



Charitable Investment Relationships Program

Overview

The Central Indiana Community Foundation's new *Charitable Investment Relationships Program* enables a donor to establish a charitable fund or foundation* at CICF while keeping the assets under management with their current financial advisor and/or firm.

Our Charitable Advising Services

For the past 90 years, CICF has helped transform lives and communities – it's all we do. In 2007, donors with funds at CICF totaling \$650 million in assets provided more than \$43 million in grants and scholarships to benefit central Indiana and beyond.

CICF helps some of our community's most prominent individuals and families get the most out of their charitable giving. We provide flexible, personalized tools to: accept complex gifts, create meaningful plans and strategies for giving, analyze community issues, find and evaluate not-for-profits, and monitor the results of grants. And, we are leaders in delivering programs to involve the family at all ages in philanthropy, and evolve its giving over generations. These services are confidential, and can help a donor be as anonymous or public in their giving as they wish.

Financial Advisor Benefits

- Maintain asset management – you continue to earn your commission or fee on your client's charitable assets that are invested by CICF with you.
- Increased value to your clients – surveys show that wealthy donors want their advisors to discuss charitable giving options with them, but that few do. They believe advisors should connect them with good resources on giving. And, more than 70% of wealth managers say they want more help with charitable planning and estate planning. CICF provides you in-depth experience to benefit your clients and deepen your client relationships.
- You'll be in good company – working with CICF can bring you in contact with community leaders and other professional advisors interested in improving our community.

We Support You

- Client relationships – you stay in the lead on the client relationship, including CICF as your client thinks about charitable giving as part of a financial and life planning strategy. We stay in close contact after your client has established a fund at CICF. If a donor contacts us directly, we will explain the option to invest with their current advisor.
- Customized client services – each client receives an annual check-up with you and CICF to evaluate investment performance, grant performance, and progress on their giving plan. You can also schedule an annual exclusive client and/or prospect event such as a family philanthropy educational activity or site visit to a high-impact not-for-profit.
- Advisor services – at your request, CICF will provide customized training for your firm's staff on community needs and issues and on tools to more fluidly incorporate charitable giving in their clients' planning.

* For simplicity, we're using the term "fund" to cover the range of options at CICF, including donor-advised funds, Type I supporting organizations, scholarship funds, and other charitable funds.

Your Options

CICF offers two options through our *Charitable Investment Relationships Program*:

American Funds Community Foundation Program, open to any financial professional (licensed Series 6 or 7) who uses American Funds and whose client opens a charitable fund of \$50,000 or more.

Advisor Managed Fund, open to any financial advisor or investment firm that uses products other than American Funds and whose client opens a charitable fund of \$500,000 or more.

How It Works

1. Establishing a fund – because CICF is a public charity, your client’s gift to their charitable fund offers many tax advantages over a private foundation. Your client signs an agreement with CICF that outlines the purpose and policies of their fund, and that recommends you as investment manager. The client then donates a tax-deductible asset to the charitable fund.
2. Investment management – CICF signs an agreement with you that outlines a standard investment policy, how investments will be benchmarked and monitored, and operational procedures. Your firm may establish multiple advisor relationships with CICF.

Our goal is to develop a long-term, mutually-beneficial relationship with you and your client. However, to meet IRS requirements regarding donor control and tax deductibility of gifts, CICF becomes the sole owner of the charitable assets and must retain the right to approve any changes to the investment policy and investment manager. All advisors will use an asset allocation strategy that mirrors CICF’s Investment Policy Statement for our centralized pool.

3. Fees – Advisors in the American Funds program receive from American Funds Group an up-front broker fee of 25 basis points and a trailing fee of at least 25 basis points. Other advisors individually negotiate fees with CICF and their client. CICF does not pay finder’s fees or commissions for opening new funds.

CICF charges an annual service fee of 1%-3% of the fund balance, depending on the type of charitable fund, and discounts fees for funds \$1 million or more. This fee is competitive with the costs of managing a private foundation and is the only sustained revenue source for CICF’s operating costs to provide services to you, donors, and the community. CICF does not capture a portion of investment returns as a revenue source.

4. Administration – CICF simplifies your and your client’s lives by monitoring changing regulations and handling all of the ongoing tax and legal paperwork for gifts, grants, and the foundation.

For More Information

Central Indiana Community Foundation welcomes the opportunity to discuss our new *Charitable Investment Relationships Program* with you. We are happy to share copies of our policies and agreements regarding the program, as well as more detailed descriptions of our charitable fund options and charitable advising services for your clients.

For more information, please contact one of the following at 317.634.2423, or email Mary Stanley (marys@icf.org), Jan Edmondson (jane@icf.org), Rob MacPherson (robm@icf.org), or Brad Little (bradl@icf.org).