SIOUX FALLS AREA
COMMUNITY
FOUNDATION

ADVISOR **RESOURCES**

A guide to help grow and deepen client relationships through philanthropy.

FOR GOOD. **FOR EVER.**

Your clients are looking to you
for opportunities and suggestions.

We Can Help.

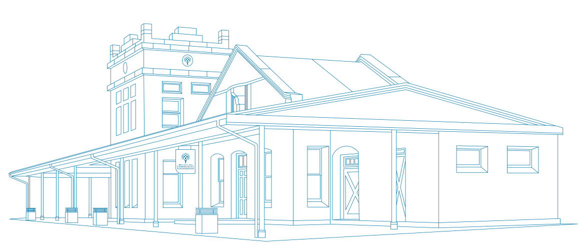
For nearly four decades, the Sioux Falls Area Community Foundation has been helping attorneys, accountants and financial advisors deepen their client relationships through philanthropy.

When you partner with the Community Foundation, your clients will benefit from convenience, tax advantages and financial benefits, as well as unmatched philanthropic expertise and access to community investment insights and analysis.

What's more, when your clients establish a charitable fund, they begin to develop a personal legacy reflective of their values, passions and interests.

In turn, you'll receive the benefit of helping your clients achieve their philanthropic goals in a personal and meaningful way.

We look forward to working with you.



FOR GOOD. **FOR EVER.**

What's Inside

The Depot at Cherapa Place,
home to the Sioux Falls Area Community Foundation.

Your Resource for Philanthropy

An Extension of Your Team

As a professional advisor, your clients rely on your guidance when making important financial decisions. Partnering with us, you'll be able to offer another dimension to the valued services you already provide. Offering expertise in philanthropic planning and community investment, we'll work with you to build a tailored giving plan that aligns with your client's interests and charitable goals, while maximizing tax advantages and benefits.

What Sets Us Apart

We simplify the giving process and help your clients give smarter. We partner and coordinate with you, serving as an extension of your team to help simplify and maximize your client's charitable giving.

We are expert advisors in philanthropy. We have the knowledge and experience to bring strategy, insight and structure to your clients' giving and we're experts at navigating the technical complexities of giving and philanthropic planning.

We deliver the highest degree of personal service. We create customized, tailored philanthropic strategies to meet the needs of your clients and the community we serve.

We accept a variety of assets. In addition to gifts of cash and stock, we accept complex assets such as IRAs, life insurance, real estate and more.

We ensure optimal tax advantages. The Foundation is a 501(c)3 public charity, ensuring maximum tax advantages for most gifts under state and federal law.

We honor legacies. We ensure donors' personal legacies endure through endowments.

Solutions for Your Clients

Experts in Philanthropy With Deep Roots in Our Community

When it comes to philanthropy, we are the local experts. We pay close attention to emerging trends, the latest research and new ideas — and we're continuously reviewing our suite of services to make sure we're offering the giving vehicles today's donors want and need.

Our Giving Vehicles

Donor Advised Funds: A convenient and flexible way for your clients to simplify and maximize their current giving while optimizing tax benefits.

- See details on pages 4 and 5.

Individually Managed Donor Advised Funds: Enables donors to continue to receive investment management advice and counsel from their advisors while also enjoying strategic philanthropic planning and services from the Foundation.

- See details on page 5.

Deferred (Legacy) Funds: Funded after your client's life, through their estate, enabling your clients to leave a lasting legacy of care, strengthening our community for good, forever.

- See details on page 7.

Field of Interest Funds: Your clients can choose an issue or topic they're passionate about.

- Minimum gift requirement: $50,000; Fees: 1% of fund balance/year, taken quarterly.

Designated Funds: A giving vehicle that allows your clients to support their favorite charities.

- Minimum gift requirement: $15,000; Fees: 0.75% of fund balance/year, taken quarterly.

Scholarships: An opportunity for your clients to invest in the future through education.

- Minimum gift requirement: $50,000; Fees: 1% of fund balance/year, taken quarterly.

Fees are reduced for fund balances over $1,000,000.

Donor Advised Funds

Simplify and Maximize Your Client's Current Giving

When your clients establish a Donor Advised Fund, they have access to the Foundation's philanthropic services, knowledge and insights on community needs and resources to help make their giving more impactful.

Benefits

Convenience: Your clients can simplify their current giving with online access, recommend grants to charities at their convenience, set up recurring grant recommendations, and more.

Strategy: Donating to a Donor Advised Fund at the Foundation means the gift is deductible in the current tax year, but distributions can be made on your client's timeline. We can also accept a variety of non-cash assets, which may help your clients reduce capital gains tax.

DONATE A VARIETY OF ASSETS:

- Cash
- Stock/securities
- Real Estate
- Grain and Other Commodities
- Closely Held Business Interests
- And More!

DONOR ADVISED FUND

Your client can recommend grants to his/her favorite charities now, or over time.

Endowment vs. Non-Endowment

Once your clients choose to open a donor advised fund, their next step is to decide whether an endowment fund or non-endowment fund best suits their personal goals.

Endowment funds are permanent funds pooled for maximum benefit and invested to achieve long-term capital growth. Because they grow wealth over time and their principal is never spent, endowment funds are powerful tools your clients can use to give today and for generations to come.

Non-endowment funds have no permanent principal balance and are immediately available for grant distribution.

Donor Advised Fund Options

FUND MANAGEMENT	FEES	MINIMUM INITIAL CONTRIBUTION
Short-Term Accounts	0.5% of each contribution, SFACF retains earnings.	$5,000
Foundation-Managed Portfolios: - Intermediate - Long-term	1% of fund balance/year, taken quarterly. Fund retains earnings/losses.	Non-Endowed: $5,000 Endowed: $15,000
Individually Managed Portfolio	1% of fund balance/year, taken quarterly. Fund retains earnings/losses.	$150,000

Fees reduced for fund balances over $1,000,000.

Individually Managed Funds

Stronger Together: Your Investment Expertise, Our Philanthropic Planning Experience

We know our donors have strong relationships with their professional advisors. We also know that as financial advisors, you've spent years getting to know your clients and their financial goals, and you work hard to help them reach their highest aspirations.

Individually Managed Donor Advised Funds

Our Individually Managed Fund program combines the investment expertise your clients rely on with strategic philanthropic planning experience and unmatched community insights offered by the Community Foundation.

The Individually Managed Funds program allows external investment advisors to manage the assets of a donor advised fund. In short, we provide excellent philanthropic services while a donor's preferred financial advisor manages the assets.

How It Works

- We establish an investment account at your firm for your client's charitable fund, and you provide the investment services. The assets in your client's charitable fund remain under your management.
- Your clients have access to our team of experts to assist in their strategic giving.
- Your clients recommend grants from their fund to support the causes and nonprofits they care about.
- Your clients have online access to view detailed fund activity and information about their fund anytime.
- Investment performance information is provided to your client through your organization.

Choosing the Right Philanthropic Vehicle

Comparing Private Foundations and Donor Advised Funds

If your client is considering a private foundation, or looking to dissolve one, it's wise to take a moment to compare their options.

For many, a donor advised fund at the Community Foundation is a better choice than a private foundation. Administrative costs are lower, tax deductibility and privacy options are greater, and donors can take advantage of our team of experts to help with impactful grantmaking and other philanthropic strategies.

In addition to administrative support, we can educate your clients about leading community issues, introduce them to fellow philanthropic and community leaders, and help their family navigate complex issues, such as multi-generational giving.

	PRIVATE FOUNDATION	DONOR ADVISED FUND
ADMINISTRATIVE FEES	Typically high, but can be modest	Fees starting at just 1% and decreasing for balances over $1 million
SET-UP PROCESS	Legal work required, can be time consuming	Can be done in less than a day with no set-up fee
TAX DEDUCTIONS FOR CONTRIBUTIONS	• Cash: 30% of AGI • Securities: 20% of AGI • Privately Owned Assets: Cost Basis	• Cash: 60% of AGI • Securities: 30% of AGI • Privately Owned Assets: Fair Market Value
EXCISE TAXES	Up to 2% of annual investment income	None
ANNUAL DISTRIBUTIONS (GRANTMAKING)	Required 5% distribution	Flexible, with no minimum requirement
ANONYMITY	No	Yes, donors can choose full/partial anonymity if desired
LEAD BENEFICIARY OF CHARITABLE LEAD ANNUITY TRUST	No	Yes
PERPETUITY	Yes, if desired	Yes, if desired
ONGOING ADMINISTRATION	Responsible for administration and IRS filings	Community Foundation handles all administration and IRS filings

Charitable Estate Planning

Leaving a Legacy

At the Sioux Falls Area Community Foundation, we believe a legacy is a reflection of who someone is — their values, their passions and their dreams for the future.

In planning today for how they wish to give tomorrow, your clients can create a lasting legacy that not only supports their favorite causes after their lives, but also sustains and strengthens our community for good, for ever.

For Good. For Ever.

We can work with you and your clients to create a legacy plan that reflects their values, passions and community priorities. After their lifetimes, we will carry out your client's vision and ensure their philanthropic wishes are fulfilled.

Your Client's Life

LIFE INSURANCE POLICIES →

IRA/401K PLANS →

WILL OR **TRUST** →

DONOR ADVISED FUNDS →

OTHER **GIVING VEHICLES** →

A FAMILY FUND

Set up a non-binding agreement now to accept assets later. There is no fee and the fund agreement may be changed as your client's charitable wishes evolve.

Your Client's Legacy

→ **IMMEDIATE DISTRIBUTIONS** TO CHARITIES AS DIRECTED

→ SUPPORT **ONE OR MULTIPLE CHARITIES** OR **INTEREST AREAS** FOR GOOD,FOREVER, THROUGH AN **ENDOWMENT**

Impacting Our Community Through Philanthropy

Connecting visionary donors, nonprofits and civic partners, we help spark strategic investments and creative solutions for our community's most pressing challenges, enriching the quality of life for all those who call this area home — for good, for ever.

We are the trusted stewards of more than $250 million in assets, providing good for our community today, and forever.

We've granted more than $225 million to nonprofits and causes since our founding in 1984, helping to drive positive change and meaningful social impact throughout our community.

We manage the endowments of more than 180 local nonprofits, helping to ensure the long-term sustainability of our community's most vital charitable organizations.

We believe in the power of education. Each year, we are proud to award 150 scholarships to local students.

We've helped thousands of individuals, families and businesses navigate the philanthropic journey — simplifying and maximizing their giving, fulfilling their charitable wishes and establishing legacies of care.

Contact Us Today

We know every situation is unique and exceptions to the rules always apply, so contact us today to discuss options for your clients. We look forward to working with you! Call us at 605.336.7055, stop by our office, located in the historic Depot at Cherapa Place, or visit us online at sfacf.org.

Numbers above as of September 2021.

FOR GOOD. **FOR EVER.**

In partnership with donors, the Sioux Falls Area Community Foundation provides trusted leadership that inspires philanthropy and enriches the quality of life in our area, for good, for ever.

SIOUX FALLS AREA
COMMUNITY
FOUNDATION

SFACF.ORG | 200 N. CHERAPA PLACE | SIOUX FALLS, SD | 605.336.7055

ADVISOR RESOURCES AS OF SEPTEMBER 2021.