

PART THREE: METHODS OF GIVING

How does a public-minded individual work with the Community Foundation of Southern Wisconsin to make Southern Wisconsin a better place? The following are charitable giving techniques that your client can use to establish or augment one of the various types of funds offered by the Foundation.

1. GIFTS BY WILL OR LIVING TRUSTS

A testamentary gift is the simplest way for many donors to make a significant and lasting gift to their community. After the needs of spouses, children, and other loved ones have been addressed, many individuals find it satisfying to know that a portion of their resources will support the causes they cared about during their lifetime.

When you are involved in the estate planning process with a client, asking the simple question ***“are there any charitable interests you would like to support through your will?”*** can be very meaningful to your client.

A testamentary gift also can significantly reduce the federal estate tax and the state inheritance tax due at the donor’s death. Because a bequest to create a named fund in the Community Foundation qualifies for an unlimited charitable deduction and because combined federal and estate taxes can exceed 55 percent on larger estates, a testamentary gift can create a dramatic tax saving for the estate. Thus, many individuals can make significant testamentary gifts at a relatively small cost to their heirs.

A testamentary gift to establish a named charitable endowment fund in the Community Foundation creates a permanent legacy—in the donor’s name or in the name of a loved one—that will serve the community forever.

The donor may establish a Donor Advised Fund, a Designated Fund, a Scholarship fund, a Field of Interest Fund, an Unrestricted Fund, an Operating Endowment by bequest, or may gift to an existing fund.

A fund in the Community Foundation of Southern Wisconsin can be created through a specific bequest of cash or property, a percentage bequest, a residual bequest, or a contingent bequest.

Example of Bequest to the Community Foundation by Will

A local attorney has a client with a relatively modest estate who does not have any close relatives. The client’s closest living relatives are some cousins whom she rarely sees. This client is interested in benefiting her community and the people who live here after her death. The client recently executed a will in which she leaves a fairly substantial percentage of her estate to establish an Unrestricted Fund in the Community Foundation. She feels that the Community Foundation will use her bequest to best meet the changing needs of the community.

PART THREE: METHODS OF GIVING (CONTINUED)

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Will Language

The following language has worked well for inclusion in the will of a donor who wishes to make the community a better place by leaving a bequest through the Community Foundation of Southern Wisconsin to be used in any number of ways that can be selected by the donor.

*I give, devise and bequeath to the Community Foundation of Southern Wisconsin, Inc., a Wisconsin nonprofit corporation, _____
(describe bequest-- for example "Ten Thousand Dollars" or " all the residue of my estate" or 5% of all the residue of my estate) to be used in all furtherance of the charitable purposes of the Community Foundation as defined in and subject to the provisions of its Articles of Incorporation and Bylaws.*

If the amount of the bequest meets the minimum contribution requirement for the establishment of a new fund (\$10,000), the donor may elect to create a separately identifiable fund by name and purpose by adding language from one of the four options that follow. Foundation staff will be happy to discuss this with the client's attorney to make certain that the client's wishes are scrupulously carried out.

Named Fund/ Discretionary Purpose

This bequest will be used to establish a fund within the Community Foundation of Southern Wisconsin, Inc., to be known as the _____ Fund. I direct that the grants from the Fund, according to the spending policy of the Foundation, be used exclusively for the charitable purposes set forth in the Articles of Incorporation and Bylaws of the Community Foundation of Southern Wisconsin as determined from time to time by the Board of Directors.

Named Fund/ Field of Interest

This bequest will be used to establish a fund within the Community Foundation of Southern Wisconsin, Inc., to be known as the _____ Fund. I direct that the grants from the Fund, according to the spending policy of the Foundation, be used to support agencies, programs or projects in the area of _____ (specific charitable area or geographic area, for example " youth programs" or " health care for the indigent poor" or "charitable programs in Greentown.")

Will Language...continued

Named Fund/ Designated Agency

This bequest will be used to establish a fund within the Community Foundation of Southern Wisconsin, Inc., to be known as the _____ Fund. (Can be named for the donor or the agency, for example "The John Smith Fund" or the "First Presbyterian Church Endowment Fund.") I direct that the income of the Fund, according to the spending policy of the Foundation, be used to support

*(insert purpose, for example "The YMCA" or "maintenance or improvement of the physical facilities of First Presbyterian Church") **Note that it is possible to specify that the fund support the operation of the Community Foundation.***

Named Fund/Donor Advised

This bequest will be used to establish a fund within the Community Foundation of Southern Wisconsin, Inc., to be known as the _____ Fund (can be named for the donor or a loved one). I direct that an Advisory Committee consisting of _____, _____, and _____ make written recommendations from time to time to the Board of Directors concerning grants from the Fund. Such recommendation should be in keeping with the general charitable purposes of the Community Foundation. I understand that the Board of Directors has the authority to accept or reject these recommendations.

Note:

In the event that a situation arises that is not covered by one of the options above, we will do our best to work with you so that your client's philanthropic goals can be realized. As mentioned above, it is probably the better part of wisdom to involve Foundation staff in a discussion at the time the bequest is drafted, to insure that the intentions of the client are clearly understood. This is particularly important in a testamentary advised fund.