

The mission of the Community West Foundation is to advance the health and well being of our community. The Community West Foundation plays a vital role in health and wellness solutions raising, managing and distributing funds for a wide range of programs throughout the western Greater Cleveland community.

The Foundation is a designated 501(c) (3) organization. The Foundation invests the gifts it receives and uses the earnings to make grants. Each year, we award millions of dollars to programs and projects that improve the quality of life on Cleveland's west side.

Establishing a fund at the Foundation is simple. We offer a variety of services and expertise to help you carry out your charitable giving goals. Our staff can assist you with gift planning and grant making. We can help ensure your family's tradition of giving back to the community. When you establish a fund, we will be your partner in philanthropy.

Types of Funds

The Foundation offers both **endowed** (distribution of income for charitable purposes but not principal) and **non-endowed** (distribution of both income and principal for charitable purposes) funds.

- **Unrestricted Funds** are the most flexible of all funds held by the Foundation. Unrestricted funds permit the Board of Trustees to use income to assist nonprofit area agencies and organizations with the greatest need and within the hospitals.
- **Donor Advised Funds.** Many people like to use the Foundation as a conduit for their charitable giving and establish a Donor Advised Fund with a minimum gift of \$10,000. When you create a Donor Advised Fund, you may make grant recommendations to local charitable organizations from your fund. Grants must be a minimum of \$250, and cannot begin until the fund has reached \$10,000. You may also include your spouse and children as advisors on the fund.
- **Field of Interest Funds.** Donors who select these funds are able to benefit specific programs in the arts, education, health care or another broad area. By naming a program area and not a specific organization, flexibility exists to meet the ever-changing needs of the community.
- **Designated Funds.** Often times, donors wish to support a specific agency or cause. With a designated fund at The Community West Foundation, you receive professional management and grant monitoring. If the original charitable organization(s) ceases to exist or is unable to perform its charitable purposes, the Foundation can still honor the donor's wishes by selecting alternative organizations providing similar services without the expense of legal action.
- **Organizational Endowment Funds.** Organizations can establish endowment funds at the Foundation. Created to provide financial support to the nonprofit organization in perpetuity, and as a conduit for planned gifts. Organizational endowment funds are established through a separate fund agreement between the organization and the Foundation. Please call the Foundation for more information.
- **Scholarship Funds.** Often, people establish scholarship funds to memorialize a loved one or honor a special person. With a minimum gift of \$10,000, you can name the scholarship's advisory committee and the guidelines for candidate selection, requirements and use of the award.

Donors, Contributions and Tax Considerations

We accept gifts from individuals, companies, organizations, trusts and estates. Multiple donors may pool their gifts into a single fund within the Foundation.

Donor Contributions. Cash, mutual fund shares, stocks, bonds and other securities, including certain types of restricted stock, stock of closely held businesses and readily marketable real estate are eligible for contribution to the Foundation.

Charitable Income Tax Deduction

You are eligible to take an itemized deduction for your contribution to a public charity on the date that the contribution is made, subject to the following IRS limitations. All donors are encouraged to consult their legal or tax advisor regarding their personal situation.

Cash. You may deduct the amount of the cash contribution the Foundation accepts, subject to IRS deduction limitations. See "Deduction Limitations" below.

Publicly Traded Securities. For publicly traded securities held for more than one year, your deduction is the mean of the high and low prices reported on the date the contribution is made. For mutual fund shares held for more than one year, your deduction is based on the closing price on the date the contribution is made. For securities or mutual fund shares held for one year or less, your deduction is generally limited to your cost basis.

Non-Publicly Traded Securities. In general, for securities that are not publicly traded and have been held for more than one year, you will be required to provide the IRS with a qualified independent appraisal for any such contributed property for which you claim a deduction of more than \$5,000. For securities held for one year or less, the deduction is generally limited to your cost basis.

Deduction Limitation. You are eligible for an itemized deduction for cash contributions to the Foundation in an amount up to 50 percent of your adjusted gross income (AGI) in the tax year in which the contribution is made. Deductions for contributions of appreciated securities held for more than one year are limited to 30 percent of AGI. Any excess amount may be carried forward and deducted over the following five-year period after the year of the contribution. Your deduction may be subject to certain other limitations.

Estate Planning. Your gift to the Foundation, and any earnings related to your gift, are not included in your taxable estate and are not subject to probate administration. Gifts to the Foundation are exempt from federal gift tax and federal estate tax.

Testamentary Gifts and Gifts from Trusts. A fund at the Foundation may be named the beneficiary of a bequest of cash or securities, including mutual fund shares, IRA or other retirement assets. In addition, the Foundation may be named the beneficiary of a charitable remainder trust, charitable lead trust or life insurance policy. Please call us for the suggested language for these types of gifts. You should also seek tax and legal advice in setting up any testamentary gift or trust. We will provide you and your attorney or advisor confidential consultation at no cost.

Tax Treatment of Fund Income. Income that accrues to your fund is income of the Foundation. It is not taxable income to you nor is it available as a charitable deduction.

Individual Advisors

Individual advisors or brokers are a good option for donors who would like to establish a **planned gift** with the Community West Foundation but still maintain their relationship with an existing financial advisor. Under the Foundation's Invest West™ Program, the Foundation can establish an "Advisor" relationship with the financial advisor with a minimum gift of \$250,000. The individual advisor option provides the donor's planned gift fund with a balanced approach that uses both equities and fixed income. Individual advisors customize the asset allocation to each fund and do not combine the fund the donor establishes with other funds of the Foundation.

General Operating Expenses and Charges to Funds

The Foundation does not charge administrative fees or fund management fees for donor advised funds. Your fund will always remain intact – "a dollar in is a dollar out." You can choose to spend the entire balance available in your fund for the current year, or you can carry the balance into the next year, if you wish. You can make additions to your fund at any time in any amount. Other funds, such as planned gifts and organizational endowment funds, do incur fees, which are reviewed annually as it is the Board's intention to keep costs to a minimum.

Donor Advised Fund Guidelines

Advised funds offer you an opportunity to support and participate in the Foundation's many charitable activities. You may also include your children as fund advisors. Unlike a gift to a private foundation, a donor advised fund held at the Community West Foundation provides you with all the tax advantages of a gift made to a public charity, without the regulatory and tax responsibilities.

Internal Revenue Service Regulations. All foundations must follow IRS regulations regarding the management of donor advised funds. These regulations stipulate that a donor may not retain control over his or her donation. To satisfy these requirements, the Foundation will exercise asset management of the fund. Donors advise the Foundation on grant recommendations during their lifetimes. In compliance with IRS regulations, the Foundation's Board of Trustees retains the right to make final determination with respect to distributions from the fund.

Grants can be made from advised funds to organizations recognized by the IRS as tax-exempt organizations under Section 501 (c) (3) of the Internal Revenue Code. IRS regulations prohibit grants from any Foundation funds to be used to pay dues for an individual's membership in an organization, to discharge or satisfy legally enforceable obligations or personal pledges which have been made by the donor or family member, or for any other purpose from which the individual will receive personal benefit. Examples include ticket or table purchases to a fund raising dinner, green fees for a charity golf tournament, or pledges made by the donor for contributions to a charitable organization.

Grant Recommendations. Donor recommendations for grants are made in writing at any time to our Board of Trustees and are made for general support of the recipient organization or for a particular program or activity. Examples include laboratory equipment, technology upgrades, continuing education and training. We request minimum grant recommendations of \$250; grants may be made as often as you wish.

When we receive recommendations from advised fund donors, our staff carefully considers the donor's request and determines if the organization is a bona fide charitable organization recognized by the IRS. For those organizations with which we are unfamiliar, staff will gather information on their purpose, governance, exempt organization and financial status. If a recommended organization fails to provide this information or meet IRS requirements, IRS rules prohibit the Board of Trustees from awarding the grant.

The Foundation handles the grant recommendation process and issues the checks in the name of the donor advised fund. A letter specifically stating the name of the fund from which the grant is made in addition to the purpose of the grant accompanies all grant checks. Grants can also be made anonymously, if the donor desires. A copy of each grant letter is sent to the donor.

If you establish a donor advised fund, you are welcome to consult with our staff about distributions from the fund. We anticipate that you will develop a working relationship with members of our staff. From time to time, we will consult with you about specific proposals we receive that we consider deserving of support. These proposals will be in the area of interest you have identified, where we expect that some of these proposals will be funded through advised funds. We will keep you and your advisors informed about fund activities through briefings, ongoing informal communications and annual activity statements.

Advisory Rights. Only you, your spouse and other advisors designated at fund inception may advise on distributions from the fund. The advisory relationship terminates with your death or that of the appointed advisors. The fund then becomes a permanent fund of the Foundation, and will meet your charitable interests in perpetuity, as you stipulated when the fund was established.

Donor Fund Activity. The fund you establish is an asset of the Foundation, which will maintain an accounting of your contribution and the grants to qualified charitable organizations. An activity statement will be mailed to you each year.

The Legacy Society

Persons who establish a fund of \$10,000 or more, and those who have provided for a future gift to the Foundation through a bequest, trust, life insurance policy or gift annuity, are eligible for membership in the Legacy Society. The Legacy Society enables the Foundation to thank and recognize individuals today who have established endowment funds or planned for future gifts to the Community West Foundation. Members of the Society are recognized in our annual report, as well as at periodic events held in honor of the Foundation's donors.

When You Are Ready

Before making a charitable gift, consult with your financial and legal advisors for help in devising an estate plan that is appropriate for you. The Foundation's staff can help you achieve the maximum benefit from a charitable gift. And, you and your advisors will have the satisfaction of knowing that you are helping to make your community a better place...forever.

For more information, please contact the Foundation at (216) 476-7060.