



## **Personal Giving for Public Good**

### **What is a Community Foundation?**

Montgomery County Community Foundation is a fully tax-exempt 501(c)(3) public charity. MCCF was established to create and build a permanent fund to provide for the present and future well-being of our community. It was formed to provide a vehicle that a wide range of donors can utilize to support organizations and life affirming causes in Montgomery County, Texas, in which they are interested. MCCF can customize a fund account of lasting value and impact to meet specific philanthropic objectives—examples include senior citizens, health and wellness, the environment, youth, education, social services, public safety, civic and cultural activities, recreation, or the arts. Contributions are pooled for investment purposes with guidance from professional investment managers. Donors may recommend that grants be made from their fund to any qualified nonprofit organization in the county.

### **Why establish a fund?**

Topping the list of reasons why many people create funds is the practical fact that MCCF offers a great tax advantage because it qualifies as a public charity under federal tax law. Contributions to MCCF made during a donor's lifetime can result in the highest level of charitable tax deduction. Bequests made to Montgomery County Community Foundation are also deductible from federal estate taxes. The investment of these contributions is actively supervised by the MCCF Board of Directors with the goal of achieving maximum growth while minimizing risk, in order to support the donor's philanthropic interests.

Through conservative investing and prudent stewardship, MCCF offers an efficient and cost-effective way for an individual to become a philanthropist. A fund may be established in a donor's name or in a loved one's name.

### **How do I start my own fund?**

1. Decide how you would like to make the contribution to establish the fund. You can contribute cash, appreciated stock, or your Required Minimum Distribution totaling \$15,000 or more, payable in no less than \$3,000 increments for five years.
2. Select a name for your fund. You might want to use your own name, the name of a family member, or one that focuses on the fund's intent.
3. Complete and sign the fund agreement form.
4. Receive a tax deduction at the time the fund is established and when additional contributions are made to the fund.



## What are the benefits of starting a fund through MCCF?

**Tax Advantages\*:** Gifts made to MCCF can result in a charitable tax deduction of up to 60% of adjusted gross income for cash gifts, compared to tax deductions of only 30% with private foundations.

**Simplicity:** A gift creates a “charitable savings account” and the investment income from the account benefits the nonprofit community. You can establish a fund for a specific nonprofit organization, a field of interest in which you have a passion, advise on the nonprofit organizations who request funds to serve the residents of Montgomery County, Texas or scholarships.

**Stewardship:** Montgomery County Community Foundation’s board of directors ensures your charitable giving not only grows through sound financial investments but also honors your wishes in perpetuity. Should the nonprofit specifically benefitting from your fund cease to exist, the board of the foundation ensures that grants continue to honor the mission of the organization that you felt so strongly about.

**Efficiency:** Unlike a private foundation, there are no start-up costs, annual IRS filings, or excise taxes.

**Permanence and continuity:** Since all funds invested with MCCF are permanently endowed, the income generated from the funds will remain in Montgomery County, benefiting the citizens of Montgomery County, now and forever...

## Can I make a gift in my will?

One of the best ways of establishing a gift that keeps on giving to the deserving non-profit organization(s) in our county in which you have an interest is through your will. It is possible through a **charitable lead trust** or a charitable remainder trust created by your will to provide for your loved ones during their lifetimes with funds going to the foundation also. This could result in significant tax benefits to your estate, but you should contact an attorney experienced in wills and estates for expert advice on these matters.

## Can my civic or service organization establish a fund?

The foundation has in place all the tax exempt public charity permits and tools to invest and account for your organization’s donated funds. Your organization needs only to designate a county charity or civic organization as beneficiary and contribute funds to the foundation for investment. This needs to be accompanied by a formal resolution of your organization’s board of directors. The foundation executive director can make this a quick and easy transaction.



## **How much of the funds contributed go for administration and operation of the foundation?**

To date, the Montgomery County Community Foundation has been able to raise enough funds through its annual Shoot Out and Wine Dinner fundraisers to pay for all administrative operating costs. Therefore, 100% of all donated permanent legacy funds being invested provide income for Montgomery County non-profit charitable and civic organizations.

## **Who runs the Montgomery County Community Foundation?**

The foundation is directed by a board of directors of well-known and respected citizens of Montgomery County who make decisions which are carried out by an executive director, an independent investment advisor and certified public accountant. Directors are nominated and elected by other members of the board and serve staggered terms. They receive no compensation for their service and have no pecuniary interest in any organization with which the foundation does business.

## **Is it possible for a knowledgeable person connected with the foundation to speak to my organization about the foundation?**

The foundation will be more than happy to provide a speaker for your group to explain the goals and operation of the foundation. Telephone Julie Martineau, MCCF Executive Director, at the Foundation office: (281) 363-8158 or e-mail [jmartineau@mccfoundation.org](mailto:jmartineau@mccfoundation.org) to make the necessary arrangements.

\*MCCF is in no way attempting to give tax or legal advice and recommends that you consult with a qualified accountant and/or attorney.