Guide to Charitable Giving for Donors & their Advisors

parasol
TAHOE COMMUNITY FOUNDATION
PARTNER WITH PARASOL

WHAT IS A COMMUNITY FOUNDATION?
A community foundation is a 501(c)(3), tax-exempt, public charity supported by local citizens with the long-term goals of supporting broad-based charitable interests and benefiting the residents of a particular region.

Each community foundation is made up of a collection of charitable funds established by various donors, then pooled and invested by professional managers, to maximize each donor’s charitable intentions, and provide a steady resource for community giving.

WHO WE ARE
The Parasol Tahoe Community Foundation is the Tahoe region’s philanthropic center, investing in innovative ideas to help our donors best serve their communities. As Tahoe’s oldest and largest community foundation, Parasol is dedicated to strengthening communities through leadership, partnership and philanthropy.

WHY CHOOSE PARASOL?
Donors establish funds, contribute to existing funds, and support the work of the Parasol Tahoe Community Foundation for reasons that matter to them. Our goal is to create an effective charitable giving plan, designed specifically to meet your needs. The benefits of managing your charitable giving through the Parasol Tahoe Community Foundation include:

Simple & Flexible Ways to Give
- Contribute a wide variety of assets, from cash contributions to complex gifts
- Give now, give later as part of your estate plans, or both
- Make grant recommendations to qualified organizations anywhere in the world

Tax Efficient
- Benefit from the most favorable tax deductions under IRS regulations
- You are eligible for a tax deduction in the year you make each gift to your fund and then you may recommend grants over time, effectively separating your tax decisions from your charitable giving decisions

Cost Effective
- We handle all administrative tasks, freeing up your time and reduce your expenses
- We provide a low-cost alternative to opening and operating a private foundation

Investment Expertise
- Our Investment Committee is comprised of successful investment managers that bring their global perspective to the investment of community charitable assets
- Your contributed assets are pooled with those under management at Parasol allowing for greater diversification and economies of scale
- Our Investment Committee is dedicated to preserving your contributed assets while enabling you to maximize your philanthropic giving

Personal Service
- We protect your charitable intent, both today and in perpetuity
- We are knowledgeable about regional issues and community needs, as well as the quality organizations addressing those needs, and can assist you in making informed giving decisions
- Since your interests are not always local, we can research organizations providing services in your areas of interest nationally and internationally

“Unless someone like you cares a whole awful lot, nothing is going to get better. It’s not.”

- Dr. Seuss
These popular funds provide a convenient and flexible method for individuals, families, groups and businesses who want to be personally involved with their giving. You make contributions to your fund and receive the tax benefit at the time of the deposit. While Parasol invests the charitable assets for growth, you may recommend grants over time to the specific causes and organizations you care about most. Donor advised funds are a simple alternative to a private foundation.

This type of fund is created by a group of people who are partnering with Parasol to realize shared charitable goals. A committee advised fund is subject to the same guidelines as donor advised funds, however, grant recommendation decisions are mutually decided with grant recommendations being provided to Parasol by the group’s Committee Chair.

When faced with a personal loss, family and friends often want a thoughtful way of honoring a loved one. A memorial fund turns memorial gifts into a lasting legacy in your loved one’s name. Once the fund is established, you have up to six months from the date of the first gift to reach the minimum gift requirement. For amounts less than the minimum, Parasol staff can work with you to identify an appropriate nonprofit to receive memorial fund contributions directly.

Many donors choose to give the gift of education. Through a scholarship fund you can benefit student education or support a specific institution. The donor may determine the required criteria for scholarships awarded from the fund.

There is no better way to power your philanthropy and preserve your charitable giving legacy than endowing your fund at Parasol. Albert Einstein once called compound interest “the most powerful force in the universe.” By endowing your fund at Parasol you tap that power to provide for charitable needs in perpetuity through continued growth. Over time, the amount granted exceeds the contributions to the fund.

We offer a variety of methods for you to contribute to the causes you care about—within the Lake Tahoe community, across the nation and around the world. Establishing your fund at Parasol is simple. Here’s how to get started:

We are here to help you realize your charitable goals. Arrange a meeting with us to discuss your philanthropic objectives, share your areas of interest, and help determine the charitable giving plan that will be the most beneficial for you and the causes you want to support.

You can start giving now, or choose to establish a method for giving later, or both. Working with Parasol allows you the flexibility to contribute a wide variety of assets, from simple to complex.

We are here to provide you with information and expertise to assist you in making meaningful giving decisions. Whether you are interested in supporting a specific organization, a field of interest, or being a part of Parasol’s community grantmaking and initiatives, our staff will give you the tools to determine the best options to meet your charitable goals.

To arrange a personal meeting to discuss how Parasol can help you with your charitable giving, please contact Claudia Andersen, our CEO, at 775-298-0187. We are also available to meet with you and your professional advisors—CPA, estate attorney, financial planner—to assist you in creating your charitable giving plan.

Donors who wish to support a specific organization can establish a designated fund. These funds may support the organization for a set period of time or in perpetuity. If the original organization ceases to exist, becomes obsolete or is unable to perform according to their charitable purpose, the Parasol Board of Directors is able to redirect the funds to an organization providing similar services without additional administrative costs.

These funds are established to support particular areas of interest, specific program initiatives, causes or geographic areas. These funds are restricted to a defined area of interest, while remaining somewhat flexible to meet changing situations.

Legacy funds may be established through your estate plan. These funds are a way for you to support your favorite charities or causes forever, creating a lasting legacy. Parasol is committed to preserving your charitable intentions along with your legacy.

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NOW GIVE

WHAT CAN I GIVE NOW?
If you are ready to give today, here are several of the most common choices:

Cash
Cash gifts - checks, credit cards, or actual cash - are the easiest way to give. Because Parasol is a 501(c)(3) public charity, contributions qualify for the maximum deductibility for income, gift, and estate tax purposes.

Securities
Gifts of marketable securities also provide tax advantages. Stock, bonds, or mutual funds may be used to establish a fund or add to an existing fund. The added benefit of giving appreciated securities held for more than one year is the avoidance of the capital gains tax on the appreciated portion of the gift. Gifts of closely held stock enjoy the same tax benefits as publicly traded stock.

Real Estate & Other Complex Gifts
Money is not the only gift. Real estate, property rights, business interests, and tangible personal property all can be used to establish your charitable fund while providing you with tax benefits. Due to the complexity of these items, these types of gifts are subject to review and approval by the Parasol Board of Directors.

Transfers from an Existing Private Foundation
Administering a private foundation under IRS rules can be burdensome and expensive. It is easy and convenient to consolidate a private foundation into a Donor Advised Fund or Supporting Organization at Parasol. Advantages include: anonymity, naming of successor advisors, administrative cost savings and preferred charitable deductibility of additional gifts.

Supporting Organization — an alternative option
As an alternative to a donor fund or private foundation, you may establish a supporting organization at a fraction of the cost and responsibility. A supporting organization has its own board and grantmaking identity, allowing you to stay personally involved in your charitable giving. A supporting organization enjoys public charity status along with Parasol’s donor services support.
**GIVE LATER**

**HOW DO I PLAN NOW TO GIVE LATER?**

You can support the causes you care about, realize tax benefits and potentially improve your financial security at the same time.

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**Bequests**

Including a charitable bequest in your will or trust is a simple way to make a lasting gift. You may use the gift to establish a fund or add to an existing fund. Bequests to a fund at Parasol allow your charitable intentions to be carried out in perpetuity and can significantly reduce taxes on your estate.

**Life Insurance**

Life insurance can be used to create a charitable gift in one of two ways. First, you can transfer ownership of a policy to Parasol and receive a current income tax deduction in the year the transfer is made. Second, while retaining ownership of a policy, you can name Parasol as the beneficiary of the policy.

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**Retirement Plans**

A retirement plan, such as a profit sharing plan, 401(k), Keogh, 403(b) or IRA, is one of the best types of assets to transfer to a charity. Because it produces taxable income, an heir will pay income tax on disbursements. If you wish to make a charitable bequest, it is usually better to transfer these taxable assets to a tax-exempt charity, such as Parasol, and to transfer assets not subject to income tax to your heirs.

**Charitable Lead Trust**

A Charitable Lead Trust provides income to Parasol for a set number of years to support charitable causes. Then, at the end of that period, the remaining balance is distributed to the named beneficiaries of the trust, often with significant tax savings.

**Charitable Remainder Trust**

A Charitable Remainder Trust is a type of deferred gift created so that you or another beneficiary you designate receives a lifetime income. At the termination of the trust, the assets are transferred to Parasol to support charitable causes.

**Charitable Gift Annuity**

Setting up a Charitable Gift Annuity at Parasol allows you to receive a guaranteed income for life and an immediate tax deduction, while leaving a charitable legacy for the community.

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**Tahoe Legacy Society**

This honorary society distinguishes those who intend to leave a legacy to their community through a charitable bequest or other planned gift to the Parasol Tahoe Community Foundation. Members are recognized as special partners in philanthropy and acknowledged for investing in the positive future of the Tahoe region.

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Information provided in this brochure is for educational purposes only. The Parasol Tahoe Community Foundation does not engage in rendering legal, financial or tax advice. Please contact your professional advisor(s) regarding your personal situation.
INVESTING WITH VISION

INVESTMENT STEWARDSHIP

One of Parasol’s most important responsibilities is our stewardship of charitable funds entrusted to our care. We have a broadly diversified investment portfolio that is structured to produce investment returns that exceed market averages while moderating risk, with the goal of enabling our donors to maximize their philanthropic giving. We do not engage in market timing. Funds available for investment are invested promptly, and funds needed for distributions are liquidated promptly. Similarly, market fluctuations do not trigger changes in the investment mix targets for our four investment horizons.

INVESTMENT HORIZONS

To meet the philanthropic objectives of each fund, fund advisors may allocate to one or more of four investment horizon categories: Long Term, Intermediate Term, Short Term and Less Than One Year. A fund’s risk appetite and the time horizon over which the fund will exist determine its investment horizon; the longer the investment horizon, the greater the expected return.

Long Term (7+ years)
Achieve average annual returns greater than inflation with the prospect of periodic market value drops over market cycles

Intermediate Term (3-5 years)
Returns slightly greater than inflation over time and an allowance for occasional market value dips within five year periods

Short Term (1-3 years)
Relatively steady market value and modest income over time plus some inflation protection

Less than 1 year
Stable market value and modest income over short time periods