



Foundation Gifts: Not All From the Same Mold

Gifts ranging from five dollars to over \$100K comprised the 355 donations in 2016, to the 100 funds that comprise the First Community Foundation. Just as the size of the gifts varies, so do the motives for giving; ranging from a single donation towards a specific charitable cause, to frequent donations on birthdays, holidays, and memorials. While the majority of gifts are made by check, an increasing number are made online, through corporate matching gifts, and planned giving such as estates, IRAs, or insurance policies. The profiles below illustrate this panoply of philanthropy that sustains the charitable mission of the Foundation.

Annita Meyer and Larry Woods



The Foundation is popular with families who favor giving in honor of anniversaries, birthdays, and celebrations as well as memorial gifts. Over the past several of years, Annita Meyer and Larry Woods have contributed to the Foundation more than a dozen times. “We like the

management of the Foundation, the diversity of its funds, and the projects it supports,” explains Meyer.

They choose to give in memory of someone, because a family requests donations be given to the Foundation, with or without designation to a specific fund, and because “we feel giving to the Foundation is a more responsible use of funds.”

Mary Evans



In the summer of 1971 an anonymous First Community member created a fund honoring Mary Evans, Director of Early Childhood Development, as a deferred asset through the creative use of a life insurance policy. Life insurance can be used in several ways: 1) a new life insurance policy can be written with

the Foundation as the owner 2) the ownership of an existing policy can be transferred to the Foundation or 3) the Foundation can be named as a partial or full beneficiary of a an existing personal policy.

Upon Mary’s passing in February 2017, the full value of the life insurance policy was received by the Foundation, as the sole beneficiary. This money was placed in the Mary Evans Fund for Early Childhood, with the intent of being used for scholarships and to add new programs or renew existing programs. Mary’s legacy lives on.

Kathleen and Tom Jones



As FCC members for over 50 years, Tom and Kathleen have given frequently to the Foundation for memorial gifts and in honor of other occasions. When Kathleen’s Guild, Group 7, started a Foundation Fund, she began designating their gifts to the Guild Group 7 Fund. Kathleen

likes to give to Friends of Music and the Burkhart Center, unless another area is more appropriate when considering the interests of the person she is honoring. Kathleen gives to the Foundation because “through the years the Foundation has given help to outstanding areas. I find it meaningful to give to the First Community Foundation.”

When asked why she gives online, Kathleen said she prefers to use a credit card rather than a check. She found there was no learning curve to giving through the website. “I am only moderately technically inclined, but I find it rather easy to give online. The website works well.”

Herb Johnston



For Herb, the “why” of his giving is simple; he joined FCC when Dr. Burkhart was Senior Minister and got to know him well. When Dr. Burkhart’s son died, Burkie’s daughter-in-law asked Herb to be a Big Brother to his grandson. Herb served on the Board of Big Brothers along with many committees at FCC, was a Deacon and also

taught Sunday School.

As a long time employee of Battelle he was aware of the match for charitable donations and decided to use that match to benefit First Community Foundation, and feels strongly that donating to the Foundation benefits the future of the church.

Until now, the Acorn has been an annual publication. Beginning with this issue, we intend to publish one in the Fall and one in the Spring in order to share philanthropic topics and Foundation updates with our donors and fund advisors. Please let us know of topics you would like to have included in the future.

Giving Stock to the First Community Foundation

We often hear it is better to give than to receive. But what if by giving you also received something as well ... a tax advantage. If you plan your gift properly, you can both give and receive!

A gift of appreciated stock is an efficient and underutilized means of charitable giving. A donor recently sold some appreciated stock and gave the cash to the Foundation. Had she given the appreciated stock instead, she would not have been faced with capital gains tax on the sale of her stock. This provides a means to avoid the tax and give a larger amount to the charity, a win-win situation.

This strategy works best if you have held the stock for over a year and it has appreciated. If it has declined in value it is better to sell it, take the charitable deduction if you itemize and let your loss offset other capital gains.

Another person was considering a cash donation of \$10,000. As an alternative to giving the cash, he could give appreciated bank stock now worth \$10,000 that originally cost him \$2,000. He could instead use the cash to purchase stock in the same company if he wishes to hold stock in that bank, giving him a higher basis and thus less capital gain when he sells it, if it continues to appreciate. His bank stock that is given to the Foundation will provide a \$10,000 gift and it only cost him \$2,000 ... with no capital gains tax. Both the donor and the Foundation benefit!

Take a look at your portfolio. Perhaps this gift giving strategy will work for you. Record highs in the market are making the gift of stock to charity especially attractive to donors. According to the IRS, the recovery in giving since the recession has been fueled by gifts of appreciated securities.

A donor has the ability to choose where the gifts are applied, in accordance with their interests and passions. Numerous funds exist, with a variety of intents and purposes that reflect diverse areas within the church, the community and the world. One of them is sure to spark an interest. Contact the Foundation office for more details.



Happy Birthday to You



Are 70 candles on the cake ready to be lit, or have they already been blown out? If so, you could be facing decisions about your IRA's annual Required Minimum Distribution (RMD) that may affect your tax situation. As one financial advisor suggested "using some or all of your RMD to support a favorite charity can help avoid additional taxes."

Additionally, keeping some or all of your RMD out of your adjusted gross income which can help avoid the Medicare high-income surcharge, or assist in lessening your social security benefits that are taxable.

You are not able to deduct the charitable contribution if you make this IRA transfer to charity. There is no deduction for these gifts if you itemize, yet you avoid the increase in adjusted gross income that may result in a higher tax bracket.

This option began when Congress passed the **Protecting Americans From Tax Hikes (PATH) Act of 2015**, which allows persons 70 ½ or older to make direct charitable gifts from traditional and Roth IRAs to qualified charities free from Federal Income taxation!

Keep in mind the money needs to be transferred DIRECTLY from the IRA to the charity in order to qualify as tax free. Some IRA's with check-writing capabilities allow for making a contribution directly with a check. If money is first withdrawn, and then given to a charity, it may be deducted as a charitable contribution only if it is itemized.

This form of giving may or may not be the most tax efficient strategy depending on your individual situation. In some cases, having highly appreciated stock and donating it may be more advantageous. (See article re: stock gifts)

As always, talk to your financial advisor, fund administrator, bank or brokerage that holds your IRA. Two important things to remember are to list the distribution from your IRA on your taxes in the designated area to avoid it being taxed and to notify the Foundation office that the distribution is coming. We need to know it is from you, and not the Fund Advisor.

First Community Foundation encourages you check with your tax advisor or legal professional before making tax decisions.

January - June 2017 Foundation Grants Fund

Amount Granted

General Operations

Sr. Minister Search	Robert and Mary Jane McCormick Fund (NE)	\$10,000.00
Extenuating Circumstances - Sr Minister Transition	Fred F. Jaeger Jr. Memorial Fund (NE)	\$100,000.00
	Sub Total	\$110,000.00

Ministry and Missions

Mexico Mission Trip-Leaders	James Conn Endowment Fund (E)	\$1,325.00
Mexico Mission Trip - Students	James Conn Endowment Fund (E)	\$1,775.00
Mexico Mission Trip-Students	Licklider/FCC Mission Fund (NE)	\$1,900.00
Trading Post Store Refresh	Esther Newell Memorial Fund (NE)	\$2,000.00
Hrt 2 Hrt Newell Provisions 2017	Esther Newell Memorial Fund (NE)	\$3,000.00
Pastoral Care Roses	JT Edwards Endowed Rose Fund (E)	\$500.00
Sarah Kientz	James Conn Endowment Fund (E)	\$1,250.00
Dominica Support (\$5,000 per month for 12 months)	Dominica School and Orphanage Support Fund (NE, DAF)	\$60,000.00
Dominica Industrial Stove	Dominica School and Orphanage Support Fund (NE, DAF)	\$11,650.00
Dominica Oper Deficit 2017	Lorena C. Hawley Memorial Fund (NE, DAF)	\$20,000.00
Homeless Prevention Program	Lynne W. Ayres Fund (NE, DAF)	\$3,000.00
FCC Gigantic Garage Sale	Lynne W. Ayres Fund (NE, DAF)	\$2,000.00
	Sub Total	\$108,400.00

First Community Village

FC Village - Alarm Devices	Ralph & Mary Johansmann FCV Endowemnt Fund (E)	\$3,486.84
FC Village - Sustaining Funds	William and Evelyn Boggs Memorial Fund (NE)	\$28,500.00
	Sub Total	\$31,986.84

Akita

Akita Sky Valley Roof	Mary Bangle Johansmann Memorial Endowment (E)	\$7,360.00
Akita Tree Removal	Mary Bangle Johansmann Memorial Endowment (E)	\$8,200.00
Akita Dogwood Roof	Mary Bangle Johansmann Memorial Endowment (E)	\$2,000.00
Akita Scholarships 2017	Anne P. Riley Camper Scholarship Fund (NE)	\$3,000.00
Akita Counselor 2017	Ralph & Catherine Setterlin Memorial Scholarship Endowment (E)	\$1,600.00
Akita Internet	Ralph and Mary Johansmann Akita Capital Improvement Endowment (E)	\$4,657.76
	Sub Total	\$26,817.76

Building and Maintenance

Facilities - Lincoln Road Chapel HVAC	Ralph & Mary Johansmann 1320 Endowment (E)	\$14,673.34
Facilities - Fire System Cabling	Ken & Marty Fishel Endowment Fund (E)	\$5,552.00
Facilities - NC Safety/Security	Ken & Marty Fishel Endowment Fund (E)	\$5,000.00
	Sub Total	\$25,225.34

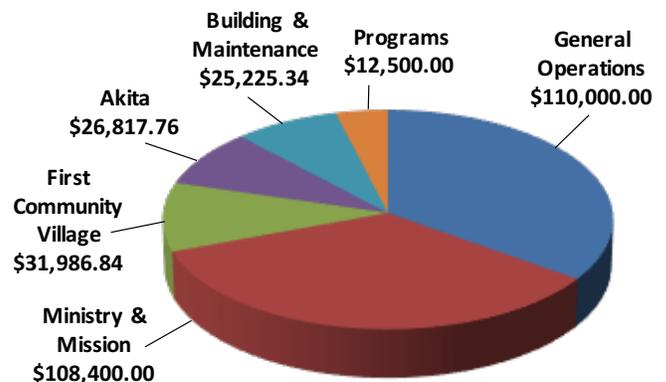
Programs

Early Childhood Scholarships	Donice Wooster Early Childhood Fund (NE)	\$2,500.00
Evening Song 2017	Polly and Frank Kennard Charitable Fund (NE, DAF)	\$10,000.00
	Sub Total	\$12,500.00

TOTAL Jan-Jun 2017 Grants \$314,929.94

LEGEND: E = Endowed - capital is kept in tact, only interest & earnings are used;
 NE = Non Endowed - capital, interest & earnings may be used; DAF = Donor Advised
 Fund - a donor advises the board on desired use of funds

General Operations	\$110,000.00	34.93%
Ministry & Missions	\$108,400.00	34.42%
First Community Village	\$31,986.84	10.16%
Akita	\$26,817.76	8.52%
Building and Maintenance	\$25,225.34	8.01%
Programs	\$12,500.00	3.97%
Grand Total	\$314,929.94	100.0%



FAQs

Q: Is the Foundation only for wealthy donors?

A: No, anyone is welcome to contribute. The Foundation is an effective and efficient way to maximize charitable giving now, while leaving a gift for future generations. There is no minimum donation amount. All gifts are welcome, essential and appreciated.

Q: May a gift be made in honor of or in memory of an individual?

A: Yes. Many gifts received by the Foundation are made in honor of or in memory of a friend, loved one, family member or special occasion.

Q: May I designate a gift to a specific fund or use?

A: A gift may be designated to any one of our nearly 100 funds. Undesignated gifts are placed in the founding Roy A. Burkhart Memorial Fund, for general use.

Q: What happens to the gifts?

A: Gifts are deposited into existing funds, or used to establish a new fund, in accordance with the donor's desires. The funds are managed by a professional investment advisor. Monthly grant applications are reviewed alongside the parameters of a spending policy, available funds and the use of funds in accordance with their intended purpose.

Q: How do I know my gift will be used for the intended purpose?

A: The Foundation Board of Trustees has a fiduciary responsibility to manage funds and disperse grants according to a fund's intent and in agreement with best practices of non-profit foundations. Each fund is tracked separately and distributed appropriately.

For additional Q&A visit our website at FCchurch.Foundation

Glossary of Terms

Assets- Monies of the Foundation, from established funds, gifts, bequests and planned giving. The monies are professionally managed and utilized for grants.

Bequest -Money left to the Foundation through a donor's will.

Donor recognition levels-

Sustaining Member of Heritage Society
Annual gift of \$2,500 or more

Lifetime Member of Heritage Society
Cumulative gift of \$25,000

Legacy Society
Recognition of planned and estate gifts

Donor intent-The Foundation can only use a fund for purposes as specified by the donor. The Board has a fiduciary obligation to follow the donor intent to the extent it can be ascertained through donor records.

501 (c) (3) – A section of Internal Revenue Code that designates an organization as charitable and tax exempt. Donations to a 501 (c) (3) are tax deductible for the donor.

Funds - anyone may make a donation to an established fund, not just the donor. Types of funds include:

Endowed: A permanent fund from which only the earnings are spent for grants. Endowments are subject to the spending policy and follow donor intent (either designated for something specific or undesignated). The minimum amount to establish an endowed fund is currently \$25,000.

Non Endowed: Both the principal and earnings may be spent. Non endowed funds are subject to the spending policy. The minimum amount necessary to establish non endowed fund is currently \$10,000.

Donor Advised Fund (DAF): A donor may advise the Foundation on their desire to grant the money to a favorite program or charity. Earnings and/or a percentage of the principal may be spent. A minimum of \$25,000 is necessary to establish a DAF.

Inactive Fund: A fund that has been spent down and thus ineligible to be used for grants. An inactive fund may be reactivated by replenishing the fund.

Gifts – Donations made to the Foundation. A gift may be cash, stocks, bonds, insurance, retirement assets, planned gifts & bequests.

Grant application - A form to be completed and submitted by individuals or organizations requesting a grant from the Foundation. The grant application form is available at FCchurch.foundation.

Grant - An award of funds to an organization or individual. Through an application process, a grant is requested by an applicant and reviewed by the Foundation's Grants Committee and the Board of Trustees. It is determined if the need is a fit within the mission of the Foundation, funds are available, and the intent of the fund is met, before it is approved, denied or modified.

Planned/legacy gift - A gift to the Foundation that has been planned by a donor, with the Foundation as the beneficiary. This can be the result of different types of gifts including bequests, insurance policies, trusts, stock and retirement plans to name a few.

Spending Policy – On an annual basis, the Foundation's Investment Committee evaluates the current market performance to develop a rational and prudent estimate for annual grant spending of the foundation's assets.