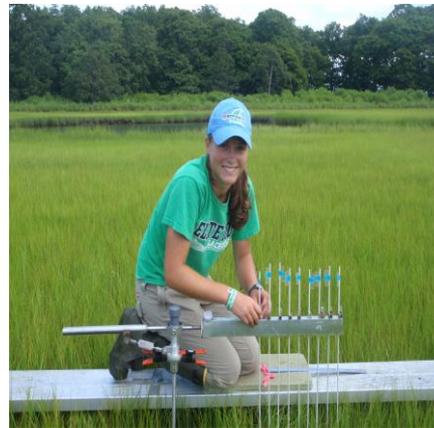


**Celebrating over 35 years of enhancing
the well-being of the people and
communities on Long Island.**

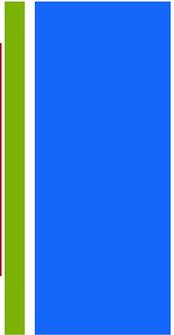


Achieve Immortality!

Create your own permanent philanthropic legacy—a legacy that will make charitable gifts in your name, forever, to help the Island you love and the causes you care about. Set up an endowed fund in the Long Island Community Foundation.

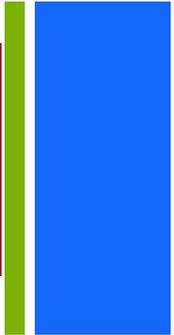


Community Foundations



- Community foundations such as ours exist to make it easy for people to be philanthropists and to build an endowment to meet changing community needs over time.
- They were started in 1914 by a Cleveland banker who felt that the practices of the day were needlessly eroding charitable funds. It was expensive to administer charitable trusts in banks, which knew more about investing money than giving it away. And it was expensive to go to court when charitable funds had outlasted their purposes and needed to be changed to stay useful.
- The banker proposed an organization, governed by civic leaders, that would handle permanent funds for charitable individuals and distribute grants to good causes in their names, forever.

Community Foundations



- The community foundation would benefit from economies of scale, offering professional management to affluent and modest donors alike. Banks would continue to manage the investment of principal and the civic leaders would see to it that donors' wishes were carried out.
- Today, more than 700 community foundations serve thousands of donors in all 50 states. Some continue to use the original trust model and others are organized as charitable corporations, using professional investment advisors to manage their assets.
- In addition to managing funds established through wills, community foundations today also offer services to donors during their lifetimes.

Who we are

- The Long Island Community Foundation
 - Public charity established in 1978
 - Mission is to promote philanthropy and improve the quality of life on LI
 - Work with individuals, families, businesses and groups who have charitable intent
 - Since inception has granted nearly \$170 million
 - Operating division of the New York Community Trust (est. 1924)
 - One of the nation's oldest and largest community foundations
 - Over \$2.7 billion in assets
 - Consisting of almost 2,300 individual charitable funds
 - Reputation for intelligence, integrity, and service

Why choose a community foundation?

Ten reasons people choose to give through the Long Island Community Foundation (LICF)

- We are a local organization with deep roots in the community.
- Our professional program staff has broad expertise regarding community issues and needs.
- We provide highly personalized service tailored to each individual's charitable and financial interests.
- Our Donor-Advised Funds help people invest in the causes they care about most.
- We accept a wide variety of assets, and facilitate even the most complex forms of giving.

Why choose a community foundation?

Ten reasons people choose to give through the Long Island Community Foundation (con't)

- We partner with professional advisors to create highly effective approaches to charitable giving.
- We offer maximum tax advantage under state and federal law.
- We multiply the impact of gift dollars by pooling them with other gifts and grants.
- We build endowment funds that benefit the community forever and help create personal legacies.
- We are a community leader, convening agencies and coordinating resources to create positive change.

Why an endowment?

- Endowment means that the causes you care about and the Island in which you thrived will benefit from your generosity—forever.
- Support the arts, protect the environment, feed hungry families—or let LICF decide how to use your gift. It's your choice.
- A knowledgeable staff will ensure that grants from your fund continue to meet the challenges of future generations.
- You join other charitable Long Islanders who have chosen to leave a legacy with us, producing impact that one fund alone can't accomplish.

Why an endowment through LICF?

- We firmly honor your charitable intentions. Each grant we make is checked to ensure that the funds that support it meet the donor's purpose.
- Our stewardship is the old fashioned kind: picky. We manage the impact of your philanthropy, not just the money.
- Grants from your fund go only to nonprofits that meet high standards of performance.
- Each grant from your fund does the good you intended it to do, generation after generation. You can tell us to make grants to causes you care about, like “improving early childhood education” or “cleaning up bays and harbors.” You can also designate grants to your favorite nonprofits.

Types of funds

- Donor-Advised Fund

Legally, unrestricted funds that allow the donor to make grant recommendations to nonprofits of their choice.

- Community Response Fund

A fund left to the discretion of LICF's governing board to use through a professional grant-making program addressing Long Island's ever-changing needs.

- Field-of-Interest Fund

Enables the foundation to make grants to nonprofits within a geographic or charitable area (such as the elderly or hunger) on the donor's behalf.

- Designated Fund

Donor names specific nonprofits to receive grants, subject to our board's variance power, which ensures that the fund remains relevant over time.

Types of funds

Donor-Advised Fund

- Allows donors to recommend that grants be made to charities of their choice.
- Under board guidelines, our staff reviews basic information provided by the charity to ensure that its fiscal & governance affairs are in order and that it is actively serving the public.
- The NYCT board has established broad guidelines for suggestion approval, assuring rapid processing of each grant, which bears the name of your fund.
- We take care of all the record keeping and reporting.
- Maximum and immediate tax deduction without having to make quick decisions about which charities you want to support.
- Very modest administrative fees

Types of funds

Field-of-Interest Fund

- We make grants to nonprofits, tackling issues of concern to the donor.
- Donor selects the general areas in which grants should be made (i.e., troubled youth, the elderly, hunger, etc.) and can either be involved or leave the selection of the specific nonprofit recipient to the Foundation's professional staff.
- LICF goes to work, researching and preparing a grant strategy for that field of interest.
- The board double checks proposed grants against your fund's purpose and any other guidelines you've provided.
- After each grant is made bearing the fund's name, our staff carefully monitors the results.
- Issues are always changing on Long Island, this type of fund will always be able to meet those changing needs.

Types of funds

Designated Fund

- Donors name the charity or charities that will benefit; we take care of the investments, and regularly pay grants to the charities you've named.
- Should the charity go out of business, change mission, or circumstances have changed so as to “render unnecessary, undesirable, impractical, or not feasible to support”, we'll redirect funds to other charities without losing time or depleting the fund through expensive court proceedings.
- This authority of our board, called the variance power, is an attractive feature to donors who have established funds in perpetuity and donors who have set up funds for narrow purposes but understands the future is unpredictable.
- A committee of the NYCT board will carefully review the facts before recommending any change to the full board.

Type of funds

Community Response Fund (unrestricted)

- These funds leave discretion to the LICF's governing board to use the donor's gift to meet contemporary needs, forever.
- The donor allows the Foundation to direct fund proceeds to critical Long Island needs through its professional grantmaking program.
- Your generosity remains relevant.
- Future LICF boards and staff – who have a tradition of excellence to stand on – will make grants in your name in perpetuity that effectively deal with Long Island's ever-changing needs landscape.
- If you want to give back to Long Island, but don't have the time to research the thousands of nonprofits that work here, our grantmaking staff is happy and prepared to do the legwork for you.

Community Response Fund

Eight priority areas for our competitive grantmaking program

- Hunger

To alleviate hunger and increase food access for poor people

- Youth Development

To advance the well-being and economic self-sufficiency of at risk youth (up to 24 years of age)

- Community Development

To build and sustain strong communities by building and preserving affordable rental housing

- Equal Access to Education

To support and promote access to quality education for all



Community Response Fund

Eight priority areas for our competitive grantmaking program (con't)

- Health & Mental Health

To support hospital programs that provide health care to the underserved and to meet the mental health care needs of returning military veterans

- Technical Assistance

To strengthen nonprofit operations, helping them achieve greater impact in our communities

- Environment

To protect and preserve Long Island's natural resources, ecosystems and public health

- Arts and Culture

To support and promote projects that emphasize the potential of the arts in regional economic and community development.



Starting up a fund

Fast and easy, but lasts forever

- Donors choose the name of the fund, typically using their own names or names of individuals to be honored or memorialized. Donors who prefer anonymity can choose a general name.
- We can open a donor-advised fund in less than one business day.
- Funds are required to remain open at least five years, but we hope that donors will consider making their funds a permanent resource for their charity.
- Annual administrative fees are kept low. Currently, the fee is 2.5 percent of grants paid or $\frac{1}{2}$ of one percent (50 basis points) of the fund's market value, whichever is greater.

Starting up a fund

It's east to set up a fund at LICF.

- We have funds that start with \$75 million, but our minimum is \$5,000, which is also the minimum amount that must be maintained in the fund. There is no maximum.
- Funds may be established with the following assets:
 - Cash
 - Securities traded on major exchanges
 - Closely held stock
 - Mutual fund shares,
 - Retirement plan assets
 - Interests in limited partnerships
 - Literature copyrights, movie and television rights
 - Patents

Why a fund and not a private foundation?

Fund vs. Private Foundation Benefits Comparison

Fund in the LICF

- ✓ Fund can be established in less than a day
- ✓ Inexpensive to establish and administer
- ✓ Appropriate for any size assets
- ✓ No annual tax return
- ✓ No annual audit
- ✓ No annual payout requirements
- ✓ No excise tax
- ✓ Income Tax Deductions
 - ✓ Up to 50% of adjusted gross income for cash
 - ✓ Fair market value up to 30% of adjusted gross income for publicly traded securities
 - ✓ Fair market value up to 30% of adjusted gross income for appreciated property
- ✓ Low annual administration and management fees
- = Fund name chosen by donor
- = Donor can involve family and heirs in grantmaking
- ✓ Anonymity can be maintained, if desired
- ✓ No penalty taxes
- ✓ Professional staff available for grantmaking consultation
- = Can be established during lifetime or through trust or estate

Private Foundation

- X Takes months to establish
- X Expensive to establish, plus ongoing accounting and recordkeeping costs
- X Typically established with substantial assets
- X Annual tax return must be prepared and filed
- X Annual audit must be performed
- X Requires 5% of assets to be paid out annually
- X 1%-2% annual excise tax on net investment income
- X Income Tax Deductions
 - X Up to 30% adjusted gross income for cash
 - X Fair market value up to 20% of adjusted gross income for publicly traded securities
 - X Cost basis up to 20% of adjusted gross income for appreciated property
- X Costly ongoing administration and management fees
- = Foundation name chosen by donor
- = Donor can involve family and heirs in grantmaking
- X Requires public disclosure
- X Penalty taxes may be imposed for excess business holdings or self dealing
- X May need to obtain expert advice for effective grantmaking
- = Can be established during lifetime or through trust or estate