



# CCF News For Advisors



## Financial Solutions For You And Your Clients

Thanks to the partnership of advisors like you, the California Community Foundation continues to provide financial solutions to you and your clients interested in making a difference in people's lives through philanthropy, especially during tough economic times.

Welcome to our first quarterly newsletter created exclusively for you. Get tips from veteran advisor Paul Livadary, learn about national giving trends, and how donors Hope Wintner and Ted Meisel are sharing their good fortune through a CCF fund. This newsletter gives you an update of what we are working on, the benefits of CCF services and how we've provided solutions to help donors fulfill their charitable goals. We hope you find the information useful.

*Antonia Hernández*

Antonia Hernández PRESIDENT & CEO



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Plan your year-end giving early

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Take advantage of the IRA  
extender law

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Benefits of a CCF fund  
vs. a private foundation

# What's Happening at CCF

## Third Quarter Grants

The foundation made 1,711 grants totaling more than \$75 million to the community through its foundation directed and donor advised funds.

## Top 10 Rating

Charity Navigator ranks CCF No. 8 among charities that are financially healthy and respect donors' rights. Charity Navigator, which evaluates more than 5,000 of America's best-known charities, also gave CCF a four-star rating for organizational efficiency and capacity.

## Arts Retrospective Opens

CCF and the Getty Foundation kicked off "20 Years Ago Today: Supporting Visual Artists in L.A." on Oct. 4 at the Japanese American National Museum. The retrospective will run through Jan. 11, 2009 and features selected works of 34 artists who have received the Fellowships for Visual Artists award during the program's 20-year history. Some of the artists featured include Haruko Tanaka, Eve Fowler, Lari Pittman, Jim Isermann and Roy Dowell. This year marks the 20th anniversary of CCF's partnership with the J. Paul Getty Trust in supporting these distinctive local artists.

## How to integrate immigrants

CCF will release a report in November on how we can tap immigrants' full potential to improve Los Angeles County's competitiveness. The report, by the University of Southern California, is titled "Immigrant Integration in Los Angeles: Strategic Directions for Funders." It recommends that funders convene and develop leadership around immigration issues; frame information to present immigration as a solution rather than a problem; invest in models to be replicated in the rest of the country; and shape public policy that can help to integrate immigrants into the social, civic and economic fabric of Los Angeles County.

“We share a common humanity. Whether native or immigrant, we all are seeking the American Dream, living and working side by side trying to find common ground and achieve shared goals.”

— Antonia Hernández, CCF president and CEO, in a recent speech at the League of California Community Foundations conference

## Four experts join CCF

Joining our program team are: **Yamileth Guevara**, program officer for neighborhood revitalization, who was the director of homeownership programs at the East L.A. Community Corporation for the past five years; **Leslie Ito**, program officer for the arts, who previously was director of grants for the Los Angeles County Arts Commission; **Robert Lewis**, program officer for human development, who has more than 12 years of experience working with foster youth and their families at organizations such as The Community College Foundation; and **Elva Yañez**, Community Building Initiative project director, who previously was the director of the Audubon Center at Debs Park. Go to [www.calfund.org](http://www.calfund.org) to read their full bios.

## Advisor Tip

After more than 40 years of estate planning experience, the most important lesson **Paul Livadary** can offer to financial advisors and estate planners is this: “Listen to your client. If you really listen, you’re going to find out what is going on in their lives and what they care about and how best to assist them.”

# Meet a CCF Advisor Livadary: CCF Donor Advised Fund 'Not a Hard Sell'

Estate attorney **Paul Livadary** will refer clients to the California Community Foundation for two reasons — as an alternative to creating a private foundation or if they want to give to charity but don't know how so that CCF can help them with its community expertise and grantmaking services.

a \$10 million donor advised fund at CCF. Since that time, the fund has served the client and his family's vehicle for charitable giving without the hassle of managing a private foundation. At other times charitable giving is developed more deliberately as part of an overall estate plan. The point is, CCF is there for you."

CCF is a unique and multifaceted resource that most people need to be educated about.

— Paul Livadary, estate attorney

Livadary has been sending numerous people to the foundation to create donor advised funds since 1965, when he first heard about CCF. "CCF makes effective use of its charitable dollars while maximizing tax benefits for the donor," said Livadary, retired at age 70 after 43 years of legal practice.

People often think they want to create a private foundation, not realizing there are drawbacks and misconceptions, Livadary said. Sometimes they believe a foundation is the only way to carry on the family name in connection with their charitable activities. They don't realize they can also put their name on a donor advised fund at CCF and involve their descendants over many generations in the grants from their fund. Said Livadary: "When I explain the cost of setting up a private foundation, the ongoing administration, restrictions on what they can and can't do because of the so-called self-dealing rules, CCF is not a hard sell."

He recalls one client who for years was determined to have a private foundation, but never wanted to deal with it. "One day, he had to sell his company and for tax reasons that needed to be accomplished quickly, we ended up opening

Livadary is an active trustee of several family trusts and private family foundations. He also maintains a strong philanthropic interest in Waldorf school education, an independent school movement, having founded the Pasadena Waldorf School in 1978.

He served on CCF's Growth and Impact Task Force to guide the foundation in its 10-year strategic plan, and is also on

CCF's development and communications subcommittee. "CCF brings a lot to the table," Livadary said. "In addition to being a human place with wonderful people there, it is acutely aware of the varied and ever-changing needs of the community. It's a unique and multifaceted resource that most people need to be educated about."



Paul Livadary

# Making Year-end Gifts and Grants

CCF's donor relations staff is here to help you and your clients with their year-end charitable planning, whether it's making gifts to their fund or grants from their fund. We specialize in taking complex gifts, such as real estate, stock, securities and retirement plan assets to create a fund or add to a fund. Call us at (213) 413-4130.

## Gifts to donor's fund

Timing is important for year-end giving to ensure that the gifts donors make support a tax deduction in 2008. If making a gift by check, make sure we receive it before Jan. 1, 2009. Similarly, make gifts by credit card so they are processed by Dec. 31. For gifts of securities, we must receive the transferred securities in the foundation's account by Dec. 31.

## Grants from a donor's fund

Many nonprofits make a solicitation and fund-raising push at the end of the year, and many donors gear up the annual grantmaking from their fund to culminate in December. When making annual year-end grants, we encourage donors to submit them early so that they are processed from their fund in a timely manner.

We urge donors to consider submitting grant recommendations earlier in the fall as the volume of grant submissions we process doubles toward the end of the year. Donors can submit grants online on DonorConnect or by accessing a Grant Recommendation Form on our Web site at [www.calfund.org/pub\\_documents/Grant\\_Recommendation\\_Form.pdf](http://www.calfund.org/pub_documents/Grant_Recommendation_Form.pdf)



# CCF

IS THE LARGEST  
SCHOLARSHIP MANAGER  
IN LOS ANGELES.



CCF IS BUILDING  
THE FUTURE OF L.A.

# Read This Before You Create a Private Foundation

“When I explain the cost of setting up a private foundation... a CCF donor advised fund is not a hard sell.”

—Estate planner Paul Livadary

We specialize in facilitating complex gifts and providing a high level of service to our donors.\* The following chart outlines the many reasons a donor advised fund at CCF can be a better choice than a private foundation. For more information, please call (213) 413-4130 or visit [www.calfund.org](http://www.calfund.org).

Advantages of a CCF Donor Advised Fund	Private Foundation
Maximum tax benefits	No
Fair market value deduction on gifts of real estate or closely held stock	No (in most cases deduction given for donor's cost basis)
Deduction taken up to 50% of adjusted gross income for cash gifts	No (limited to 30%)
Deduction taken up to 30% of adjusted gross income for gifts of publicly traded stock	No (limited to 20%)
Exempt from investment excise tax	No (generally subject to a 2% tax on net investment income)
Exempt from annual minimum distribution requirements	No (subject to monetary penalties if income not distributed)
No set-up fee	No (may include attorney fees as well as state and federal filing fees)
Quick and easy to establish	No (multiple filings required to obtain tax-exempt status)
Quick and easy to terminate	No (multiple filings and notifications required by government, in some cases requires state attorney general approval)
Contributions and grants anonymous from the public when desired	No (all grants and contributions available for public inspection on tax return)
Donor free of liability from jeopardizing investments	No (subject to monetary penalties and risk of losing tax-exempt status)
Donor has access to Cambridge Associates investment consulting with funds between \$25,000 and \$50 million	No (Cambridge Associates requires a \$50 million minimum)
Donor free from filing annual federal and state tax returns	No
Donor exempt from annual audit requirement for foundations with more than \$2 million in assets or annual revenue	No (annual audit required for foundations with more than \$2 million in assets or revenue)
Expert staff immediately available to help with issues about your fund/foundation*	No (need to hire staff or recruit volunteers)
Expertise about local nonprofits	No

\*CCF does not provide legal or tax advice.

# Meet a CCF Donor Family Shares Good Fortune Through CCF Fund

The hard working parents of [Hope Wintner](#) and her husband [Ted Meisel](#) taught them the values of integrity, responsibility, generosity, respect and ambition.

Both have come full circle, after prosperous careers in marketing and technology. In 2001, they opened a donor advised fund at CCF after being referred by advisor Leah M. Bishop of Loeb & Loeb. Their fund supports nonprofits like Girls Inc. of Los Angeles and Hope Street Group, as well as relief organizations and academic institutions.

“We’ve been blessed with good fortune,” Wintner said. “The fund is a way to share what we have. We know that every dollar can make a difference to nonprofit organizations.”

Wintner’s career in brand management included stints at Coca Cola, Paramount, Mattel and Disney. Meisel, who has a law degree from Stanford, worked at McKinsey for five years before venturing into the Internet startup world. As CEO, he led Overture Services, a search advertising company, to more than \$1 billion in worldwide revenues in 2003. Later that year, Yahoo! bought Overture for \$1.6 billion and turned it into Yahoo Search Marketing.

Today, Wintner is busy raising daughters Talia, 7, and Arielle, 5. Meisel is a senior advisor at Elevation Partners, a private equity firm. Both are actively involved in nonprofits that work in areas they are passionate about. He is vice chairman of Hope Street Group, a nonprofit that

“CCF is widely recognized and respected. It’s nearly a century old. We’re not professional philanthropists so we find CCF’s administrative resources and expertise about other issue areas we can learn from to be invaluable.”

—Donor Hope Wintner

seeks to level the playing field for all Americans to succeed. She has served on various boards, including Girls Inc., Los Angeles, a youth organization that inspires all girls to be “strong, smart and bold,” particularly girls in underserved areas.

Setting up their CCF fund through a gift of appreciated stock was part of their estate planning. Said Wintner: "I've always dreamed of running a foundation and in a way, that's what we're doing with this fund."

CCF converted their stock to cash to set up the Wintner-Meisel Fund. If they had sold the stock first, they would have had to pay capital gains tax on the proceeds and then give the remaining after-tax amount to charity. By giving the stock directly to CCF, the community foundation was able to sell the stock at full market value, benefiting their fund. They then received an immediate charitable deduction for the full fair market value of the donated assets in the year they made the gift. By using CCF they were also able to spread out their charitable gifts over multiple years because unlike a private foundation, a CCF fund is exempt from annual minimum distribution requirements.

They plan to grow the fund and eventually involve their children in the grantmaking. "As a mother of young children, it is so important from a young age to model these values," Wintner said. Their daughters are off to a good start, setting up a lemonade stand recently in their neighborhood. "They were so excited," she said. "They made \$7 and it will go to a charity of their choice."



Hope Wintner, Ted Meisel and daughters Arielle and Talia

## Charitable Opportunity for IRA Owners

As part of the Tax Relief Act of 2008, Congress extended the IRA Rollover Act of 2006 and in doing so, created an excellent charitable planning opportunity for IRA owners for tax years 2008 and 2009. The IRA Rollover Act permits an IRA owner age 70½ or older to make a direct transfer from his or her IRA to charity. The transfer may be up to \$100,000 in one year and this IRA rollover will exist for year 2008 and year 2009.

### Key provisions include the following:

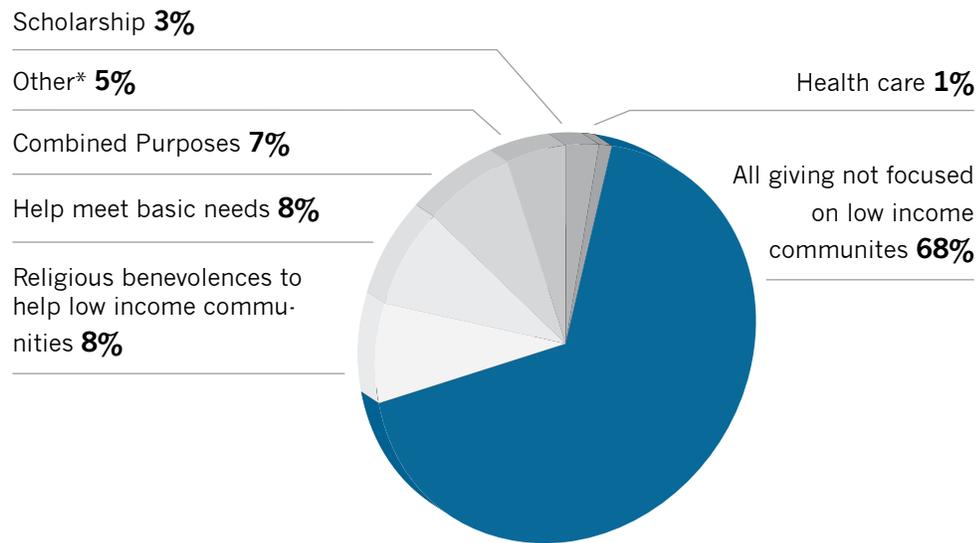
- Donors must be age 70½ at the time the gift is made.
- Charitable gifts must be made directly from an IRA to the charity.
- An individual can give a maximum of \$100,000 in 2008 and an additional \$100,000 in 2009. A spouse can give an equal amount from his/her IRA.
- Individuals can make as many gifts in any amount to as many charities as desired as long as the total does not exceed \$100,000 for 2008 and an additional \$100,000 in 2009.
- The gift may NOT be made to a donor advised fund, or supporting organization at CCF. A donor can, however, make a gift directly to CCF to support the foundation's own grant making, such as CCF's priority funding in the arts.
- The gift may NOT be made to a private foundation.
- The gift may be made to an organization to fulfill a legally-binding pledge the donor has previously made to the organization.
- The gift may NOT be made in exchange for a charitable gift annuity or to a charitable remainder trust.

For more information, please contact Director of Gift Planning Carol Bradford at 213-452-6266 or [cbradford@ccf-la.org](mailto:cbradford@ccf-la.org)

# National Giving Trends

## All Giving

Less Than a Third of Giving is Focused on Low-Income Communities

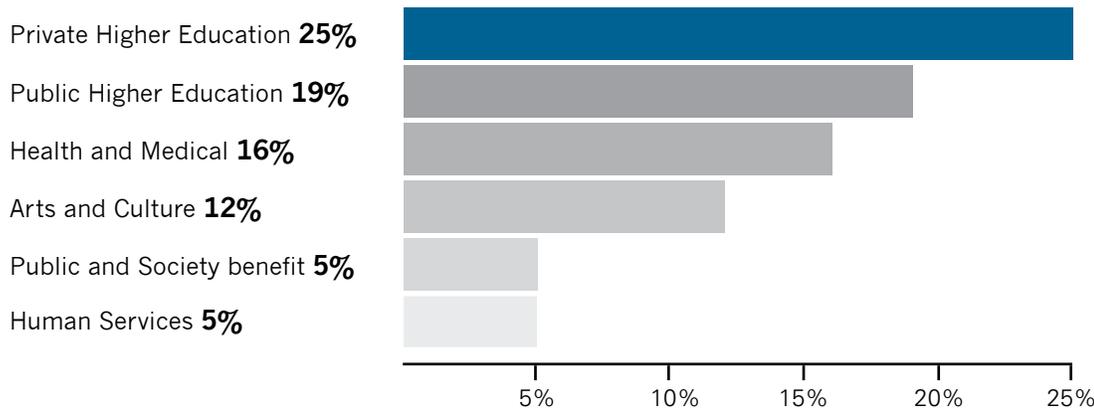


\*Includes international aid

Source: Center on Philanthropy at Indiana University (based on data from 2005). To learn more go to [www.philanthropy.iupui.edu](http://www.philanthropy.iupui.edu)

## Where Gifts of \$1 Million or More Go

Top areas for big donations



Note: The remaining 18% goes to secondary and elementary education, general education, environment, international, religion, etc.  
Source: The Institute for Jewish & Community Research (based on data from 2001-2003). To learn more go to [www.jewishresearch.org](http://www.jewishresearch.org)

## What's Going on in Philanthropy

National Philanthropy Day is **Nov. 15, 2008**.

This is a day to celebrate active philanthropists worldwide.

The first National Philanthropy Day was observed in 1986.

To learn more, go to [www.nationalphilanthropyday.org](http://www.nationalphilanthropyday.org).

Here's a wrap-up of interesting trends in philanthropy that CCF has compiled from various sources for your convenience:

### Congress rethinks tax breaks for donors

The charitable tax deduction costs the federal treasury an estimated \$44 billion this year, and the government wonders if it is getting its money's worth, according to a Chronicle of Philanthropy special report.

### Younger donors to increase giving

Many older donors plan to cut back their giving because of the unfavorable economic climate, but younger givers say they will increase theirs, a new survey shows, according to the Chronicle of Philanthropy.

### Giving motivations

Wealthy donors say they understand why charities need money for operating expenses, a new study has found, and they are willing to provide it, reports the Chronicle of Philanthropy.

### IRS offers new guidelines

On Aug. 7, 2008, the IRS proposed new guidelines that define documentation requirements for cash and non-cash tax-deductible gifts. See [www.afpnet.org](http://www.afpnet.org)

### If you can text, you can give

Mobile giving, or donating to a cause through a cell phone, is the newest thing in philanthropy.

See <http://nonprofit.about.com>

### Donor rights

Donors have a right to be assured that their gifts will be used for the purposes for which they were given. See the Donor Bill of Rights by the Association of Fundraising Professionals at [www.afpnet.org](http://www.afpnet.org)

### Trading Goods

A new partnership between eBay and social enterprise World of Good aims to give the world's artisans access to a bigger market and a share of the profits. See [www.fastcompany.com](http://www.fastcompany.com)

### Transfer of wealth beginning?

The huge transfer of wealth coming from the "Great Generation" may be happening. Bequests from 1967-1990 only rose 0.8 percent, while between 1991 and 2005, they rose 5.9 percent. See <http://nonprofit.about.com>

### State of South L.A.

UCLA's School of Public Affairs has produced a report about the challenges facing South L.A., which accounts for nearly 10 percent (nearly 885,000 people) of the total population living in Los Angeles County. To view the August 2008 report, go to [www.spa.ucla.edu](http://www.spa.ucla.edu)

### International giving

Interest in giving internationally will increase among all types of donors. See more key trends and what they mean for the giving landscape at [www.givingforum.org](http://www.givingforum.org)

# Grantmaking FAQs

## How do I make a grant?

Recommending grants from a donor advised fund is quick and easy. Fill out and sign a Grant Recommendation Form found at [http://calfund.org/give/forms\\_library.php](http://calfund.org/give/forms_library.php). Provide the name of the nonprofit to which you are making a grant, the address, grant amount and the program you wish to support on the form. You may also submit grants online on Donor Connect at [www.calfund.org](http://www.calfund.org), or by fax at (213) 622-2969 or by mail.

## Why does it take four to six business days to send out a grant?

Our grants coordinators perform due diligence on each organization recommended for support. We may review the organization's tax return filings, nonprofit exemption application, programs and activities and other materials. If an organization cannot provide evidence that it qualifies for charity status or we are concerned about an organization's financial accountability, you will be notified that a grant cannot be awarded. This process is an efficient way to ensure that you are supporting organizations that are qualified under the law and are carrying out their stated missions.

## Can I make a grant for a charity-sponsored event that I will be attending?

No, federal law prohibits grants from your fund that provide a material benefit or anything more than an incidental benefit to the donor or related parties. This includes the purchase of tickets or tables for fund-raising events or galas, charity golf tournaments, goods purchased at charitable auctions, university athletic events or tickets to services that are not available to the general public. In such instances, we cannot make grants from your fund toward the charitable or noncharitable portion of these gifts. If you want to support a nonprofit fund-raising event, but will not attend or use the tickets, a grant can be made from your fund because there will be no "benefit" to you.



CCF Grants Coordinators Emily Zietlow, Christopher Hubbard and Olivia Koran

## Did You Know...

More and more of CCF donors are asking friends to make donations to the donor's fund at CCF in lieu of presents for birthdays or anniversaries.

## Top Five Things to Consider When Making Grants

**Grantmaking is more of an art than a science.** Deciding where to steer limited funds can be challenging, especially when nonprofits are hurting during harsh economic times. While no list is complete and will differ for every person, here are five things to think about when selecting a nonprofit to support:

### 1. Choose your focus

Ask yourself, if you could change three things in your community, what would they be? Then match your giving to your priorities and values.

### 2. Do your homework

Ask family, friends and colleagues what they support or are involved with. Use the Internet to find out about issue areas and nonprofits that work in those areas you care about. The California Community Foundation's Donor Relations staff can help you narrow your focus, identify goals and provide background on organizations that work in a chosen issue area. We can also help connect you with experts in areas we focus on or others through our strong community networks.

### 3. Think impact

The organization should have a clear mission statement that describes why it exists, the need it addresses and who benefits from the work. The organization should be able to articulate how it will accomplish its mission and what outcomes will occur. Its programs should be aligned with its mission. Find out the organization's major achievements and milestones. Check out who is on the board, their experience and affiliations to find out how connected they are to the community and their diversity of perspectives, skills and background. The board should meet more than once a year.

### 4. Envision their vision

Established agencies typically have a long-range or strategic plan for three to five years. The plan describes specific goals, timelines and activities it will conduct to meet the mission. It also should include fundraising, finances, staffing, operations and board governance.

### 5. See for yourself

Visit the organization to see for yourself the work it is doing. You can observe the programs, view the facilities and meet with key staff and leaders. Seeing a program in action is much different than reading a description of its work. Site visits should be arranged in advance with the organization and should be limited in time. Call CCF Donor Relations staff for a copy of our site visit checklist if you plan to schedule one.



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

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