these conversations: Each time a client creates (or adds to) a fund at Cumberland Community Foundation, organizations are stabilized, needs are met, community resources grow, and a positive future is ensured for our area.

According to studies, you can impact our community by asking one, simple question:

“Many of our customers like to leave money to charity in their will. Are there any causes you are passionate about?”



You have your clients' best interests at heart and so do we. We look forward to working together to fulfill financial goals and charitable visions. Please do not hesitate to contact us with any questions you may have, as we welcome the opportunity to speak with you more about the options we have for your clients here at Cumberland Community Foundation.

About Cumberland Community Foundation

Cumberland Community Foundation (CCF) provides essential funding to programs that enhance quality of life in every corner of Cumberland County, NC. We have an in-depth understanding of the community's challenges and needs, and we know the organizations addressing them. We are dedicated to improving life in this community for future generations.

We are here to do good work, forever. We look forward to working with you and your clients.

Our Mission

Giving together to enhance the quality and spirit of community life.

Our Vision

A vibrant, inclusive community that provides sustainable opportunities for generations.

Why the Foundation Matters to You and Your Client

CCF considers attorneys, accountants, financial planners, insurance agents, and other professionals to be our partners in the charitable giving process. We want to be a resource for you so you can help your clients understand how they can support the community they love. We are well positioned to ensure that every gift your client makes is not only the right gift at the right time, but is also personal, meaningful, and fulfilling.

When is CCF a good fit? When your client . . .

...wants to **give back** to the community.

...has specific **charitable goals** or interests.

...is considering establishing an **endowment**, **donor advised fund**, **charitable remainder trust**, or **private foundation**.

...wishes to include charity in an **estate plan**.

...experiences a **major life event** such as sale of a business or an inheritance.

...is considering their own **legacy**.

What We Do

HELP INDIVIDUALS FULFILL THEIR CHARITABLE VISION

CCF makes it easy for donors from all walks of life and with all levels of assets to fulfill their charitable goals. We offer personalized service, local knowledge and expert giving advice. Clients can choose to give to an existing fund or establish one of their own. We make grants from these funds that improve the quality of life in our community – handling all the administrative and legal requirements to make their giving easier and more fulfilling.

WE CREATE PERMANENT COMMUNITY RESOURCES

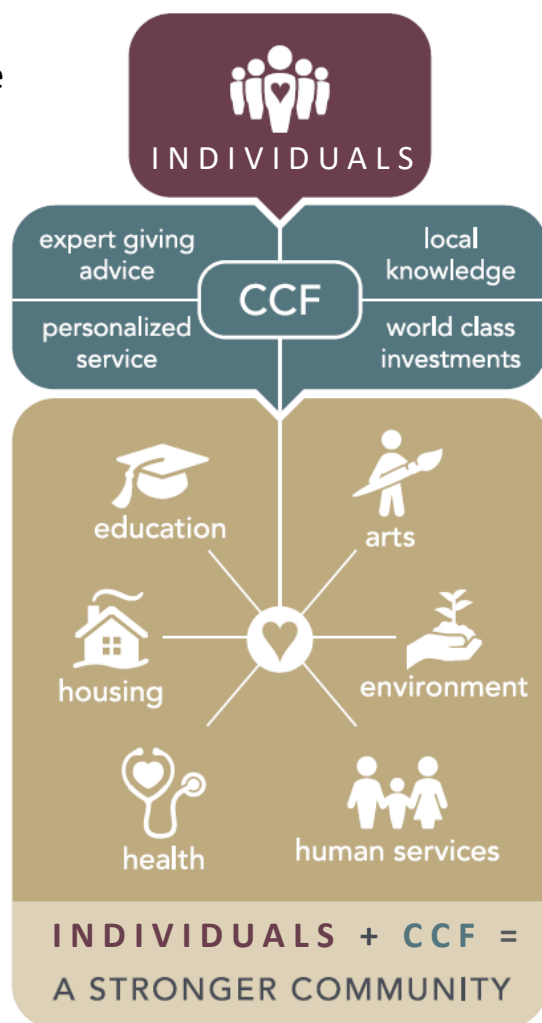
CCF creates permanent endowments to meet long-term community needs. We invest gifts so they grow and maximize the resources available to address community needs within the charitable purpose your clients design. Our goal is to ensure there will always be resources available to address community needs in the future.

WE TAKE ON COMMUNITY ISSUES

CCF goes beyond simply making grants that advance charitable activities. We identify current and emerging community issues, develop and channel resources to address them, and help prepare the community for the future – bringing together people, ideas, partners, and funding.

WE STRENGTHEN NONPROFIT GROUPS

Strong nonprofits are vital to the health of our community, and ensuring their stability is essential to our mission. Your clients can support and preserve their favorite charity through a nonprofit endowment with a gift of any size. An endowment generates support for the cause every year and stabilizes the nonprofit organization's operations. CCF also strengthens nonprofits by offering training and development programs for local nonprofit staff.



History

Cumberland Community Foundation was established in 1980 with a \$576,840 gift from Fayetteville native, Dr. Lucile Hutaff. Because Dr. Hutaff chose to endow this original gift, she has enabled more than \$2 million in grants to the community from her fund alone – well over three times the size of her original gift!

Gifts & Funds

- Over 520 charitable funds are managed at CCF
- Over \$88 million in charitable assets as of May 2018
- Over 36,000 individual gifts received since inception
- The single largest gift ever received at CCF? \$10 million estate
- The most frequent gift amount received? \$100

Grants

- Over \$52 million in grants distributed since 1980
- Over \$3.99 million distributed in 2017 alone
- Community Grants fall into strategic impact areas: Philanthropy and Local Giving, Sustainable Support for Local Nonprofits, College Access and Affordability, Education Outcomes, and Quality of Life for All.

Accreditation

CCF is accredited with National Standards for U.S. Community Foundations™, a program that establishes legal, ethical, effective practices in philanthropy for community foundations across the nation. We take our obligation to operate in the public view seriously. For a copy of our annual audit call (910) 483-4449 or visit cumberlandcf.org.

Fund Options

Listed here are the various funds that your clients can create at Cumberland Community Foundation. Whatever their charitable vision and financial goals are, we can help individuals find the right fund to achieve them.

NONPROFIT/DESIGNATED ENDOWMENT FUNDS

CLIENTS CAN SUPPORT
their most cherished charities,
towns, and schools, here or
anywhere in the country

Nonprofit/Designated endowment funds are established for the benefit of the nonprofit organization, or educational or religious institution of your client's choice. With a nonprofit endowment fund at CCF, clients can direct the annual grants from their fund to that organization alone. Individual donors or nonprofits themselves may establish these funds to benefit one, or more, specific charities or organizations both now and in the future.

FIELD-OF-INTEREST ENDOWMENT FUNDS

CLIENTS CAN IMPACT
areas of need and issues that
they care about

Field-of-interest funds are flexible enough to fund a variety of recipients and yet focused enough to create a highly personal and permanent charitable legacy. We honor your clients' wishes forever by working with them to establish the criteria and a process for competitive grantmaking.

UNRESTRICTED ENDOWMENT FUNDS

CLIENTS CAN ADDRESS
emerging needs as they are
identified in an ever-changing
community

Unrestricted funds ensure that resources are available to seed important ideas, close the gap on critical needs, and address emerging challenges and opportunities across Cumberland County. When clients establish an unrestricted fund their gift can address a broad range of issues – including future needs that often cannot be anticipated at the time a gift is made.

SCHOLARSHIP ENDOWMENT FUNDS

CLIENTS CAN CHANGE
the life of a student

Scholarship funds pay qualified educational expenses for students. CCF is the region's largest provider of scholarships and has helped hundreds of students from all walks of life attain the goal of a college education. A scholarship fund created by clients can help propel promising students toward academic and professional success and improve our economy.

DONOR-ADVISED FUNDS

CLIENTS CAN ACHIEVE
their philanthropic goals

Donor-advised funds offer a simple, powerful, and a highly personal approach to giving. A donor-advised fund allows clients to easily manage their charitable giving without the burden of running a private foundation. CCF handles all the investment, administrative, and grantmaking work in compliance with IRS guidelines. Fund holders actively recommend the causes and organizations that will receive grants from their fund.

Assets Your Client Can Give

Cash

Writing a check is the simplest way to establish a fund or give to an existing fund.

Stocks, Bonds, & Mutual Funds

For convenient giving of stock and other securities, Cumberland Community Foundation has accounts at many major brokerage houses. Gifts of appreciated securities may provide special tax advantages, such as avoiding capital gains taxes.*

Real Estate & Personal Property

We can accept a gift of a house or other personal residence, farm, commercial building, and income producing or non-income producing land. Often a gift of real estate your client has owned for more than a year entitles them to special tax deductions.*

Life Insurance

Clients can consider naming CCF as the owner and beneficiary of an existing or new life insurance policy. They may receive an immediate tax deduction for the cash surrender value of the policy.* Gifts payable to CCF may cover premium payments thereafter. The death benefit of the insurance policy may create a new fund that clients design or be added to an existing fund at CCF.

Retirement Assets

Individual Retirement Accounts (IRAs) or other qualified retirement plans are often one of the best types of assets to leave to charity because they are taxed so heavily when left to heirs.* When clients leave retirement plan assets to a nonprofit organization—such as CCF—more of the gift will support their charitable interests.

Charitable IRA Rollover

Clients who are 70 ½ or older may make a gift directly to charity from an IRA. Your client may consider a transfer from an IRA directly to Cumberland Community Foundation to satisfy the required minimum distribution (RMD), avoid taxes on transfers of up to \$100,000, and reduce taxable income.* Your client may transfer this gift to any of existing endowment funds at CCF EXCEPT a donor-advised fund.

Charitable Trusts

CCF qualifies as a charitable organization to receive annual or remainder distributions from your client's trust. The assets received are then available to support organizations and causes of your client's choice.

Charitable Remainder Trust: A lump-sum gift sets up the trust, from which donors or their designated beneficiaries receive annual payments. Once the trust terminates, the remainder is added to an endowed fund at CCF, created or selected by your client.

Charitable Lead Trust: Clients make significant charitable gifts now while later transferring wealth to heirs at reduced tax costs.*

Legacy Donors: Gifts Through a Will, Trust, or Beneficiary Designation

Cumberland Community Foundation welcomes the opportunity to work with professional advisors while estate or financial planning is underway with your client. Including CCF in an **estate plan** is an easy way for clients to make a significant impact on community needs and create a legacy that lasts forever.

Through a **bequest**, clients can establish any kind of fund or give to existing funds at CCF. Gifts provided through wills or trusts have become the foundation of the American philanthropic tradition. Such gifts enable clients to make significant contributions that may not have been possible during their lifetime. A charitable bequest can be a specific dollar amount, a percentage of an estate, or what remains after all other bequests are made.

Clients may name CCF as the **beneficiary** on almost any kind of financial account and insurance policy by simply requesting a Beneficiary Designation Form, adding "Cumberland Community Foundation, Inc." as the beneficiary and naming the specific fund that they would like to create or contribute to as the purpose.

**Cumberland Community Foundation does not provide tax advice. We encourage all of our donors to contact their own advisors with any questions about their particular situation.*

Protecting Your Client's Interests

Financial Stewardship

Cumberland Community Foundation provides active oversight of finances and operations through the Audit Committee, Finance & Stewardship Committee, and Investment Committee. In addition, CCF is audited annually by Haigh, Byrd, & Lambert LLP and receives the highest opinion available.

Political Neutrality

CCF adopted the Political Neutrality Policy in 2003 which prohibits board service by anyone who is holding a political office (or seeking one). This ensures nonpartisan volunteer leadership that is not influenced by political agendas.

Conflict of Interest Management

CCF prohibits self-dealing by decision makers through rigorous adherence to the Conflict of Interest Policy.

Investment Management

CCF manages investments according to the Investment Policy Statement and works with an Investment Consultant who performs due diligence and analysis on investments, provides recommendations, and participates in quarterly presentations to the volunteer Investment Committee.

Legacy Protection

More than two-thirds of CCF's assets are endowment funds meant to provide ongoing charitable distributions from income according to the donor's intent. CCF's Spending Policy is designed to ensure that the donor's endowment continues to support the donor's causes forever.

Grantee Accountability

CCF provides oversight of the use of charitable distributions from donor endowment funds to ensure that the donor's intentions are followed.

Operational Integrity

Cumberland Community Foundation has been confirmed in compliance with National Standards for U.S. Community Foundations.



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Cumberland Community Foundation

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