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 the Greater Worcester Community Foundation. We are competent stewards of donor gifts and experts regarding local needs and agencies. 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 like the commercial gift 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 our donors’ unique interests. Additionally, fees charged by the Foundation are recycled back into the community through local services.

What is the advantage of the 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 then becomes responsible for substantial legal, accounting and operational matters.

What is the minimum gift amount required to establish an endowment fund?
With $10,000 or more, anyone can create a Named Fund with Greater Worcester Community Foundation.

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. Our goal is to secure funds for both immediate and future community needs.

Are there any fees charged for Foundation services?
Administrative fees are charged by the Foundation to help cover the cost of operations. The annual fee for most funds is 1.25% percent of market value; the fee for scholarship funds is 1.95%. Investment manager fees are in addition to this and are less than 0.90%.

Do you charge professional advisors any fees?
The Foundation charges no fees to advisors and sees its work with you as part of its charitable responsibility.

What if my client wants to remain anonymous?
The Foundation respects requests for anonymity. If your clients wish to be anonymous, they may designate it accordingly. They may also indicate if they would like all or occasional grant distributions from their fund to be made anonymously.

Can someone from the Foundation come to my office for a presentation with my associates?
Our staff will be happy to have a conversation with you, your clients, and/or associates.

Contact
Kelly A. Stimson
Vice President of Donor Services and Relations
kstimson@greaterworcester.org
508-755-0980

Greater Worcester Community Foundation
One Mercantile Street, Suite 010
Worcester, MA 01608
www.greaterworcester.org
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 across the country are turning to community foundations to help enrich the charitable giving strategies of their clients. When donors establish a fund through their local community foundation, they open the door to a broad range of charitable options. A community foundation can manage virtually any type of gift for any charitable purpose, offering everyone the opportunity to make a lasting contribution that directly benefits their community.

At the Greater Worcester Community Foundation, we are committed to helping you assist your clients in achieving their philanthropic goals. By partnering with the Greater Worcester Community Foundation, you can make it easier for your clients to give effectively, help them receive tax benefits they may not realize on their own, and encourage investment in the quality of life in Worcester County.

How does the Foundation assist professional advisors?

- By providing support, information, and expertise related to charitable giving options. You stay in control of your client relationships—here to help you serve your clients’ charitable giving needs.
- Expertise on charitable giving, by tailoring giving plans to meet your clients’ particular needs.
- By working through us, your clients can support a wide range of charities locally and nationally.
- We are experts about our community. We can help your clients learn more about local agencies and programs that make a difference in the areas they care most about.
- Connecting generations. When you help families establish endowed funds with us, they can stay involved for generations.
- We help your clients who may donate a variety of assets. These can be assets they give now, or later as part of their estate plans.
- You can help make a difference in the lives of your clients. By partnering with us, you help your clients leave a legacy in the community.
- 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 giving through the Foundation right for your clients?

If you answer yes to any of the questions below, your clients would benefit from knowing more about the Foundation.

- 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 benefit under federal law for their charitable contribution?
- Do they place a priority on sound financial management of their contributions?

Specific Ways We Can Help You

The Foundation can support you and your clients at every step in the charitable giving process. We can help you:

- 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 on the local agencies 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 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 clients’ privacy, if they wish.

<table>
<thead>
<tr>
<th>TYPE OF FUND</th>
<th>MINIMUM FUND BALANCE</th>
<th>FUND FEE (ANNUAL)</th>
<th>PERFECT FOR DONORS WHO WANT TO</th>
<th>ADVISOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>DONOR ADVISED FUND</td>
<td>$10,000</td>
<td>1.25%</td>
<td>• Actively engage in grantmaking&lt;br&gt;• Enjoy flexibility in the timing and size of gifts given and grants awarded&lt;br&gt;• Involve their family in giving</td>
<td>Advised</td>
</tr>
<tr>
<td>DESIGNATED FUND</td>
<td>$10,000</td>
<td>1.25%</td>
<td>Support a specific nonprofit organization</td>
<td>Endowed</td>
</tr>
<tr>
<td>DISCRETIONARY FUND</td>
<td>$10,000</td>
<td>1.25%</td>
<td>Provide the most flexible support in order to respond to timely community needs</td>
<td>Endowed</td>
</tr>
<tr>
<td>FIELD OF INTEREST FUND</td>
<td>$10,000</td>
<td>1.25%</td>
<td>Address the issues or causes they care about in the areas of arts &amp; culture, community development, the environment, health &amp; human services, and youth &amp; families</td>
<td>Endowed</td>
</tr>
<tr>
<td>SCHOLARSHIP FUND</td>
<td>$30,000</td>
<td>1.95%</td>
<td>Help Worcester County High School Seniors afford a college education</td>
<td>Endowed</td>
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*Key: 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. Amounts above $5,000,000 are charged 1% annually.

Charitable Instruments

- Outright Gift<br>Bequest by Will<br>Charitable Gift Annuity<br>Pooled Income Fund<br>Charitable Lead Trust<br>Retained Life Estate<br>Beneficiary Designation of Retirement Funds, IRAs, and Life Insurance<br>Transfer of a Private Foundation

We can facilitate virtually any type of charitable transaction. Please contact Kelly Stimson at 508-755-0980 or kstimson@greaterworcester.org with your questions.