

# Frequently Asked Questions

**What is a community foundation?**

A community foundation is a collection of charitable funds established by individuals, families, businesses, and organizations. Using these endowed funds, community foundations make grants to other nonprofit 501(c)(3) organizations (most within a defined geographic area). There are more than 900 community foundations across the United States.

**Why talk to clients about charitable giving?**

Many advisors find that starting a charitable giving conversation with clients is appropriate. There may be concerns about appearing to make a value judgment, especially if the client has not expressed charitable intentions. However, by not broaching the subject of charitable giving, a significant opportunity may be lost for your client and the community. In fact, many individuals expect their professional advisors to bring up the subject and assume charitable giving is not an option if the subject is not raised.

**How can I recommend charitable giving without recommending specific causes or organizations?**

Advisors are often faced with a delicate dilemma: you want to discuss the many benefits of charitable giving with your clients, but you want to avoid recommending specific charitable causes or organizations. Fortunately, there's a real solution. Talk to your clients about giving through Greater Worcester Community Foundation. We are competent stewards of donor gifts and experts regarding local needs and nonprofits. Our staff will meet with you and your clients to help determine the options for giving which best fit their unique interests.

**Does Greater Worcester Community Foundation offer donor advised funds?**

Yes, and more. While donor advised funds available through some of the major commercial institutions offer the same tax deductibility as a fund at the Foundation, we offer more service and a local relationship. We provide information on local needs and opportunities, enabling us to create giving strategies that reflect a donor's unique interest. Additionally, fees charged by

the Foundation support the work of a long-standing local organization created to support the community now and forever.

**What is the advantage of Greater Worcester Community Foundation over a private foundation?**

A fund at the Foundation is less costly to establish than a private foundation, in terms of both time and money. Our staff can help your clients establish a fund in a matter of days and handle all the administrative details. Establishing a private foundation can take months or longer, and the private foundation then becomes responsible for substantial legal, accounting and operational matters.

**How are the funds invested and managed?**

The Foundation's funds are pooled, invested, and managed by highly-qualified professional investment managers. Foundation investments adhere to an asset allocation policy designed to preserve and grow principal over the long-term. We offer three portfolio options: our main portfolio, an ESG portfolio, and a passively managed index portfolio.

**Do you charge professional advisors any fees?**

No. We see our work with you as part of our charitable responsibility.

**Can someone from the Foundation come to my office for a presentation with my associates?**

Yes, our staff will be happy to have a conversation with you, your clients, and/or associates.

**Are there opportunities to become more involved with the Foundation?**

Yes! We have a Professional Advisors Council that provides guidance to the Foundation as we establish, develop and maintain strong working relationships with members of Worcester County's advisor community. This small network is an opportunity to exchange charitable giving ideas, learn about new issues in philanthropy and establish new relationships with other advisors.



**ABOUT US**

Greater Worcester Community Foundation is central Massachusetts' leading community foundation, fostering greater giving and impact for all of Worcester County.

Since 1975, it has worked in partnership with donors to build an endowment and award more than \$167 million in grants, helping to transform communities and build a strong and vibrant region.  
[greaterworcester.org](http://greaterworcester.org)

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Opening Doors  
Working Together for Greater Giving,  
Greater Impact

# Your Charitable Giving Partner

Philanthropy is a personal decision. As a trusted advisor, you guide your clients in making good philanthropic decisions and realize their charitable objectives by listening for giving opportunities, explaining options, and suggesting solutions.

To accomplish this, professional advisors nationwide turn to community foundations to enhance their clients’ charitable giving strategies. By establishing a fund with Greater Worcester Community Foundation, donors gain access to diverse giving options while benefiting from expert management of their charitable contributions. Working with us helps you guide your clients toward effective philanthropy, maximize potential tax benefits, and invest in the quality of life in Worcester County.

### Partnering for Impact

When you partner with us, we can provide **support, information, and expertise** related to charitable giving options while you stay in control of your client relationships. We can support your clients that wish to donate a **variety of assets**, whether now or later as part of their estate plans. And, we can support **generational philanthropy** by establishing endowed funds at the Foundation, helping to expand and extend your relationships with your clients.

### Maximizing Philanthropy

We are experts about **Worcester County**. We can help your clients learn more about local nonprofits and programs that make a difference in the areas they care most about. Through their philanthropy, you help your clients leave a **lasting legacy** in the community. Though we have a local focus, we can help donors give to nonprofits all over the country.

### Smart Giving Strategies

As a public charity, we offer **maximum federal and state tax benefits**. Starting a fund at a community foundation is significantly less expensive, and easier, than starting a private foundation.

### Is a Community Foundation Right for Your Clients?

- Consider these questions to determine if your clients would benefit from partnering with us:
- Do I have clients who care deeply about their local community?
  - Do they give to more than one charitable cause?
  - Are they interested in creating a personal or family legacy in their community?
  - Are they considering the creation of a private foundation, but concerned about cost and administrative complexity?
  - Would they like to stay personally involved in the use of their gift dollars?
  - Do they want to receive maximum tax benefits under federal law for their charitable contribution?
  - Do they place a priority on sound financial management of their contributions?

### How We Help You Serve Your Clients

- We provide the expertise and resources to support your clients’ philanthropic goals. We can help:
- Identify your clients’ charitable giving interest and motivations.
  - Match personal charitable interests with tax planning needs.
  - Create and implement charitable plans that are integrated with major business, personal, and financial decisions.
  - Facilitate complex forms of giving and administer technical giving instruments.
  - Provide information on community needs and the local nonprofits and programs that make a difference in the areas your clients care about most.
  - Deliver grantmaking expertise and a range of administrative services related to charitable giving.

### Charitable Instruments

We can facilitate virtually any type of charitable transaction.

- Outright Gift
- Bequest by Will
- Charitable Gift Annuity
- Pooled Income Fund
- Charitable Lead Trust

- Retained Life Estate
- Beneficiary Designation of Retirement Funds, IRAs, and Life Insurance
- Transfer of a Private Foundation

# Charitable Fund Options

Any of these fund options can be established in your client's name or in the name of their family, business, or anyone they wish to honor. All grants distributed from the fund are awarded to nonprofit organizations in the name of the fund. It's a great way for your client to always be involved with, and remembered for, their community support.

Funds may also be made anonymously to protect your client's privacy, if they wish.

Type of Fund	Minimum Fund Balance	Support Fee	Perfect for Donors Who Want To...	Advisor	*
Donor Advised	\$10,000	Varies between 0.25-1% depending on size of fund	<ul style="list-style-type: none"><li>• Actively engage in grantmaking.</li><li>• Enjoy flexibility in the timing and size of gifts given and grants awarded.</li><li>• Involve their family in giving.</li></ul>	The donor (or anyone else they appoint as an advisor) recommends grants for nonprofit organizations at any time.	Advised
Designated	\$10,000	1.25%	Support a specific nonprofit or multiple nonprofits.	The donor indicates one or more nonprofit beneficiaries and any restrictions upon establishing the fund.	Endowed
Discretionary	\$10,000	1.25%	Provide the most flexible support in order to respond to timely community needs.	The donor places no restrictions on their fund, allowing the Foundation to award grants annually to meet the most pressing and changing needs of Worcester County.	Endowed
Field of Interest	\$10,000	1.25%	Address the issues or causes they care about.	The donor names an interest area upon establishing the fund. The Foundation awards grants from the fund to nonprofits within that area of interest.	Endowed
Scholarship	\$30,000	1.95%	Help Worcester County high school seniors pursue a post-secondary education.	The donor defines scholarship criteria upon establishing the fund, and the Foundation awards scholarships from the fund to students matching the donor's criteria.	Endowed

*\*Advised Funds: Donors may have access to the income and principal of the fund, so long as they maintain the minimum fund balance. Endowed funds: Annually use the Foundation's spending policy, currently 4.0%.*

*A minimum fee of \$250 is charged on all funds. Investment manager fees are in addition to the annual support fee and vary by portfolio. Details can be found at [greaterworcester.org/giving/why-give-through-us/investment-portfolios](https://greaterworcester.org/giving/why-give-through-us/investment-portfolios).*