



FACT SHEET

The Basics: What You Should Know About CFRBA

1. What is the Community Foundation for Rockbridge, Bath and Alleghany (CFRBA)?

CFRBA is a nonprofit community foundation, governed by a volunteer Board of Directors, which manages and invests charitable endowed funds established by individuals, families, and nonprofit organizations. It was formed in 2011 as an outgrowth of the Rockbridge Area Community Foundation, which was established in 2001. Hundreds of community foundations like CFRBA exist around the US, helping donors fulfill their philanthropic goals and making a positive impact on their communities. CFRBA's mission is to improve the quality of life in the Foundation's service area by building permanent endowments and providing philanthropic leadership that enable donors to make lasting investments in the community.

2. What are the advantages to me of setting up a fund with CFRBA?

Given CFRBA's public charity status (that is, CFRBA is a 501(c)(3) organization as defined by the IRS), you will receive the maximum tax advantage allowed by Federal law for your donations. CFRBA will work with you to set up your endowment with very little paperwork, will oversee the prudent investment of your endowment funds, and will handle all paperwork associated with your fund and the distributions made from your fund. (For more details, see *Fact Sheet: Details on How CFRBA Works.*)

3. What are the advantages of creating a fund with CFRBA rather than establishing a private foundation?

Starting a private foundation can involve months of paperwork as well as legal fees. Private foundations require someone to handle ongoing administrative details, can be expensive to administer, and have rules and regulations some donors find limiting. For example, a private foundation must file a separate tax return, pay excise tax, and meet an annual distribution requirement.

4. How much do I need to contribute to start an endowed fund with CFRBA?

You can create an endowed fund with a minimum contribution of \$10,000, and you have five years to reach that \$10,000 amount (including your contributions and investment earnings on your fund). No distributions will be made out of your fund until it reaches the \$10,000 level. You can contribute to your fund at any time and in any amount, and you can encourage others to contribute to your fund as well.

5. What types of assets can I use to create (or add to) my fund?

Your options include cash, securities (appreciated stock can be an especially tax-advantaged gift), retirement accounts, and insurance policies. CFRBA's Board of Directors will also consider, on a case by case basis, accepting donations in the form of marketable real estate, artwork, or collectibles.

6. What if I cannot afford to part with assets at the present time?

You can make a bequest through your will or trust to CFRBA. You can also set up a charitable gift annuity or charitable remainder trust; these instruments provide you with income and current-year tax deductions. More information on these options and wording that can be used to include CFRBA in your will or trust are available from CFRBA.

7. How will my endowed fund's investments be managed?

All CFRBA funds are managed according to a prudent investment strategy that is appropriate for charitable endowed funds and is regularly reviewed and approved by CFRBA's Board of Directors and its Investment Committee. (For more details on CFRBA's investment strategy, see *Fact Sheet: Details on How CFRBA Works.*)

8. How are distributions made from my fund?

The money you contribute to your fund with CFRBA becomes a permanent, irrevocable endowment, subject to the distribution policies of the CFRBA Board of Directors. Once a year (generally in September), you will be notified by CFRBA of the amount available to be paid out of your fund for charitable purposes. The current policy of the CFRBA Board is to distribute 4% of the value of your fund annually, once it reaches the \$10,000 level. If you have a donor-advised fund, you or the advisors recommend which nonprofits you would like your distributions to go to, subject to CFRBA Board approval. If you have a designated fund, CFRBA makes annual distributions to the nonprofit recipients you selected when establishing your fund. If you have a field of interest or unrestricted fund, CFRBA's Board reviews requests for funds received annually from nonprofits in the Rockbridge, Bath and Alleghany region and awards grants to those nonprofits using a competitive review process. (For more details on these various types of funds, see *Fact Sheet: Details on How CFRBA Works.*)

9. Can I establish a fund that benefits a specific nonprofit organization?

Yes. You can set up a fund to benefit a nonprofit organization in the community and can encourage others who support the mission of that nonprofit to contribute, as well. In addition, some local nonprofits have set up endowed funds with CFRBA and welcome your contributions (of any amount) to their funds.

10. Can I keep my donations anonymous?

Yes. CFRBA respects all requests for privacy. You can choose to give your fund a name that does not reveal your identity. You can also request that distributions from your fund remain anonymous.

11. Can my family stay involved with my fund?

Yes. With a donor-advised fund (see *Fact Sheet: Information for Donor-Advised Funds*), you can name specific family members as donor advisors who recommend distributions from the fund. When establishing a donor-advised fund, you may add up to one succeeding generation as donor advisors.