



Professional Advisory Program

There are various avenues to philanthropy, and [The Erie Community Foundation](#) is here to guide you and your clients towards the one that aligns with their goals and values.



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No one has ever become poor by giving.

-Anne Frank

Why The Erie Community Foundation

INSPIRE

With a legacy spanning 89 years, The Erie Community Foundation has been deeply embedded in Erie's philanthropic landscape for generations. Our extensive research, partnerships with vetted nonprofits, and community engagement initiatives have solidified the Foundation as a leading charitable organization in our region. We partner with professional advisors to support philanthropy effectively, assisting in crafting tax-wise giving strategies that reflect clients' passions. From administrative support to grantmaking assistance, we handle the details, allowing advisors to focus on building relationships and meeting their clients' financial and charitable goals. At the Foundation, we go beyond traditional services, providing comprehensive support and Erie-centric expertise to ensure impactful giving.

ENGAGE

We prioritize direct and personal relationships with our philanthropic advisors, ensuring donors receive tailored guidance and ongoing support. This approach fosters trust and enables us to offer relevant advice, identify appropriate opportunities, and nurture long-term partnerships.

EMPOWER

The Foundation's mission is to **inspire**, **engage** and **empower** donors and communities across the region, today and tomorrow. Through a robust network of donors, nonprofits, community leaders, researchers, volunteers, and grantees, we collaborate to amplify the impact of philanthropic endeavors across our community. Together, we strive for inclusive and sustainable solutions to local challenges.

TRANSPARENCY

Transparency and accountability are core values at the Foundation. We provide donors with access to comprehensive information through our private portal, ensuring transparency in fund management. Our commitment to openness enables donors to make informed decisions and fosters trust.



Our Fund Types

DONOR ADVISED FUND (\$10,000+)

Engage actively with your philanthropy through a Donor Advised Fund at The Erie Community Foundation giving you the freedom to recommend grants to nonprofit organizations of your choice. The Foundation staff provides valuable insights and information about organizations aligning with your philanthropic interests, ensuring your giving makes a meaningful impact.

DONOR DESIGNATED FUND (\$10,000+)

Make a lasting impact on specific charitable organizations with a Designated Fund. Direct annual support to one or more nonprofits of your choice, providing stable funding for their vital programs and initiatives. Your generosity strengthens the capacity of organizations dedicated to making a difference in Erie. If the designated organization or its intended purpose ceases to exist, the Foundation will ensure that the fund's income continues to support your original charitable intent by redirecting it accordingly.

FIELD OF INTEREST FUND (\$10,000+)

Channel your passion for specific causes or regions within Erie through a Field of Interest Fund. Whether you prioritize education, healthcare, housing, or other vital areas, this fund enables the Foundation to direct your gift to outstanding nonprofits addressing issues close to your heart. Together, we create positive change in areas that matter most to our community.

SCHOLARSHIP FUND (\$25,000+)

Support the educational aspirations of Erie students by establishing a Scholarship Fund. Shape the future by specifying selection and award criteria, empowering deserving students to pursue higher education. Your generosity opens doors to opportunity and fosters academic achievement.

AGENCY FUND (\$25,000+)

An agency fund provides nonprofits with a reliable and stable income source for their mission, offering access to grants periodically or as required, while the fund continues to grow indefinitely.



Benefits Of A Donor Advised Fund

	Foundation Donor Advised Fund	Private Foundations
Process	An agreement can be set up immediately with a minimum gift of \$10,000.	Must incorporate as a nonprofit or establish as a trust and apply to the IRS for tax-exempt status, which may incur additional legal fees and take several months. Recommended starting gift if \$5 million.
Services	Service-focused and relationship-driven, the Foundation assists donors in defining giving strategies, engaging families, offering peer learning, connecting donors, and vetting nonprofits with Erie expertise.	Any operational support must be provided by private foundation staff or contractors.
Investments	Donors choose from two portfolios curated by the Foundation: Pooled or Socially Responsible. These assets are overseen by investment managers handpicked by the Foundation.	The donor appoints a board or trustees responsible for managing investments.
Grantmaking	Donors recommend grants to qualified nonprofit organizations, while our staff provides comprehensive and expert support. This includes identifying community needs, conducting qualitative vetting of nonprofits, and sharing grant proposals from local nonprofits.	The board is responsible for arranging and supporting all grantmaking activities. Any additional assistance must be provided by private foundation staff or contractors.
Charitable Deductions	Cash: up to 60% of adjusted gross income (AGI). Publicly traded securities: FMV up to 30% of AGI. Real estate: FMV up to 30% of AGI.	Cash contributions are limited to 30% of adjusted gross income (AGI), publicly traded securities up to 20% of AGI at fair market value, and real estate up to 20% of AGI based on cost basis.
Charitable Distr. Requirements	A 4% annual distribution is not mandated - simply make a distribution once every three years.	Annual distribution of 5% of assets is required.
Administrative Considerations	Working with the Foundation could not be easier. Minimal fees charged help support the Foundation's mission is to inspire, engage and empower donors and communities across the region, today and tomorrow.	Donors must independently manage all financial and administrative services or hire staff for assistance. Annual filing of Form 990 PF and reporting are required. An excise tax of 1.39% of net investment earnings may apply, along with other potential taxes. Family members may serve as paid staff members.



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If you're in the luckiest 1% of humanity, you owe it to the rest of humanity to think about the other 99%.

-Warren Buffett

A Meaningful Legacy

According to a 2018 survey by U.S. Trust, more than 70% of advisors highlighted the importance of discussing philanthropy with their clients to foster stronger relationships and business growth. Clients trust you to assist them in making informed personal and financial decisions, and charitable giving is no exception. By initiating conversations about their values and aspirations, you can establish a lasting and **meaningful legacy** that transcends generations. At The Erie Community Foundation, we work hand in hand with you to leverage opportunities arising from significant financial events.

We understand that each individual's values and financial aspirations are unique. That's why we offer tailored, tax-efficient strategies to help you build a lasting legacy from various wealth events, such as:

- **Inheritance**
- **Sale of a business**
- **Sale of real estate or other assets**
- **Lump-sum retirement payout**
- **Legal verdict or settlement**
- **Divorce settlement**
- **Exercised stock options**
- **Capital markets transaction/initial public offering**

Whether these events are anticipated or unexpected, they present both possibilities and challenges. With our extensive experience and as Erie's leading charitable organization, the Foundation stands ready to guide you through the process. We're committed to assisting you in creating a philanthropic legacy while navigating the financial and legal implications of sudden wealth.



Why Include The Foundation In Your Estate

You can establish a charitable legacy by creating a fund at The Erie Community Foundation, named after you or your family, to support causes you care about in your community. Your fund can provide both one-time gifts to charities of your choice and ongoing support into perpetuity. Creating a Foundation fund is simple: designate which charities or areas of interest you wish to support for both one-time and endowed gifts, name the Fund as a beneficiary of your estate, and the Foundation will handle the rest.

Legacy Leave a lasting impact that benefits future generations. Your fund reflects your values and continues making grants into perpetuity.

Sustain Valued Nonprofits A charitable fund provides consistent support to nonprofit organizations, ensuring their sustainability.

Stewardship The Foundation will steward your intentions into perpetuity, ensuring that grants from your fund align with your wishes, informed by our expertise in Erie.

Flexibility Create a fund to support your passions or nonprofits that align with your interests.

Family Involvement Involve relatives or others in providing ongoing grant advice, extending your philanthropic values to future generations.

Adaptability Easily modify your charitable objectives as your interests evolve by adjusting your fund agreement at no cost.

Convenience Consolidate your charitable estate giving into a single fund at the Foundation, supporting both one-time grants and ongoing endowed funds. The Foundation tailors its funds to meet your specific needs and interests.



Life Income and Estate Giving

SIMPLE BEQUESTS

Include The Erie Community Foundation in your will or living trust with a straightforward bequest. You may qualify for an estate tax deduction based on the value of the gift. Specify the bequest as a fixed amount of cash, securities, or other assets, or designate a portion of your estate.

CHARITABLE REMAINDER TRUSTS

Transfer assets to a charitable remainder trust to provide annual distributions to one or more beneficiaries for life or a set term. The remainder interest supports or adds to your Foundation fund.

CHARITABLE LEAD TRUSTS

Transfer assets to a charitable lead trust, where your Foundation fund receives income for a lifetime or specific duration. Afterward, remaining assets are distributed to you or other beneficiaries.

CHARITABLE GIFT ANNUITIES

Donate cash or assets to the Foundation in exchange for fixed payments for life, benefiting you and/or a designated individual. The remainder interest contributes to or enhances your Foundation fund.

LIFE INSURANCE/IRA BENEFICIARIES

Designate the Foundation as the beneficiary of your retirement accounts or life insurance policy to avoid double taxation. Assets pass to your Foundation fund free of estate and income taxes. Transfer your life insurance policy irrevocably to the Foundation for potential tax benefits.



Charitable Gift Annuities

A charitable gift annuity is a transformative giving option offered by The Erie Community Foundation. It establishes a contract between you and the Foundation, where you donate cash or marketable securities, and the Foundation commits to providing you and up to one additional person (the beneficiaries) with a fixed income stream for the duration of your lives. Upon your passing, the remainder of the annuity becomes a lasting legacy of support for your community.

WHY CHOOSE A CHARITABLE GIFT ANNUITY?

Tax-Free Income Cash-funded annuities yield predominantly tax-free income for several years. If funded with marketable securities, they can also offer some tax-free income, depending on the original purchase price.

Income Tax Deduction Receive an income tax deduction equivalent to the amount funded for the annuity, minus the present value of expected annuity payments. This deduction typically ranges from 30-50% of the funding amount.

Create a Lasting Legacy Establish your own charitable fund or designate your existing fund to receive the annuity's remainder, supporting causes you care about indefinitely. As your annuity is invested, the charitable remainder can result in a meaningful gift to your community.

HOW CHARITABLE GIFT ANNUITIES WORK

Minimum Funding Amount \$25,000.

Minimum Age of Annuitants 60 (If you're 55 or older, payments can be deferred until at least age 60)

Annuity Rate The Foundation utilizes rates set annually by the American Council on Gift Annuities (ACGA), determined by the annuitants' ages. Rates are typically higher for one-life annuities than two-life annuities.





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Wealth is not to feed our egos, but to feed the hungry and to help people help themselves.

-Andrew Carnegie

Assets That Can Make A Lasting Impact



Cash	Check, wire transfer or credit card online.
Appreciated Securities	Publicly traded stock and mutual funds.
Real Estate	Donate residential or commercial properties, farmland, or timberland to make a lasting impact.
Business Interest	Privately held stock, limited partnerships and other business interests.
Transfers from Charitable Entities	Transfer assets from a private foundation or donor-advised fund to create a Foundation fund, ensuring seamless management and continued philanthropy.
IRA Qualified Charitable Distribution	If you're 70 1/2 or older, make a QCD of up to \$100,000 from your IRA into various Foundation funds to support our community. If you're 73 or older, this can count towards your RMD.
Bequests, Retirement Plan Assets, and Life Insurance	Include the Foundation in your estate planning by naming your this fund as the beneficiary of your retirement account or life insurance policy. You can also transfer a life insurance policy irrevocably to the Foundation, ensuring your legacy of giving endures.





Community Investment and Financial Management Fees

By choosing The Erie Community Foundation, you are partnering with a community-based nonprofit organization that has been empowering givers and supporting the nonprofit sector in Erie for nearly 90 years. Our Community Investment fees sustain the administrative operations of the Foundation and enable us to provide essential resources and support to residents across Erie County, empowering them to create tangible solutions within their communities. Fees assessed contribute to the Foundation’s efforts:

- Conducting impactful research on local issues
- Administering grants and scholarships
- Easing potential tax liabilities and providing personalized donor experiences
- Hosting collaborative events and convenings
- Managing investments and supporting nonprofit partners
- Connecting across the region to our affiliates in Corry, Findley Lake, North East, and Union City

In essence, your fees enable us, alongside our donors, nonprofits, and professional advisors, to continually improve the lives of all Erie residents by cultivating a culture of philanthropy throughout our region.

For Pooled and Socially Responsible Investments, a Community Investment fee is charged to the Fund at the following annual rates:

- Scholarship, Field of Interest, and Community Impact Funds ----- 1%
- Donor Designated Funds ----- .75% or 1%
- Donor Advised and Special Projects Funds ----- .75%
- Agency Funds ----- .6%

Fees are assessed in quarterly installments based on the average market value of a Fund for that quarter. The Foundation may modify Community Investment fees from time to time as determined by its Board in order to support its mission related operating costs. In addition to the Community Investment fee, the Fund will be charged an advisor fee and investment manager fees, discounted for the Foundation. The Foundation utilizes Cambridge Associates for its investment program. For specific questions on fees, please contact the Foundation.

THE ERIE COMMUNITY FOUNDATION
TERMS OF AGREEMENT

Name of Fund: _____

Description of Donated Property:

Fund Type:

- Donor Advised
- Donor Designated
- Field of Interest
- Pass- Through
- Scholarship
- Agency
- Community Impact
- Special Projects

Endowment Selection:

- Endowed
- Non-Endowed

Fund Investment Management:

- Pooled
- Socially Responsible/ESG
- Individually Managed

Delivery has been made to The Erie Community Foundation (the “Foundation”) by the undersigned donor(s) (collectively “Donor”) of the property described above. Delivery of said property constitutes an irrevocable gift to the Foundation upon acceptance by its Board of Trustees (the “Board”) in accordance with the terms and conditions below. Additional contributions to the Fund may be made by the Donor and others upon acceptance by the Foundation. All grants from the Fund will be in accordance with the Foundation’s Articles of Incorporation, bylaws and normal policies and procedures.

Purpose. The Fund is established to primarily benefit the community of Erie, Pennsylvania through grants made in accordance with the “Income and Principal Distributions” section below. As a service to donors, grants can also be awarded to deserving and qualified nonprofit entities throughout the United States.

Ownership. The Fund shall be the property of the Foundation held by it as a component fund in its corporate capacity and shall not be deemed to constitute a trust fund held by the Foundation in a trustee capacity.

Spending Policy. Grants shall be made by the Board in accordance with the spending policy (the “Spending Policy”) established by the Board from time to time. The Spending Policy of the Foundation is designed

to ensure that the value of its portfolio is maintained over time after taking inflation into account. The spending rate from each Fund is established each December 31st by the Board in consultation with the Foundation's Investment Committee. The current target spending rate is 4% of a 20-quarter rolling average of market value, adjusted to reflect material net cash flows. This rate is subject to change from time to time at the discretion of the Board.

Income and Principal Distributions

Donor Advised Fund Only: Recommendations for grants from the Fund to deserving and qualified non-profit organizations may be made in accordance with the attached "Schedule of Advisors." It is understood that these recommendations are advisory in nature and are subject to the Spending Policy.

Donor Designated Fund Only: Grants from the Fund in accordance with the Spending Policy shall be used exclusively to support the organization(s) listed in the attached "Donor Designation Schedule."

If the nonprofits listed in the attached "Donor Designation Schedule" become for-profit, cease to exist, or otherwise alter their charitable mission so that it would be inconsistent with the needs of the community, absent other instructions the Foundation's Board of Trustees may alter the terms of this Agreement to ensure it remains consistent with the donor's intent.

Field of Interest Fund Only: Grants from the Fund in accordance with the Spending Policy shall be used exclusively to support qualified and deserving non-profit organizations whose activities and mission address the need of _____ in our community, as determined by the Board from time to time.

Scholarship Fund Only: Grants from the Fund in accordance with the Spending Policy shall be used exclusively to support a scholarship program as described in the attached "Scholarship Profile."

Agency Fund Only: Grants from the Fund in accordance with the Spending Policy shall be used exclusively to support _____ (the "Agency"). Grants in excess of the Foundation's Spending Policy may be made to the Agency in any year provided the distribution enables the Agency to satisfy either or both of the following purposes to the satisfaction of the Board: (a) to acquire or renovate a capital asset, or (b) to meet unexpected or non-recurring financial needs. Recommendations for such grants may be made from time to time to the Foundation by the Agency upon the approval of its Board of Directors.

Community Impact Fund Only: Grants from the Fund in accordance with the Spending Policy shall be used to support the most critical needs of the community through the Foundation's competitive grant-making process and other strategic initiatives established by the Board from time to time.

Fees

Community Investment fee is charged to the Fund at the following annual rates: (i) Scholarship Funds - 1%, (ii) Community Impact Funds - 1%, (iii) Field of Interest Funds - 1%, (iv) Designated Funds - .75% or 1%, (v) Donor Advised Funds - .75% (vi) Special Projects Funds - .75%, (vii) Agency Funds - .6% up to \$4.9M; .5% \$5M to \$9M; .4% \$10M to \$20M; .25% \$20M+; and (viii) Pass-Through Funds – negotiated. Fees are assessed in quarterly installments based on the average market value of a Fund for that quarter.

Investment Management Fee:

Pooled & Socially Responsible/ESG Funds: The Fund will be charged a prorated share of investment and financial management fees paid by the Foundation.

Individually Managed: The Fund is charged an annual investment fee determined by the Financial Advisor managing the Fund's portfolio. The fee and its effect on the overall Fund performance is reviewed periodically by The Foundation as described in the "Financial Advisor Program: Advisor Review Guidelines" (v. 2014) document.

Modification of Fees: The Foundation may modify community investment fees from time to time as determined by its Board in order to defray operating costs of the Foundation.

Accounting and Record-Keeping. The Foundation will provide all appropriate accounting and related financial management services associated with the Fund. An accounting of the Fund is available to the Donor at all times upon reasonable notice.

Internal Revenue Code. Nothing in this Agreement shall affect the status of the Foundation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") and as an organization which is not a private foundation within the meaning of Section 509(a) of the Code. The Foundation is authorized to amend this Agreement to conform to the provisions of any applicable law or government regulation in order to carry out the foregoing intention. The Foundation shall have the power to modify any restriction or condition on the distributions of funds for any specified charitable purpose or specified organizations if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served. This power is further set forth in Tax Regulations 1.170A-9(e) (11) (V) (B), (C) and (D). References herein to provisions of the Code shall be deemed to be references to the corresponding provisions of any future Internal Revenue Law.

The Donors' signatures below indicate acceptance of the above terms and conditions.

By:

_____	_____
<i>Donor</i>	<i>Date</i>
_____	_____
<i>Donor</i>	<i>Date</i>

THE ERIE COMMUNITY FOUNDATION

By: _____ *Karen Bilowith, President* _____ *Date*

THE ERIE COMMUNITY FOUNDATION
Schedule of Advisors for Donor Advised Funds

The initial Advisor(s) who may make recommendations for grants from the Fund shall be:

- The Donor
- The following person(s) who will act by majority vote:

* If the initial Advisor(s) is/are unwilling or unable to serve, the secondary Advisor(s) shall be:

- None
- The secondary Advisor(s) shall be the Donor's living children, who will act by majority vote.
- The secondary Advisor(s) shall be the following person(s) who will act by majority vote:

* If the initial Fund ceases to have Advisor(s) pursuant to the preceding instruction, the Fund shall be converted to:

- A Community Impact Fund to support the most critical needs of the Erie community as determined by the Board from time to time.
- A Field of Interest Fund for meeting the needs of _____ in the Erie community.
- A Donor Designated Fund for the benefit of the following charities (please indicate % to be allocated to each nonprofit):

Other Considerations:

* These options are available only during periods in which the Fund has a fair market value in excess of \$250,000.

IF THE DONOR IS NOT ACTING AS THE ADVISOR, NOT LESS THAN SEVENTY-FIVE PERCENT (75%) OF THE RECOMMENDATIONS BEING MADE BY THE ADVISOR(S) MUST BENEFIT QUALIFIED NON-PROFIT ORGANIZATIONS BASED IN ERIE COUNTY, PENNSYLVANIA.

THE ERIE COMMUNITY FOUNDATION

Donor Designation Schedule

Grants from the Fund in accordance with the Foundation's Spending Policy shall be allocated to the charities listed below on the following basis:

	<u>Name of Charity</u>	<u>Percentage</u>
1.		%
2.		%
3.		%
4.		%
5.		%

The Donor may modify the percentage interest of a charity by written amendment accepted by the Foundation.

THE ERIE COMMUNITY FOUNDATION

Scholarship Profile

Name of Scholarship:

Scholarship Description:

Description Notes:

- 1 Amount of Scholarship:
 - . Number of Scholarships to be Awarded Annually:

2 Type of Post-Secondary Education Covered:

- . Anticipated University Attendance:

3 Student Expenses Eligible for Coverage:

- . Scholarship Renewability:

4 Applicant Enrollment:

- . Academic Requirements:

5 Selection Criteria:

- . a. Participation in high school activities
- . b. Participation in community activities
- . c. Financial need
- 6 d. One original essay
- . e. Letters of recommendation

7 10. Recipient's Intended Field of Study:

11. Alternate Candidate if Primary Unwilling/Unable

8 12. Selection Committee:

9 Other Donor Considerations:



DONOR ADVISED FUND ACTIVITY POLICY

The Erie Community Foundation (“ECF”) encourages fund founders, fund advisers, and successor advisers to maintain an active role in their fund(s). In order to carry out its mandate of distributing charitable dollars to the community, the Foundation periodically reviews grantmaking activity and fund balances on all funds. As such, this Fund Activity Policy (the “Policy”) has been adopted at the recommendation of the Community Foundations National Standards Board, a supporting organization of the Council on Foundations, with respect to donor advised funds (“DAFs”). This Policy is built on a simple premise – that a contribution to a DAF is an irrevocable charitable contribution that is legally owned by ECF and may only be used for charitable purposes which do not confer any impermissible private benefit on the donor or any other person. The donor (or donor advisor) has the privilege to *recommend* qualifying grants from the DAF, but not the legal right to direct DAF distributions since all recommendations must be approved by the Board of Trustees of The Foundation.

A Fund that is granting regularly or about which the fund advisor and Foundation staff have been in communication is deemed “Active”. A fund may be deemed “Inactive” if any of the following occur:

1. There has been no grantmaking activity from the fund for a period of three years and the fund advisor(s) and/or successor advisor(s) has/have not responded to Foundation contact attempts.
2. The fund is below the required minimum fund balance (\$10,000) and the fund advisors and/or successor advisors have not responded to Foundation contact attempts for a period of three years.
3. The fund advisors or successor advisors cannot be located due to lack of contact information and/or reasonable attempts to locate the fund advisors or successor advisors were unsuccessful for a period of three years.

If a Fund is deemed “Inactive”, the following applies:

The Foundation’s Board of Trustees may exercise its discretion to convert the fund to its final purpose as documented in the Fund Letter of Agreement. Absent these instructions, distributions may be processed from the DAF without donor advisor recommendation and will be used in support of ECF’s competitive unrestricted grant programs. Distributions will be made in accordance with The Erie Community Foundation’s annual distribution policy regardless of whether the fund is an endowed or non-endowed fund.

This Policy does not apply to a DAF for which a long-term accumulation or distribution plan has been approved by The Erie Community Foundation.

Initial _____



SCHOLARSHIP DONOR SELECTION COMMITTEE POLICY

The Erie Community Foundation (“ECF”) encourages donors, fund advisers, and successor advisers to maintain an active role in their fund(s). Of special note: The Pension Protection Act of 2006 includes provisions directing the appropriate and allowable administration of various donor funds, including scholarship funds. In compliance with these provisions, special consideration is taken when creating a selection committee for a scholarship fund.

As such, effective September 11, 2023, this Scholarship Donor Selection Committee Policy (the “Selection Committee Policy”) has been adopted at the recommendation of the Community Foundations National Standards Board, a supporting organization of the Council on Foundations, with respect to Scholarship Endowments.

- a. Scholarship fund donors and family members may participate in but may not comprise the majority of scholarship selection committee. The provision also bars the board of a professional or alumni group, church, or tother public charity that has established a scholarship fund from serving as the entire selection committee. The donor or board member’s advice may be given solely as a member of the committee.
- b. There must be a minimum of three individuals on each selection committee.
- c. Each selection committee must have written procedures for choosing recipients on an objective and nondiscriminatory basis that are approved by the Erie Community Foundation’s Board of Trustees.

Initial _____



Professional Advisory Program

Contact for more information:

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