

# GRANTMAKING HIGHLIGHTS of 2008-2009

Despite an historic economic recession, CCF continued to help underserved communities in Los Angeles County through its competitive grantmaking. In fiscal year 2008-2009, we made **145 grants of \$16,070,998 total** approved by our board of directors for our six program areas, as well as for the El Monte Community Building Initiative and the Centinela Medical Funds. This number does not include grants of under \$25,000 or grants from restricted funds and donor advised funds – the latter of which make up the bulk of our total grantmaking dollars.

## Here are some highlights:

**ARTS:** 555,569 people participated in programs offered by 32 grantees.

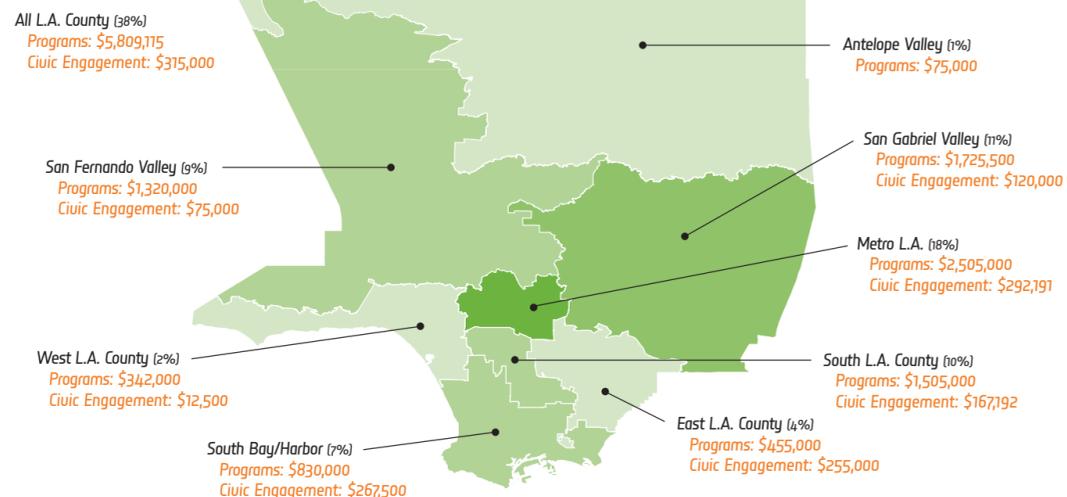
**EDUCATION:** Grantees served 26,211 children, engaged 24,313 parents and trained 1,027 teachers.

**HEALTH CARE:** Seventeen community clinics provided approximately 976,324 patient visits to more than 290,000 low-income children and adults.

**HUMAN DEVELOPMENT:** 19 grantees served 662,005 aging adults, and 12 grantees served 10,766 transition age youth.

**NEIGHBORHOOD REVITALIZATION:** Grants extended legal services for foreclosure-related eviction to an additional 2,200 low-income households; grantees produced 749 housing units.

## Geographical Distribution of Board Level Grants



Percentage of grant dollars spent in each geographic area:



**Grand Total: \$16,070,988**

## Plan Ahead for Year-End Giving

With 2010 around the corner, it's time to get started on complex gifts. Often our donors don't realize the charitable giving potential at their fingertips and to their surprise, find new resources to do their grant-making when they transfer a complex asset. We can help with all the details — whether cash, real estate, stock or other appreciated assets.

Here are some tips to help you plan ahead, make the most of your clients' charitable tax deductions and ensure that their gifts are completed in time.

The following gift types may be deductible for the fair market value of the gift up to 30 percent of your adjusted gross income and may allow your clients to avoid capital gains taxes:

**REAL ESTATE.** We accept gifts of commercial and residential real estate. These gifts require multiple steps to transfer, so we recommend that you involve CCF early in the process.

**STOCK.** We accept closely held stock, though like real estate, the transfer requires many steps and you should start early. Publicly traded stock is generally quick and easy to transfer.

**MUTUAL FUND SHARES.** Mutual funds are generally quick to transfer, but sometimes have restrictions that require more time and effort to process.

Charitable business development staff is here to help. For more information, please contact us at (213) 239-2310.

### Crunched for time?

A charitable fund at CCF can be created in a matter of hours – our record is less than 38 minutes!

## INTRODUCING NEW LEGACY SOCIETY MEMBERS

CCF welcomes new Legacy Society members who have joined since July 2008:

- Jim Abrahams
- Dana M. Baldwin
- James Bassett
- Wendy Grossman
- John and Sarah Kobara
- Esther D. Krieger
- Richard and Heidi Landers
- Barbara P. Meyer
- Drue Roberts
- Paul and Kathleen Sundmark

We would like to thank the advisors who referred our new members, including Leah Bishop, Richard Ashworth, Galen F. Griep and Vicki F. Magasinn. If a client you referred recently joined the Legacy Society and is not listed here, please contact CCF.

The Legacy Society honors forward-thinking donors who leave a gift to the California Community Foundation through a will or trust. This permanent contribution is a popular and easy way for donors to support the current and future needs of Los Angeles and beyond. Membership includes lifetime recognition in CCF publications, Web site and other materials, and invitations to exclusive Legacy Society events. For more information about the Legacy Society, contact Carol Bradford, vice president of External and Donor Relations at (213) 452-6266 or cbradford@ccf-la.org.



The California Community Foundation meets the most rigorous standards in philanthropy and complies with the National Standards of U.S. Community Foundations.



### DO YOU HAVE REAL ESTATE, STOCK OR ROYALTIES TO DONATE?

The California Community Foundation specializes in converting complex and unusual assets into philanthropic contributions. Our long-standing history and experience have made it possible for us to accept **complex assets** that most brokerage firms cannot, such as commercial property. We are equally flexible regarding the organizations to which you can give. In fact, we are an ideal conduit to any eligible charity, whether in your community or in one across the globe.

### Create the change you envision.

For more information, contact Carol Bradford, vice president of External and Donor Relations, at cbradford@ccf-la.org or (213) 413-4130, ext. 400.

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- Our Impact in L.A. County
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- Top-Performing Nonprofits

## WHAT'S HAPPENING

### Third-Quarter Grants and Contributions

CCF donors generously contributed \$9 million from July 1, 2009 through Sept. 30, 2009. During the same period, CCF granted \$26 million through its foundation-directed and donor advised funds.

### New Staff at CCF

CCF welcomes four new staff members: **Kerry Franco**, scholarship manager; **Mia Gorman**, charitable business development officer; **Michelle Moreno**, program assistant; and **Ravi Sharma**, investment and financial analyst. In addition, **Carol Bradford** was named vice president of External and Donor Relations, **Terri Mosqueda** as director of donor relations, **Barry Peterson** as director of charitable business development, and **Alvertha Penny** as senior vice president of Programs.

### Kids Enjoy Summer Scholarships

CCF donors gave nearly \$300,000 to the Summer Youth Fund, benefiting 3,900 kids through the YMCA of Metropolitan LA and the City of L.A.'s Summer Night Lights  
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# WHY PRIVATE FOUNDATIONS AREN'T PRIVATE: Learn About Alternatives

*Reynolds Cafferata, a partner in the law firm of Horii, Rodriguez, Choi & Cafferata LLP (CCF's general counsel), discusses how a donor advised fund or supporting organization might be the smart choice for your clients. Cafferata teaches and speaks frequently about the choice of charitable entity and how to advise clients for the best fit.*



Reynolds Cafferata (Photo courtesy of Reynolds Cafferata)

### What's your advice for advisors helping clients to choose a charitable entity?

RC: When you're advising someone who wants to set up a private charitable entity, you need to start a conversation about their goals and advise on all the options available to pick the best one.

Sometimes your clients' needs actually force you into two entities. For example, you might set up a scholarship fund at a community foundation so that you don't have to manage all of the administration, while you have a private foundation for other activities.

### Why should someone consider a donor advised fund (DAF) over a private foundation?

RC: I first point to the simplicity of the DAF: you can set one up in about

five minutes and there's no ongoing administrative burden of tax returns, taking minutes, etc.

You should start by looking at the donor advised fund. Only if you find that there's something you want to do that the donor advised fund can't accomplish should you consider the alternatives.

One time, a former colleague wanted to start a private foundation to help a rare bird, the Hyacinth Macaw. He was going to raise some money and support a limited-time research study. It struck me that a private foundation was a lot of work for that setting, so instead we set up a donor advised fund that fit his needs.

Sometimes my clients wait until the last minute and that's another case where the donor advised fund can be very helpful. CCF has been able to get a fund started in a few hours. Keep it simple and only consider other options if you can't meet the donor's goals with a donor advised fund.

### What are the advantages of a supporting organization as compared to a private foundation?

RC: Supporting organizations (SO) would be used if your clients want their own programs with staff and office space or are somehow entering into contracts and relationships with potential for liability and responsibility. It's also a good fit if the donor is uncomfortable with the advisory role of the DAF. With SOs, though the donor doesn't control the board of directors, they have legal entitlement to some say.

### What are some common misunderstandings about private foundations?

RC: 1) **Private foundations aren't private at all.** With the 990PF, everything about your organization is up for everyone to see on the Internet. It's very easy for everyone to find out everything about your private foundation. Unlike a public charity, you don't get to keep the names and amounts of your donors private.

2) **People don't realize the operational limits of a private foundation.** Other than being able to hire *[continued on page 2]*



[Cafferata continued from page 1]

a family member, you're basically prohibited from any other transaction between donor and family member.

For example, with closely held stock, a private foundation is usually required to dispose of it because it's an excess business holding. The company has to have the cash or be able to raise the cash to do that. You also have to offer that redemption to all other shareholders at the same time.

3) **The deduction limits on private foundations sometimes surprise people.** Other than publicly traded stock, gifts to a private foundation can't be deducted at fair market value. That can make the gift a lot less beneficial from a tax perspective.

Comparatively, **donor advised funds are really simple and potentially very private.** It's a public charity, so you can deduct most gifts at fair market value. You can create an anonymous, numbered donor advised fund, often for a gift out of the area to fully cover your tracks. That's a real nice benefit.

Contact Reynolds Cafferata at (213) 892-7704 or reynolds@rhcclaw.com.

### Benefits of DAFs or SOs Compared to Private Foundations

Did you know that donor advised funds (DAF) and supporting organizations (SO) offer:

- Better tax deductions
- Option to name your fund, e.g. The Smith Foundation
- Privacy
- Few or no administrative burdens

Donor advised funds are the most flexible funds CCF offers, allowing donors to give on their timeline. Supporting organizations are classified as public charities, have a board of directors and support the work of CCF.

## WHAT'S HAPPENING

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program. From these gifts, 3,050 children and youth in Compton and Watts enjoyed a safe place to play all summer, and 850 youth in metro L.A. received scholarships for YMCA day camp, resident camp and child care.

### Save the Date: Webinar on Nov. 17

On Nov. 17, join us for the fourth of our advisor Webinars. Learn about ways CCF can help you provide solutions that best fit your clients' needs.

# WHY A DONOR COUPLE CHOSE A SUPPORTING ORGANIZATION OVER A PRIVATE FOUNDATION

In 1996 an anonymous donor couple created a supporting organization at CCF as an alternative to a private foundation. The donors chose to be anonymous because they believe that is the highest form of philanthropy — that the giving is more important than any recognition. CCF offers all donors the option to give anonymously, if they so choose.

The couple decided to create a supporting organization at CCF to facilitate the family's charitable activities without the administrative hassles and management burden of a traditional family foundation. "It made more sense for us because it gave us more control than a donor advised fund, and a private foundation is too complicated, too restrictive and has too much paperwork," the donors said.

Both donors come from humble backgrounds, raised to give of themselves by parents who didn't have much to begin with. Active in the civil rights movement in New York, the donors went on to become successful in business and are using that success to help those who are less fortunate.

They run their supporting organization like a business, holding an annual meeting every March for family members. After taking at least 5 percent of the value of their fund's assets, the donors assign each of their three adult children and their families 10 percent to grant out to their charities of choice. The donors each get 25 percent to give away and the last 20 percent is granted out as a family, after reaching a consensus. "One time they became enamored with a project in Romania, which provides shelter and opportunities for young adult orphans who can no longer live in Romanian government orphanages, so we supported that," the donors said.

Their sophisticated grantmaking has led them to a consistent pattern of giving. "We don't just write a check," they said. "We pay a lot of attention to where the money goes. It has to go to an organization we know and know well."

That's also consistent with their philosophy of philanthropy — "to help ameliorate situations where it makes sense to do it."

## CCF: Continuing Education Made Easy

Take advantage of CCF's free continuing education service for law firms, CPA firms and nonprofit groups. CCF provides comprehensive training on topics ranging from the basics of working with a community foundation to advanced issues like handling gifts of S corp stock.

To set up a case study for you and your colleagues, contact Director of Charitable Business Development Bary Peterson at bpeterson@ccf-la.org or (213) 452-6265.

# Philanthropic Consultation:

## Terminating a Private Foundation



Carol Bradford (CCF photo)

For more information about these services and other opportunities available to you, contact Vice President of External and Donor Relations Carol Bradford at (213) 452-6266 or cbradford@ccf-la.org.

Your clients may want to terminate a private foundation because managing it is too burdensome. However, they may also worry that they will not be able to continue their grantmaking or lose their philanthropic identity. We've helped many donors in this situation. They can get back to giving with a Donor Advised Fund or a Private Foundation Alternative Fund (Supporting Organization), while preserving their philanthropic identity and eliminating the administrative burdens.

We take each donor terminating a private foundation through a comprehensive philanthropic consultation to make sure that we can match his/her with the right type of fund or combination of funds to meet his/her grantmaking needs, and to accept the private foundation's current assets. Your clients can name their new fund with the same name as their private foundation to ensure continuity.

Your clients will gain access to personalized donor services that will help them maximize their giving. They will feel like our expert staff is their own staff and find that our administrative fees are much lower than a private foundation's operating expenses.

### Here's how it works:

#### Review ➡

CCF staff works with the donor and advisor to reflect on and fully understand:

- Focus of past grants
- Founder's intention for future grants
- Board members, roles and responsibilities past and future

#### Plan ➡

With CCF's guidance, the donor determines the best plan for them, based on:

- Fund that will be the best fit for the donor's needs and private foundation's current assets
- Future grants
- Future contributions
- Succession plan for future generations

#### Terminate ➡

CCF works with the donor and advisor to manage the logistics of termination, including:

- Final tax filings
- Notifying the attorney general
- Set up fund to receive private foundation's assets upon termination
- Contact CCF for a complete checklist of termination activities

#### Give

With setup complete, it's easy for the donor to give to his/her favorite charities, using CCF services for:

- Easy grantmaking services
- Research on nonprofits
- Incorporating family in the donor's philanthropy
- Make grants locally, nationally or internationally

# CCF HONORS DONORS AND OUTSTANDING NONPROFITS



(l to r) Actress Eva Longoria Parker; Actor Noah Wyle, the evening's host; Antonia Hernández, CCF CEO & president; Reveta Bowers, chair of CCF's board of directors; Jane B. Eisner, president of The Eisner Foundation and chair emerita of CCF's board of directors; Michael Eisner, founder of The Eisner Foundation. (CCF photo)



2009 Unsung Heroes laureates and valedictorians. (CCF photo)

A night of **Unsung Heroes** celebrated philanthropy with nearly 350 donors, advisors, community leaders and guests on Sept. 16, 2009 at The Getty Center. The event honored 15 of CCF's top-performing nonprofit grantees as well as five donors who made the work possible. Co-presented by The Eisner Foundation, it was an unforgettable and inspiring evening that reminded us about the extraordinary achievements of our nonprofit community in the face of great need and adversity.

Unsung Heroes was the first time in our 94-year history that we paid tribute to a select group of our outstanding grantees for their stellar work in the greater Los Angeles community. We also recognized several donors whose generous legacies support these organizations and many others.

To learn more about the honorees and how to support them and view videos from the event, please visit our Web site at myccf.org/heroes or contact Director of Donor Relations Terri Mosqueda at (213) 452-6298 or tmosqueda@ccf-la.org.

## UNsungHEROES

honored the following top-performing nonprofits:

### ARTS

Cornerstone Theater  
East West Players  
Social and Public Arts Resource Center (SPARC)

### EDUCATION

Long Beach Day Nursery  
Mar Vista Family Center  
Mothers' Club Family Learning Center

### HEALTH CARE

Community Health Alliance of Pasadena (CHAP)  
St. John's Well Child and Family Center  
UMMA Community Clinic

### HUMAN DEVELOPMENT

California Youth Connection  
Casa Colina Centers for Rehabilitation  
Partners in Care Foundation

### NEIGHBORHOOD REVITALIZATION

A Community of Friends  
Abode Communities  
Little Tokyo Service Center



(clockwise from top left) Cathy Unger, event chair; Donor Rosalyn Heyman gets a hug from Antonia Hernández, CCF's president and CEO; Olivia Mitchell, board member of The Thelma Pearl Howard Foundation at CCF and former CCF board member; and (l to r) Judy Baca, Felipe Sanchez and Debra Padilla from SPARC. (CCF photos)