



CENTRAL CAROLINA

Community Foundation

Donor-Advised Funds

The Personal Connection

The Kahns have a tradition of philanthropy which has been taught and encouraged for four generations. Learning the value of philanthropy from his father, Irwin Kahn established the M.B. Kahn Construction Company Fund in his father's name.

Irwin's son, Alan, and his wife, Charlotte, wanted to continue their family's philanthropy and actively involve their three children, their spouses and the grandchildren. By setting up a donor-advised fund, the members of Charlotte and Alan's family can participate in a supporting role by advising and making charitable distributions. In addition, the donor-advised fund offers the Kahns the flexibility of a private foundation while affording superior investment performance and minimal administrative responsibilities.



What is a Donor-Advised Fund?

Donor-Advised Funds provide a convenient, flexible way for you to show you care about your local community. It is also a way to teach your children about giving back by involving them in the discussion about needs you see in the community. At the core is a permanent 'endowed' fund which makes a portion available for distribution to charitable causes each year and will grow over time. Alongside the permanent fund can be a nonpermanent 'escrow' fund which allows for distribution of the entire balance in amounts as small as \$100.

Why start a Donor-Advised Fund?

A Donor-Advised Fund is typically less costly and less time consuming to administer than other forms of philanthropic giving (such as a private foundation), but it still allows you to establish a legacy of charitable work in your family's name or the name of your business. Your gift qualifies you for maximum tax advantage under federal law and makes the expertise of our professional program staff and investment managers available to you. A Donor-Advised Fund allows your family or business to remain actively involved by recommending uses for your gift.

Who should consider a Donor-Advised Fund?

A Donor-Advised Fund is ideal for families, individuals or businesses who:

- Have a range of charitable interests.
- Want to make suggestions on how the gift is used.
- Need access to information about nonprofits in the community.
- Would like to create a legacy of family giving.
- May want to remain anonymous from time to time.

How much does it take to create a Donor-Advised Fund?

There is a \$250 fee to establish a fund, and the minimum opening balance for a Donor-Advised Fund is \$10,000. For endowed funds, there is an annual administration fee and an investment management fee, both calculated quarterly based on a 'rolling annual average' of the fund's balance. For non-endowed funds, there is a fee equal to one percent of any gift to the donor-advised non-endowed fund. These fees are reflected in the quarterly statement provided for each fund.

Am I required to spend a certain amount from the fund?

Each year, based on the most recent spending policy, the Foundation will calculate 5%* of the balance of a Donor Advised Fund and make that amount available for distribution to nonprofits at the donor's recommendation. You are not required to make that recommendation each year and may decide to reserve funds for a special project in the future.

** The distribution percentage is determined annually by the Foundation's Board of Trustees.*

For more information, contact your financial advisor or call JoAnn Turnquist, President & CEO, at 803.254.5601 x323.



Confirmed in Compliance
with National Standards for
U.S. Community Foundations