

# Fund Builder

## *Building a Charitable Fund with the Delaware Community Foundation*



The Fund Builder program at the Delaware Community Foundation enables you to create a charitable fund at the pace that's right for you. It's simple. With an initial investment of only \$2,000; an individual, family or organization can open a Fund Builder account. You can take up to five years to build the principal to the \$10,000 required to create a permanent charitable fund while receiving tax benefits each year you contribute cash, appreciated stock or other assets to your account. Once your balance reaches the required \$10,000, you can begin to recommend grants to the charitable causes you care about most while the Foundation handles all of the administrative details. Since the Fund Builder program started in the autumn of 2007, ten individuals and/or their families and ten organizations have opened accounts. Of these 20 accounts, three have reached the \$10,000 minimum balance and are now charitable funds.

### **How does a Fund Builder account work?**

- *You can open an account with a gift of \$2,000 or more.*
- *You will receive tax benefits each year you contribute to your account.*
- *Gifts may include cash, appreciated stock or other assets from you or from others who contribute.*
- *You will receive an annual statement that reflects earnings on your account.*
- *You have five years to reach the \$10,000 balance required to establish a permanent charitable fund.*
- *Once you have established a charitable fund, you will select a special name for your fund perhaps in the name of your family or business or in honor of a person or special organization.*
- *You will select the type of fund—a donor-advised, designated, field-of-interest or unrestricted fund—that best fits your charitable goals.*
- *You may then begin recommending grants.*
- *The Delaware Community Foundation will handle the management as well as all of the administrative details of your fund.*

*Like many other successful professionals, Kathleen Furey McDonough leads a very busy life. Kathleen is a partner with the Wilmington-based law firm of Potter Anderson & Corroon LLP where she founded and heads the firm's labor and employment practice.*

*It was her expertise in personnel policy early on in her career that led her to the Delaware Community Foundation. In the late 80s, Kathleen was recruited by her mentor and DCF founder Elisa Poole to help the newly-organized nonprofit craft their employee policy guidelines.*

*Twenty-some years later, Kathleen is Chairman of the Delaware Community Foundation's Board of Directors. She also became the Foundation's fifth Fund Builder.*

*Kathleen sees the Fund Builder program as an enticing option for young professionals to become involved in philanthropy.*

*"For people like me who are raising children and saving for college while trying to prepare for their own retirement, the Fund Builder is an appealing way to get started," stated Kathleen. "You can open a fund now, and not have to put philanthropic aspirations on hold until later."*

## **Giving through the Delaware Community Foundation**

The Delaware Community Foundation provides a simple, powerful and highly personal approach to giving. We offer a variety of giving tools to help people who care achieve their charitable goals. You can start a fund with the required minimum balance of \$10,000 or you can start a Fund Builder account and build your fund over a period of up to five years. You can make gifts of cash, stocks, bonds, real estate or other assets to your Fund Builder account or permanent charitable fund. Most charitable gifts qualify for maximum tax advantage under federal law. When your account becomes a permanent fund, you may choose the type of fund that best meets your charitable goals. The Delaware Community Foundation's staff can help you make the right choice from the types of funds listed below.

### **Designated Funds**

If there are specific charities that are meaningful to you, you can create a designated fund to sustain their operations forever. Designated funds are often used as memorials.

### **Donor-Advised Funds**

You can create a fund in your name or your family's name and make grant recommendations from the fund on an ongoing basis—similar to a private foundation. You can pass your fund on to the next generation to carry on your family's philanthropy.

### **Field-of-Interest Funds**

You determine the general purpose of the fund based on your primary charitable interests—the arts, environment or to benefit your county or community. We can help identify organizations performing work in the field you specify, or simply direct your gift to serve pressing needs in your area of interest.

### **Nonprofit Endowment Funds**

Charitable organizations provide for their own long-term stability by creating a nonprofit endowment fund.

### **Unrestricted Funds**

When you establish an unrestricted fund, you entrust your philanthropic decision-making to the volunteer leaders and professional staff of the Delaware Community Foundation. These funds are used by the Foundation to address the community's most pressing needs over time.

For more information about how you can establish a Fund Builder account, please contact Jane C. W. Vincent, Senior Vice President for Development by calling 302.504.5237 or email, [jvincent@delcf.org](mailto:jvincent@delcf.org). In Southern Delaware, please contact Hugh D. Leahy Jr., Senior Vice President for Southern Delaware by calling 302.856.4393 or email [hleahy@delcf.org](mailto:hleahy@delcf.org).

For more than twenty years, the Delaware Community Foundation has been connecting people who care to the causes they care about. We manage charitable funds for individuals, families, businesses and organizations, and distribute income from the funds as grants to humanitarian, educational, health and cultural organizations throughout the First State. To learn about how we can help you connect with the causes you care about, please call **302.571.8004** or visit [www.delcf.org](http://www.delcf.org).

