



Charitable Vehicles

A quick reference guide for Professional Advisors

Helping Your Charitable Clients Make an Impact

The valued partnerships between the Community Foundation of NCW and Professional Advisors is vital to growing our region's charitable endowment. Your guidance is incredibly important for those who want to support charitable causes that are meaningful to them and make a lasting impact in their community and beyond.

The Community Foundation of NCW offers several charitable vehicles to fulfill your clients charitable goals. This quick reference guide illustrates the types of funds we manage and the assets required along with stories of donors who benefit from the different ways they are able to be charitable while also receiving some tax benefits.

We value your partnership and hope you find this a useful tool while working with your charitable clients. Thank you for being a partner in philanthropy!

Donor Advised Fund

Drs. Peter Valaas and Susan Westerlund: Maintaining Charitable Giving During Retirement / Maximizing Tax Benefits at Peak Income

Drs. Valaas and Westerlund have a history of charitable contributions to several organizations. As their retirement approached, they realized their cash flow would soon be severely reduced and not adequate to maintain their support of these groups. So, prior to retiring, they made a significant contribution from appreciated assets to open a DAF. This gave them a much-appreciated tax-deduction at a time of peak earning and allowed them to continue contributions at their previous level without impacting cash flow after retirement.



Scholarship Fund

Peter Houck: A Scholarship to Honor his Parents and a Meaningful Vehicle for Tax-Smart Giving

Pete and Mary Houck lived in and loved the Wenatchee Valley as their home for many years. After Pete's passing in 2013, Mary moved to Highgate Senior Living Center. Their son Peter has appreciated the wonderful care provided to his mother by the staff at Highgate and has come to know and respect many of the staff members along the way. Peter established this scholarship to honor his parents and to provide support for students pursuing a career in nursing or other medical fields. Peter makes annual contributions to the scholarship both directly and through his donor advised fund. He also surrendered a life insurance policy naming the scholarship as the beneficiary. Once Peter reaches RMD age, he will be able to make QCD gifts directly to the scholarship.



Quick Reference Guide

Charitable Vehicle	Minimum	Ways to Fund	Description/Benefit
Donor Advised Fund	\$5,000	Cash, stock, or other saleable asset	<ul style="list-style-type: none"> • A charitable giving account that allows donors to make grant requests to any 501c3 public charity at any time. • Donors claim tax deduction in the year they contribute to the DAF rather than at the time they use it to make grants. This can be advantageous if a large tax deduction in one year is more valuable than smaller deductions over several years. • Similar to private family foundations but much easier and less costly to establish and maintain. • After their lifetime, donors can name successor advisors and/or roll any remaining assets in the DAF into a designated fund or scholarship or pay it out to any number of charitable organizations. • DAFs are generally not endowed during the donor's lifetime but can be if the donor wishes.
Scholarship	\$10,000	QCD, cash, stock, or other saleable asset	<ul style="list-style-type: none"> • Scholarship Funds are endowed and awarded annually. • A scholarship committee selects recipient(s) based on the criteria the donor sets. • The donor may participate on the selection committee but must be a minority participant. The scholarship can therefore become a large part of the donor's life, or a small one.
Designated Fund	\$5,000	QCD, cash, stock, or other saleable asset	<ul style="list-style-type: none"> • An endowed fund that makes a yearly distribution to any number of charities identified by the donor. • Donors can determine what percentage of proceeds go to each organization. • Ideal legacy gifts for people who give to the same charities annually and want those organizations to continue to receive their support after their lifetimes.

Charitable Vehicle	Minimum	Ways to Fund	Description/Benefit
Field of Interest Fund	\$5,000	QCD, cash, stock, or other saleable asset	<ul style="list-style-type: none"> • An endowed fund dedicated to a specific field such as the arts, education, or the environment. • Supports organizations that are working to improve and enhance a particular area of interest but leaves the selection of the grant recipients to CFNCW.
Charitable Remainder Trust	Variable (must be at least \$25,000 for CFNCW to act as trustee)	Cash, stock, or other saleable asset. Highly appreciated assets such as investment real estate or low basis stocks are ideal contributions	<ul style="list-style-type: none"> • A separate legal entity that provides income back to a beneficiary or beneficiaries for life or a set term of years. • Requires an attorney to establish. • Managed by a designated Trustee, can be a charity, donor, attorney or individual, including donor. • Remainder assets after beneficiary lifetime or term can establish any named endowed fund at Community Foundation or can be distributed to charity(ies) determined by donor. • Fund must be endowed for CFNCW to act as trustee.
Agency Fund	\$5,000	Cash, stock, or other saleable asset	<ul style="list-style-type: none"> • Established by a nonprofit organization, an agency fund can be either endowed or unendowed. • Endowed funds protect the principal of the fund and disburses annual income to an organization; unendowed funds can be accessed in the case of unexpected financial difficulties. • Both funds are professionally managed and invested for growth.
Giving Card	Any amount	IRA Qualified Charitable Deduction	<ul style="list-style-type: none"> • Donor can use their IRA Required Minimum Distribution as a Qualified Charitable Deduction to the Foundation and receive a Giving Card that can be redeemed to support qualified charities.

Designated Fund

Harold and Margaret Weed: A Legacy of Support for Specific Charities

Harold Weed was a visionary. He grew up on the family orchard in Malaga and graduated from Wenatchee Valley High School in 1932. He married Margaret in 1941, and together they were known as the “dynamic duo”. A full-time orchardist, Harold was pivotal in the growth of the town of Malaga, opening its first grocery store, barber shop, and residential apartments. He was instrumental in the creation of the Three Lakes Golf Course, and a member of the group that developed the Mission Ridge Ski area. Margaret was a public school teacher for 47 years. Both he and Margaret were avid community supporters, involved in various civic clubs, and worked together at the Chelan County Fair for over 30 years. In their estate plan, the Weeds



Field of Interest Fund

The Woods Family: An Easier Way to Continue Supporting Music and Arts

In 1997, Wilf and Kathy Woods, with the blessing of the entire family, donated the family’s stately Victorian home to establish the Woods Houses Conservatory. The Conservatory operated for more than 20 years supporting music teachers and students throughout the Wenatchee Valley. When maintenance of the aging home and management of the Conservatory became unfeasible, the Woods family donated the property to the Community Foundation. The proceeds from the sale of the property established a field of interest fund called the Woods Family Music and Arts Endowment. This fund supplies arts organizations throughout North Central Washington with grant awards that further what the Woods Family cares most about: fostering music and arts education, performance, and local and regional arts events for the community.



Charitable Remainder Trust

Jon Picard: Reducing landlord duties but maintaining yearly income – while supporting his favorite cause

Jon has been investing in rental properties for many years, spending his free time improving them. As he neared retirement, he wanted to spend more time traveling and less time as a landlord, yet he still needed income that his rentals provided. An avid supporter of several charities, Jon is especially dedicated to his church and a local youth organization where he has spent many hours volunteering. Jon wanted to be sure that he could continue financially supporting these organizations during retirement. A visit to the Community Foundation and his attorney provided a solution: Jon donated one of his investment properties into a CRUT, avoided capital gains, and continues to receive an income. After his lifetime, the remainder of the trust will fund his church and his favorite youth organization. Jon loves knowing that even after he is gone, he will impact the lives of kids and families in a positive way, forever.



Agency Fund

Wenatchee Valley College Foundation: Security and Growth without Complex Account Management

From the WVC Foundation Director: “Having our funds at the Community Foundation has allowed them to grow at a greater rate of return than investing on our own and we always know exactly how they are performing. Not having to spend hours managing our funds also allows us to have more time to focus on our mission of raising more funding to support Wenatchee Valley College students and programs. It has been a wonderful partnership for us!”





9 S Wenatchee Ave, Wenatchee WA 98801
(509) 663-7716 | www.cfncw.org