

# Giving Strategies for Cash and Non-cash Assets

Who We Are | What We Do | How We Can Help



# **Welcome**

Rose Bradshaw

North Texas Community Foundation

# Featured Speakers

Lisa H. Jamieson  
Bourland, Wall & Wenzel

Phillip W. McCrury  
Kelly Hart

Charles B. Milliken  
Decker Jones

# Agenda

- Community Foundation Overview
- Donating Non-cash Assets
- Comparing Donor Advised Funds and Private Foundations

# Community Foundation Overview

A community foundation is a non-profit, publicly supported organization connecting donors with the causes they care about.

**1914**

First U.S. community foundation established in Cleveland, Ohio

**1981**

The North Texas Community Foundation established

**Today**

750 community foundations in the U.S.; 35 in Texas



Excellence. Accountability. Impact.™

- More than \$91 billion in assets<sup>1</sup>
- More than \$8 billion in annual giving to local communities<sup>1</sup>

<sup>1</sup> 2017 Columbus Survey Results; CF Insights

# Texas Community Foundations

Texas is home to **35 community foundations** which hold **more than \$5 billion in charitable assets** and annually provide **over \$600 million to meet community needs**

Amarillo Area Foundation  
Austin Community Foundation  
Bandera Community Foundation  
Big Spring Area Community Foundation  
Brownsville Community Foundation  
Chisholm Trail Communities Foundation  
Coastal Bend Community Foundation  
Communities Foundation of Texas  
Community Foundation of Abilene  
Community Foundation of Brazoria County  
Community Foundation of the Brazos Valley  
Community Foundation of Texas Hill Country  
The Community Foundation of West Texas  
The Dallas Foundation  
Denison Community Foundation  
East Texas Communities Foundation  
El Paso Community Foundation  
Greater Houston Community Foundation

Greater Round Rock Community Foundation  
Laredo Area Community Foundation  
Levelland Area Endowment  
Matagorda County Community Foundation  
McKenna Legacy Foundation  
Montgomery County Community Foundation  
New Braunfels Area Community Foundation  
North Texas Community Foundation  
Permian Basin Area Foundation  
Rio Grande Valley Community Foundation  
San Angelo Area Foundation  
San Antonio Area Foundation  
Texas Area Fund Foundation, Inc.  
Texas Valley Communities Foundation  
Waco Foundation  
Wharton County Community Foundation  
Wichita Falls Area Community Foundation



# Types of Funds at Community Foundations

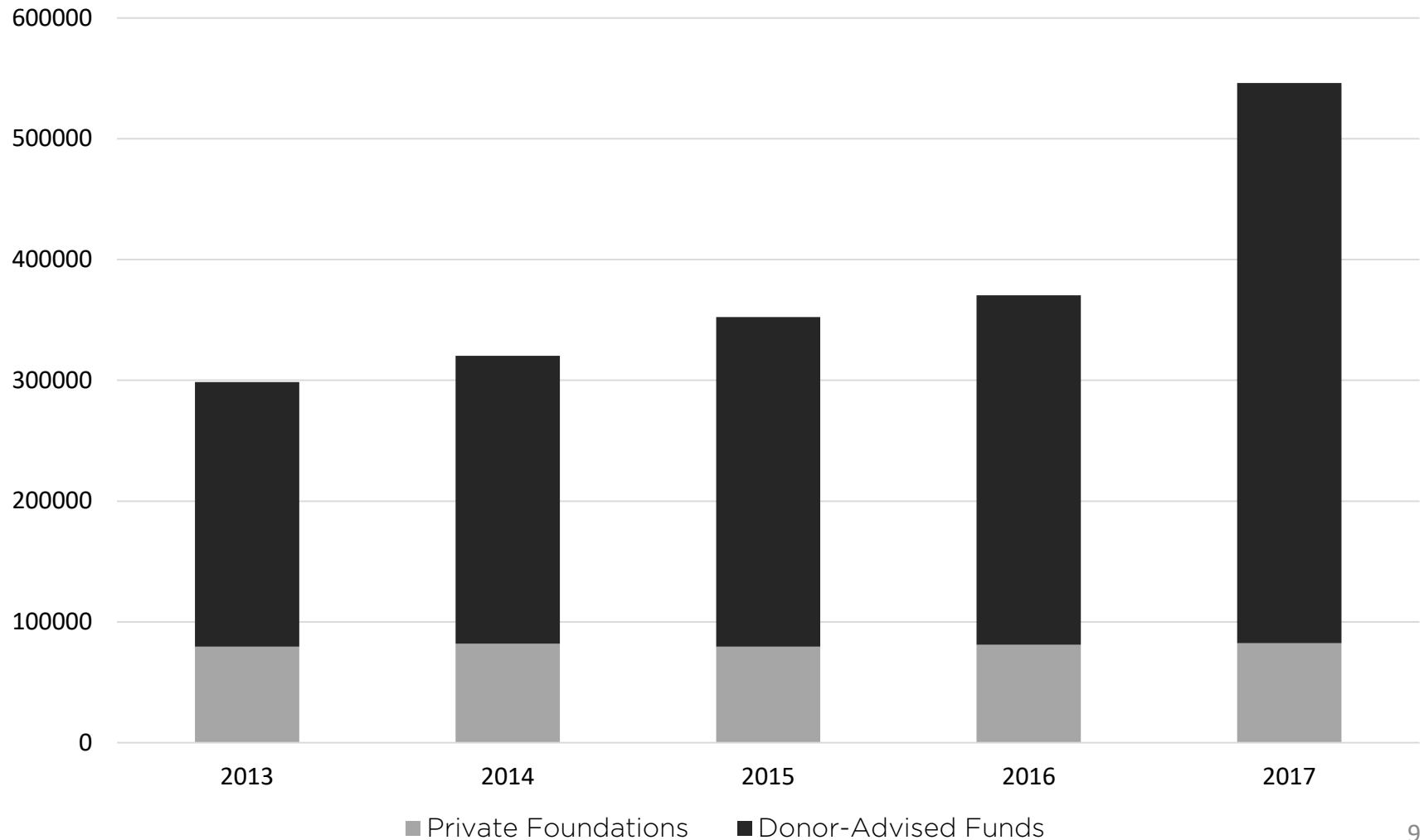
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- **Donor Advised**
  - Individuals, families, businesses recommend grants
- **Endowments**
  - Fulfill donor's philanthropic intent beyond lifetime
- **Community Impact Funds**
  - Competitive grant process to meet evolving needs
- **Designated**
  - Established by donor to benefit a specific nonprofit
- **Agency**
  - Established by nonprofit for own benefit
- **Scholarship**



# Donor-Advised Fund Growth

## Number of New Funds Outpacing Private Foundations



# CFs' Differentiating Factors

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- Fulfill Charitable Legacy Beyond Lifetime
- Customized Donor Services
- Local Grantmaking expertise
- Personalized Planned Giving Services
- Tax Efficiency
- Privacy (aka anonymity)
- Fund Flexibility
- Multiple Vehicles Meet Variety of Client Needs
- Facilitate Multigenerational Philanthropy

# NTxCF: Local Impact

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**\$275 M**

Total Grants

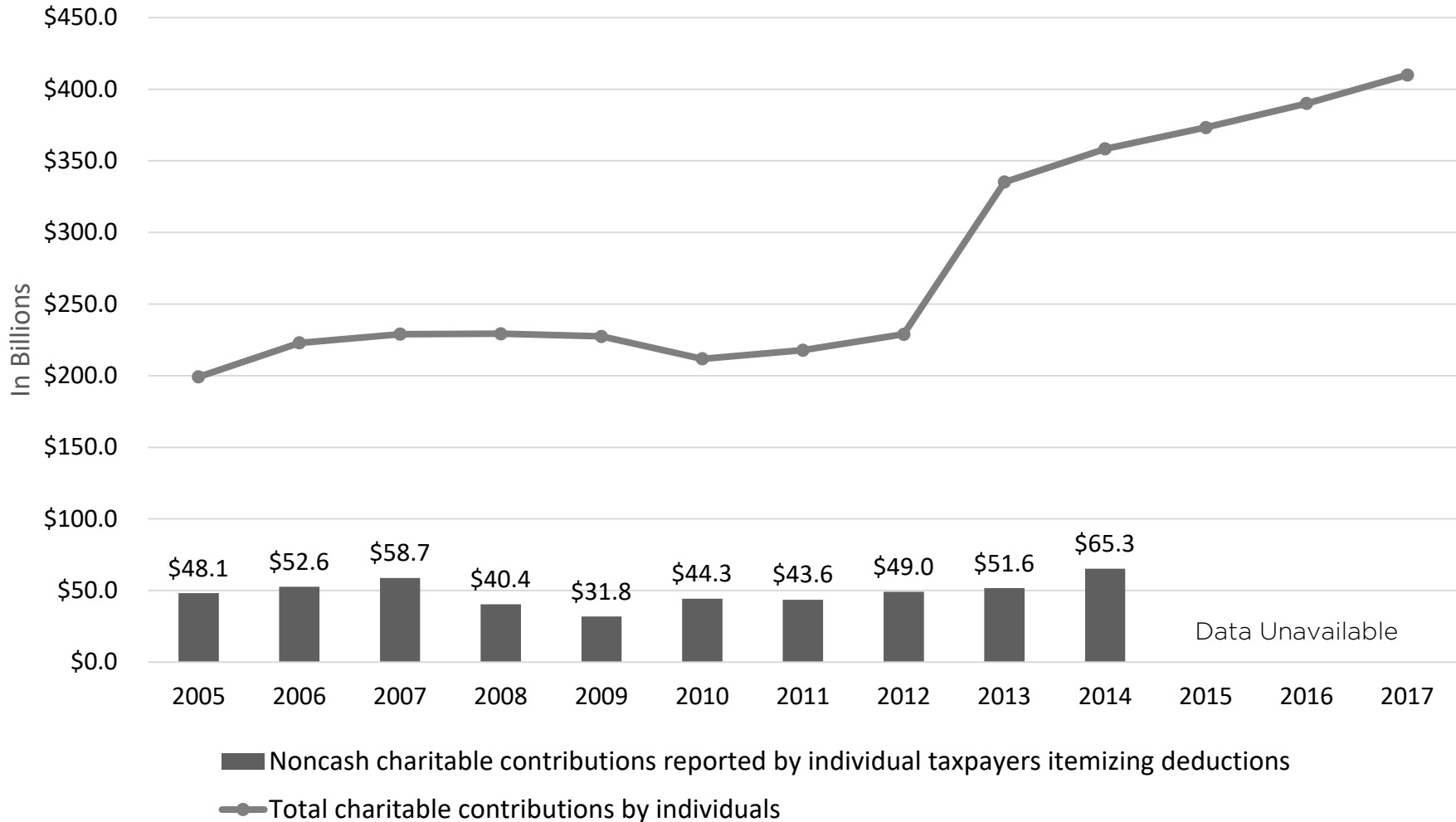
**\$312 M**

2017 Year-end  
Assets

**\$300-\$375 M**

Expectancies

# Non-cash Contributions vs. Total Charitable Contributions



- Individual Non-cash Charitable Contributions, 2005-2014; <https://www.irs.gov/uac/soi-tax-stats-special-studies-on-individual-tax-return-data#noncash>
- Giving USA, 2006-2018

# Benefits of Giving Non-cash Assets

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- Deduct FMV vs. cost basis
- Avoid capital gains taxes
- Comprise majority of a client's total assets
- Maximize charitable impact

# What Non-cash Assets Can Be Donated?

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- Publicly traded securities
- Private Business Interests
  - C-Corp stock and assets
  - S-Corp stock and assets
  - LLC interests
  - Partnership interests
- Real estate
- Art and other collectibles
- Life insurance
- IRAs
- Mineral interests
- Other tangible assets

# Community Foundations vs. Commercial

	Community Foundation	Commercial
Customized client services. Local knowledge of community needs; 83% stays local	✓	No
<b>Illiquid assets maintained for long periods</b>	✓	No
<b>Can accept IRA gifts</b>	✓	No
Accept non-cash assets	✓	<i>limited</i>
Personal assistance with philanthropic planning	✓	<i>limited</i>
Immediate tax deduction	✓	✓
Avoid capital gains on appreciated securities	✓	✓
Give anonymously	✓	✓
Online platform	✓	✓

# Comparing Donor Advised Fund and Private Foundation Vehicles

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- Donor Control
- Start-up and Administration
- Distribution Requirements
- Grant Recipients
- Tax Benefits to Donor
- Privacy
- Excise Taxes
- Conversion is One Directional



# Private Foundations

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## Fort Worth

- 272 in Fort Worth
- 50% located in 76102 & 76107
- 25 largest control \$5.5 billion in assets

## National

- 83% of private foundations are unstaffed

Source: Foundation Center

# Top 25 Foundations in Fort Worth<sup>1</sup>

## Total Assets *(in millions)*

1	Kimbell Art Foundation	\$ 2,392.5
2	Amon G. Carter Foundation	\$ 571.3
3	Sid W. Richardson Foundation	\$ 564.1
4	Rainwater Charitable Foundation	\$ 513.6
5	North Texas Community Foundation <sup>2</sup>	\$ 312.0
6	The Burnett Foundation	\$ 289.1
7	The Morris Foundation	\$ 165.2
8	Kleinheinz Family Endowment for the Arts	\$ 128.8
9	Jane and John Justin Foundation	\$ 119.2
10	Anne T. & Robert M. Bass Foundation	\$ 83.6
11	Lee and Ramona Bass Foundation	\$ 55.0
12	The Bass Charitable Corporation	\$ 48.9
13	Once Upon A Time Foundation	\$ 42.2

14	The Miles Foundation, Inc.	\$ 38.9
15	T.J. Brown and C.A. Lupton Foundation	\$ 37.0
16	Mary Potishman Lard Trust	\$ 35.9
17	Amon G. Carter Star-Telegram Employees Fund	\$ 34.0
18	The Philecology Foundation	\$ 32.6
19	The Psalm 25:10 Foundation	\$ 32.3
20	Meta Alice Keith Bratten Foundation	\$ 27.7
21	The Armstrong Foundation	\$ 22.4
22	James & Dorothy Doss Foundation, Inc.	\$ 21.0
23	Jill and Charles Fischer Foundation	\$ 20.2
24	William E. Scott Foundation	\$ 19.9
25	Bass Foundation	\$ 19.2

<sup>1</sup> City of Fort Worth Economic Development Strategic Plan

<sup>2</sup> North Texas Community Foundation 2017 Annual Report

# CF Services for Private Foundations

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- **Grants Administration**
  - Minimize or eliminate back-office burdens
- **Meet Annual Distribution Requirements**
  - Planned grants not yet ready to proceed
- **Identify Worthy Grant Recipients**
  - Portfolio of grant opportunities
- **Make Grants Anonymously**

# NTxCF Resources

Visit the Professional Advisors Resources page at [www.northtexascf.org](http://www.northtexascf.org) for additional resources, including:

- Today's presentation
- Gift Law Pro
- Noncash Assets Book
- Philanthropic Solutions



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