



The
SARTORI
Circle

Guide to
Gift Planning

California
COMMUNITY
Foundation

The California Community Foundation (CCF) has served as a public, charitable organization since 1915, empowering donors to pursue their personal passions.

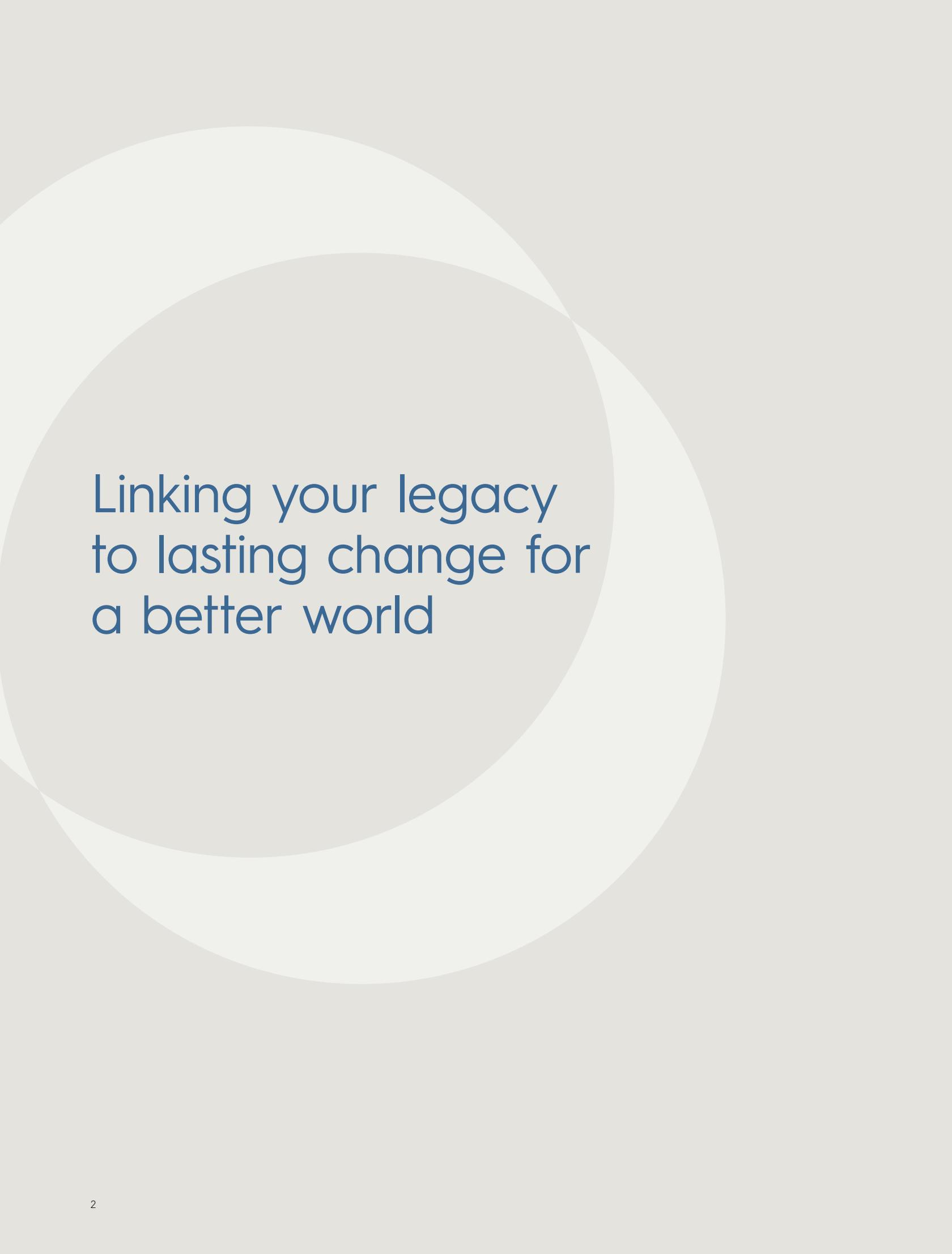
Since 2000, CCF has tripled its assets. Managing more than 1,700 funds with assets over \$1.7 billion, CCF is one of the nation's top 50 foundations.

Through a combination of expertise, knowledge of the local nonprofit landscape, compassion and service, CCF fosters a true partnership that adds value, benefiting donors, advisors, recipients and the larger community. CCF is committed to lasting change in Greater Los Angeles, while also facilitating a broad spectrum of individual donor wishes on a local, national and global scale.

With more than a century of leadership, particularly serving those in greatest need, CCF is an ideal giving partner for people who want to transform their philanthropic dream into a meaningful reality.

“When you’re thinking about your legacy, knowing that an organization has been around—and will be around—is hugely important. CCF is the biggest and oldest player in Southern California for a reason. You can trust CCF to manage a donor’s assets and carry out their wishes both in their lifetime and beyond.”

*Reynolds Cafferata,
Attorney,
Rodriguez, Horii, Choi
& Cafferata, LLP*



Linking your legacy
to lasting change for
a better world

The Sartori Circle

“I wanted to leave my money to something that was meaningful to me and could create joyous experiences for others. Knowing that I can trust CCF to carry out my wishes brings me pleasure in my lifetime in ways I never imagined. I feel part of a circle of donors who share my enthusiasm for giving.”

*Doug Jones,
Sartori Circle Member*

Joseph Sartori’s vision changed the landscape of charitable giving in Los Angeles.

In 1915, Sartori founded what is now known as the California Community Foundation (CCF). His goal was to encourage a community of donors to invest together in the well-being of others.

Sartori and his wife, Margaret, came to Los Angeles from Cedar Rapids, Iowa, in 1887 and quickly prospered. Among his accomplishments, Sartori founded Security Savings Bank, the largest bank in the Southwest at the time. Sartori also founded the City of Torrance and was instrumental in building the Biltmore Hotel and establishing the University of California, Los Angeles.

In 1946, Sartori transformed CCF with a bequest of \$1 million. The Joseph F. and Margaret R. Sartori Fund is one of the longest philanthropic partnerships in the United States. Since 1998, it has provided more than \$2 million in support for the region’s changing charitable needs.

Today, the small community foundation Sartori founded more than a century ago, is the oldest grantmaking institution in Southern California and among the nation’s largest community foundations.

CCF honors Sartori’s vision by inviting others to join a circle of donors who will use their personal legacy to create lasting change for a better world.

SARTORI CIRCLE ELIGIBILITY

All donors who generously include CCF in their estate plan through their will, trust, beneficiary designations, life income gifts or who name CCF as the successor advisor to their existing Donor Advised Funds are eligible to participate in the Sartori Circle.

Whether a donor designates a nonprofit beneficiary, makes a field of interest gift or gives to CCF’s endowment, each donor’s unique charitable wishes are CCF’s highest priority, now and in the future.

Types of Planned Gifts

CCF has the ability and expertise to accept gifts of cash, as well as publicly-traded securities and other complex assets, such as real estate, partnership interests and intellectual property. CCF also has the knowledge, creativity and experience to help donors and their advisors structure their charitable giving in ways that best fit their individual circumstances and achieve their charitable vision over time.

TESTAMENTARY GIFTS:

Bequests

A bequest is a gift of money or personal or real property through a will or trust. The beneficiary of a bequest can be an individual or an organization, and the donor who makes the bequest can stipulate the terms of how the gift is to be distributed.

Life Insurance and Retirement Plans - Beneficiary Designations

To minimize potential estate tax implications and maximize the amount of money going to philanthropy, donors can designate charitable organizations as the beneficiaries of their life insurance policies, retirement plans, payable upon death (POD) bank accounts and transfer upon death (TOD) investment accounts.

RETAINED LIFE ESTATE: A Retained Life Estate (RLE) enables a donor to transfer the ownership of a personal residence or other eligible real estate, such as a farm, to a charitable recipient, while continuing to enjoy the use and possession of the property during their lifetime. The donor receives an income tax deduction in the year of the gift, and the property is removed from the donor's taxable estate. Under certain circumstances, the donor can increase the benefits of an RLE by choosing not to live in their property and receive income from the rental of the property. The charitable recipient takes possession of the property after the donor's death, often simplifying the settlement of the donor's estate.

IRA CHARITABLE ROLLOVER: An IRA Charitable Rollover allows taxpayers age 70 ½ or older to transfer up to \$100,000 annually from their IRA accounts directly to a charity without first having to recognize the IRA distribution as income and without having to itemize their deductions. Also known as a qualified charitable distribution (QCD), when structured properly, this distribution counts toward the donors' annual required minimum distribution (RMD), making it easier for donors to use their IRA for charitable gifts in their lifetime. At this time, IRA Charitable Rollovers cannot be used to fund a Donor Advised Fund or Life Income Gifts.

DONOR
CASE STUDY

Bequest by Will or Trust



Raised in a family of limited means, a retired film producer vividly recalls his first experience of live, musical theater. For a quiet kid who was uncertain about his path in life, watching the actors sing, dance and act onstage during the performance was a revelation. Entertainment not only became his profession, the theater became a lifelong passion.

Over the years, the producer made modest gifts to a few regional theaters, but what he longed to do was introduce live theater to large numbers of students who might not otherwise get the opportunity.

Now retired and living on passive income, he couldn't foresee making significant charitable gifts in his lifetime. Despite having ample assets, his partner had died of a lengthy illness, and the experience had given him a cautious view of

the future. On the other hand, he had no heirs, and he knew that he could potentially leave a significant estate and wanted to plan for how it would be used.

Knowing that CCF had leveraged the estates of several L.A.-based philanthropists into meaningful, long-term impact, he sought CCF's partnership in creating a giving plan that would designate CCF in his will and trust, enabling CCF to endow a testamentary fund that could provide generations of low- and limited-income youth access to live musical theater through school field trips.

It was very rewarding for him to know that, ultimately, his wealth would be used to share his passion for live theater with those who might not otherwise experience it.

A donor with no heirs and a significant estate was able to fulfill his vision, sharing his love of live theater with others beyond his lifetime by designating CCF in his will and trust.

DONOR
CASE STUDY

Donor Advised Fund Succession Plan



The recently retired president of a closely-held Los Angeles institution was contemplating next steps. She was ready to transition from building a business to focusing on returning some of her wealth to the city and region that had made it all possible.

After years of being a part of L.A.'s philanthropic landscape, she knew that CCF could be an ideal partner to help her maximize her various charitable options, as well as helping her define a philanthropic mission and structure a giving plan.

To begin, she established a Donor Advised Fund (DAF) at CCF with appreciated stock. This enabled her to have an immediate impact in the community, receive an immediate tax benefit from her gift and determine a successor advisor who would manage the fund after her passing. She relied on CCF's expertise in L.A.'s complex nonprofit landscape

to help her expand her giving beyond the organizations she was already supporting to additional organizations that fulfilled other aspects of her philanthropic mission.

Through this process, she discovered a profound philosophical alignment with CCF's mission, and she was deeply impressed by CCF's sophisticated understanding of the ever-changing charitable needs of the region. Of all the possible options for a successor advisor, CCF was the perfect choice for her DAF, giving her the confidence to make a large testamentary gift to her DAF of closely-held stock from her estate. She also chose to ultimately convert her DAF into an unrestricted fund with CCF directing its gifts. This way she could support Los Angeles by enabling CCF to fulfill its mission for years to come.

A retired Los Angeles business leader felt a strong philosophical alignment with CCF's mission. This inspired her to designate CCF as the successor advisor for her Donor Advised Fund and commit to increasing the fund through a testamentary gift from her estate.

Types of Planned Gifts

(continued)

DONOR ADVISED FUND SUCCESSION PLAN: A Donor Advised Fund (DAF) is an efficient, cost-effective giving vehicle that provides immediate income tax benefits to a donor during the year of the gift, while allowing the donor to support their charities of choice through grant recommendations on their own timetable and designate a successor advisor for future grantmaking. Moreover, donors can allow CCF to make grants from their DAF after their lifetimes to ensure that their legacy goals are achieved well into the future by using one of the following fund types:

Restricted Fund

A Restricted Fund allows the donor to choose one or more specific charitable organizations to support, after which CCF will restrict grants to only the organizations the donor has chosen. If a donor is deceased and the nonprofit organization changes its mission or closes, CCF will direct the donor's grants to one or more organizations that most closely honor the donor's intent.

Field of Interest Fund

A Field of Interest Fund supports specific areas of interest defined by the donor. The donor identifies areas of charitable interest – as broad or as narrow as they choose – and CCF evaluates organizations that do the best work in those interest areas and makes grants to those organizations.

Endowed Donor Advised Fund

An Endowed DAF establishes a permanent fund with a corpus that can never be spent. Distributions from Endowed DAFs are made only from the net income and net appreciation of the assets in the fund, ensuring that the fund will exist in perpetuity. If the permanent assets of the fund grow over time, the net income and assets can provide for increased charitable giving. Donors can nominate their own successor advisor or allow CCF to determine grantmaking in accordance with the donor's stated intentions.

Unrestricted Fund

An Unrestricted Fund places no restrictions on CCF's use of the fund or ability to designate grant recipients. Most often, CCF will pool the fund with CCF's endowment, and use the fund to support organizations that are aligned with CCF's mission and giving criteria. CCF may also choose any other charitable recipient that it determines serves the immediate needs of the community.

Types of Planned Gifts

(continued)

LIFE INCOME GIFTS: Life income gifts provide donors with the opportunity to make irrevocable gifts of money, stocks and other assets to charitable entities, while also benefiting from a stream of income during their lifetimes or for a term of years. Donors receive an immediate tax benefit in the year of the gift.

Charitable Remainder Trusts

A Charitable Remainder Trust (CRT) is a trust that is structured to provide the donor with income tax benefits in the year of the charitable gift and generate a stream of income for the specified beneficiary or beneficiaries for their lifetime(s) or for a term of years. Upon the beneficiary's death or the end of the term of years, the remainder of the trust's assets are transferred to a charity.

Charitable Lead Trusts

A Charitable Lead Trust (CLT) is a trust that is structured to support a favorite charity for a set period of time or for the duration of a donor's life through income generated by contributed assets that are held in the trust. When the trust ends, the remaining assets are transferred to the noncharitable beneficiaries of the trust. The value of the gift to the noncharitable beneficiaries for transfer-tax purposes is the value of the property transferred to the CLT minus the value of payments to the charity during the life of the trust.

LIFE INCOME GIFTS

	CHARITABLE REMAINDER ANNUITY TRUST	CHARITABLE REMAINDER UNITRUST	CHARITABLE LEAD TRUST
<i>Minimum Gift Amount</i>	\$100,000	\$100,000	\$100,000
<i>Acceptable Assets</i>	Cash, securities and other liquid assets. Under certain circumstances, real estate and other illiquid assets as well.	Cash, securities and appreciated illiquid assets, including real estate, closely-held stock, business interests, intellectual property and other unenumerated assets.	Cash, real estate, securities and other appreciated assets.
<i>Income Recipients</i>	Donor and/or other specified recipients.	Donor and/or other specified recipients.	Charities identified by the donor.
<i>Nature of Income</i>	Fixed payments for life or a term of years, determined by the payout rate and the initial value of the charitable gift.	Variable payments determined by the payout rate and the value of the trust, as revalued annually.	Fixed payments for a term determined by donor. Remaining assets are distributed to donor-designated beneficiaries.
<i>Tax Considerations</i>	Full deduction of gift value. No capital gains tax on transfer or sale of gift assets. Can serve to reduce estate and gift taxes. Income payout is taxable.	Full deduction of gift value. No capital gains tax on transfer or sale of gift assets. Can serve to reduce estate and gift taxes. Income payout is taxable.	Annuity payments to charities are deductible. Trust income is subject to capital gain tax. May help reduce estate tax on gift.
<i>Ideal for</i>	Older donors who want to generate a stable stream of income for life or a term of years, reduce taxes and support causes they care about.	Donors who want to generate a stream of income for themselves or others, reduce taxes and support causes they care about.	Donors with assets that have potential for high appreciation who wish to minimize estate taxes while continuing to support the causes they care about most through the income generated from the trust.

DONOR
CASE STUDY

Charitable Remainder Trust



Nearing retirement, a Los Angeles-based businessman and his physician wife wanted to maintain their current lifestyle while also sustaining their robust commitment to charitable giving.

The couple met in the Peace Corps in their early 20s, married, and dedicated themselves to raising a family and building dual careers. Over the years, they amassed a considerable portfolio of appreciated stock and other assets and wanted to reap the benefits without incurring a massive tax liability.

They hoped to dedicate this next phase of their lives to traveling and helping to alleviate the poverty they'd witnessed around the world. They also wanted to bring their adult children into their philanthropy during their lifetimes and eventually transfer grantmaking responsibility to CCF to ensure that their legacy goals were achieved in perpetuity.

Working in partnership with CCF and their own financial advisors, they leveraged their appreciated stock to fund a Charitable Remainder Trust (CRT) with CCF. The CRT would provide them with lifetime income and significant income tax benefits in the year of their charitable gift. Ultimately, the assets would establish a testamentary fund after their deaths. This fund would be directed by their adult children in their lifetimes, with CCF designated to carry out the couple's legacy wishes thereafter.

Working with CCF's donor advisors, the family narrowed their area of interest to supporting local hospitals and youth organizations to honor their mother's work as a physician, as well as global services that combat poverty and hunger. Today, the entire family takes pride in knowing that the couple's legacy will reflect their passions, not just now, but well beyond their lifetimes.

A retired couple leveraged their appreciated stock to fund a Charitable Remainder Trust with CCF, which provided them with lifetime income and significant tax benefits, while engaging their family in their philanthropy. CCF has been entrusted to carry out their charitable wishes in perpetuity through a testamentary fund.

ADVISOR
CASE STUDY

Gifts of Complex Assets



An investment advisor had a client with a unique challenge.

The client was the president and majority owner of a closely-held company and was planning to sell off some of the company's highly-appreciated stock to bring in new investors. Whereas the advisor had put considerable time into vetting potential investors and valuing the company's stock, the downside of this growth strategy would be a significant capital gains tax liability for her client. This was not exactly the win-win situation the advisor was hoping to create.

Having partnered with CCF in the past and knowing the depth of its expertise in understanding the benefits and tax implications of charitable gifts of complex assets, the advisor reached out to CCF to discuss potential solutions.

Working strategically with CCF, the client decided to contribute some of his appreciated shares to a Donor Advised Fund with CCF, receiving an income tax charitable deduction for the fair market value of the closely-held stock. When CCF sold those shares to the new investor, the client not only avoided incurring any capital gains liability, but also now had a significant charitable fund with which he could support his favored charities both during and after his lifetime.

The client contributed appreciated shares of closely-held stock to a Donor Advised Fund with CCF. He received a charitable deduction for the fair market value of the stock, avoided capital gains liability and created a significant charitable fund that will support his charities during and after his lifetime.

CCF's Range of Services

“CCF is best in class. I have worked with them for decades to turn my clients’ financial accomplishments into meaningful charitable experiences. CCF has the expertise and dedication to assist and partner with my clients and help them realize their dreams.”

*Michael Karlin,
Business Manager,
NKSFB, LLC*

CCF provides a complete portfolio of philanthropic services to donors during their lifetimes and beyond. As stewards of our donors’ entrusted assets, CCF is committed to transparency, fiscal responsibility, asset preservation and long-term growth. As stewards of our donors’ legacies, CCF fulfills each donor’s vision in ways that make a lasting impact on the issues the donor cares about most.

PHILANTHROPIC CONSULTATION: CCF offers complimentary personalized philanthropic consultations to all CCF donors and their advisors. Overseen by a dedicated Relationship Manager, consultations involve discussions with CCF’s team of experts to identify grantmaking opportunities, establish giving plans and facilitate family involvement. Philanthropic consultation services are available to donors on a tiered basis, depending upon the donors’ current and/or planned testamentary fund balance.

FINANCIAL MANAGEMENT: CCF has a dedicated team of financial managers whose goal is to grow donors’ assets over time to increase the impact of their bequests. CCF also offers the Charitable Asset Management Partnership (ChAMP) program. This is a customized investment option for donors who prefer to have their own trusted financial advisor manage their charitable funds in excess of \$500,000.

NONPROFIT RESEARCH EXPERTISE: CCF provides complimentary research services for donors seeking to conduct due diligence or to identify nonprofit organizations in new areas of interest. Nonprofit research services are available to donors on a tiered basis, depending upon the donors’ current and/or planned testamentary fund balance. CCF helps donors have meaningful giving experiences by helping them understand individual nonprofit organizations and the overall nonprofit landscape.

GRANT ADMINISTRATION: For donors contemplating a major or multi-year gift, CCF can craft grant agreements based on donor directives, desires for recognition or anonymity, deliverables and outcome triggers for initial and subsequent grant payments. CCF can undertake due diligence, confirm IRS status, deliver payments and fulfill reporting requirements.

FUND SUCCESSION SERVICES: CCF can provide the services of an effective successor advisor for Donor Advised Funds after the designated advisors are no longer willing or able to serve in that capacity. As a successor advisor, CCF’s highest priority is to faithfully carry out the donor’s charitable wishes. In the case of an unrestricted fund, CCF will make grants according to CCF’s charitable mission or immediate community needs.

Sartori Circle Benefits

“I never imagined that with my resources I could join a circle of major donors. By showing me how my bequest would enable me to help solve problems far bigger than I could tackle on my own, CCF invited me into a world of real impact that I had always wanted to join.”

*Peter Fleming,
Donor Advised Fund Holder
and Sartori Circle Member*

The Sartori Circle is designed to recognize and bring together donors of testamentary gifts who, like CCF founder Joseph Sartori, have committed their legacies to making a long-term impact on the lives of others through their charitable bequests. Some of the benefits of belonging to the Sartori Circle include:

RECOGNITION of our legacy donors within their lifetimes in printed materials and at special donor recognition events, allowing them to enjoy the public acknowledgement of their generosity, if they so choose

GUIDANCE by CCF experts in the most beneficial ways to integrate charitable giving into their personal estate plans

PERSONALIZED GIVING PLANS to maximize the financial circumstances, tax opportunities and philanthropic passions of each individual donor

CONVENINGS AND GATHERINGS for members of the Sartori Circle and their families to engage with each other and better understand the charitable landscape in their area of interest and beyond

SATISFACTION OF BELONGING to a group of forward-thinking individuals who are using their charitable resources to support the causes and organizations for which they have the most passion

ABILITY TO LEAVE A PERMANENT LEGACY to make a lasting impact in an issue area for generations to come

Join the Sartori Circle, and link your personal legacy to lasting change for a better world.

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To become a member of the CCF Sartori Circle, contact your Relationship Manager or the Development and Donor Relations Team at (213) 413-4130.

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