



Flathead Community Foundation News

For the good of the Flathead, forever.

Planned Giving: Minimize Taxes, Maximize Your Legacy

Charitable giving shouldn't happen by accident. Each gift you make should fit your needs and support the causes you care about. "Planned gifts" or "planned giving" are terms that refer to several gift techniques that typically involve the donor retaining a portion of, or an interest in, the asset you are giving to charity. Some people consider charitable distributions under a will or trust, life insurance and retirement plan beneficiary designations, and other direct—but deferred—gift arrangements as also being planned gifts.

No matter what definition you subscribe to, planned gift arrangements give you an opportunity to address a wide array of issues you may be facing. They can

be simple or complex, depending on your unique financial, family, and business situation.

"Planned gifts fit our mission of creating permanent philanthropy for the Flathead"

Benefits to planned giving can include an immediate charitable income tax deduction (even though the charity may not receive any assets until some future date), avoidance or deferral of capital gains taxes, retained income to you or others you care about, possible

assistance in asset diversification, and last but not least, support for charity.

Why does the Flathead Community Foundation encourage planned gifts? One reason is that it fits our mission of creating permanent philanthropy. Planned giving benefits a charity while minimizing the donor's taxes and/or providing the donor with retirement income.

Most planned giving donors set up **charitable gift annuities**. Deferred gift annuities are low-risk, easy for donors, and provide great benefits to both the donor and the charity.

The Montana Tax Credit is a valuable tool for Montana

Continued on Page 4

One Family, Two Funds at FCF: A Flathead Family's Story

by Sue Rolfig, Columbia Falls

When we think of foundations, corporate names or famously wealthy individuals, like the Ford Foundation or Bill and Melinda Gates are often the first to come to mind. But all over the country, community

foundations are being used by people like us: We wanted to set aside money to give to charities of our own choosing, but did not want the cost and administrative hassle of setting up our own foundation. We set

up two different funds at FCF.

Donor Advised Fund. The Flathead Community Foundation will set up a donor-advised fund with a \$5,000 minimum gift. From *Continued on Page 2*

Spring/Summer 2009

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New Board Members Increase Strength, Diversity of Flathead Community Foundation



Connie Peters



John Waller

FCF welcomed four new members to its board of directors in 2008, increasing the organization's strength and diversity.

Connie Peters is a fourth generation Montanan with a passion for the Flathead. She is a Realtor® at Properties Northwest Real Estate, Inc., serves as an officer on the Flathead Area Young Professionals Board, and volunteers regularly for Big Brothers Big Sisters and Meals on Wheels.

John Waller is a wildlife biologist at Glacier National Park. He also operates a family farm near Creston, along with his wife, Amy, and two teenage children. He is a graduate of Leadership

Flathead. **David Fetveit** is a third-generation Flathead native who returned to the Valley in 2005 after 10 years as a corporate executive for a national firm. His background in real estate and business led him to join Trails West Real Estate in 2007. He serves as Treasurer for FCF.



David Fetveit

Jerry Meerkatz was raised in Kalispell and graduated from Flathead High School. A former V.P. for Compaq, he returned to the Flathead permanently in 2002. Currently a partner at M2 Development, Jerry has spent the last 29 years in the technology field. He and his wife, Tori, have two children.



Jerry Meerkatz

“As stewards of our funds, FCF has been very user-friendly and accommodating”

—Sue Roling



Sue and Steve Roling, Columbia Falls, established two different donor-advised funds at FCF

One Family, Two Funds *(continued from Page 1)*

several different fund types we chose one that provided the flexibility to gift (to FCF) in one tax year, while actually distributing it to any number of charities at our own pace over several year's time.

We have enjoyed researching projects that match our unique interests, and then advising FCF of non-profit organizations to receive grants from our fund. While primarily focused on Flathead charities, the fund has also supported Christian medical missions in Chicago and Afghanistan that we learned of through our son, who volunteered through both.

As stewards of our fund, FCF has been user-friendly and accommodating. We recommend it to individuals or businesses as a financial tool with tax advantages plus the ability to positively impact our community and world.

Memorial Fund. When friends lose a loved one, we want to share their sorrow but aren't always sure of what to do. Flowers are a good option, but I appreciate it when the family suggests a more lasting memorial.

In July 2007, it was our turn when “Mary-Mom” died. My mother-in-law was beloved by many whom we knew would be glad to have their memorial gifts directed in a way that would have pleased her.

The Flathead Community Foundation was the perfect choice for us, and is wonderfully designed to serve such a need. FCF quickly agreed to set up, host, and administer a fund in time for us to include an “in lieu of flowers” suggestion in the obituary. All checks were tax deductible and were collected in the

Mary Roling Bogue Memorial Fund. FCF faithfully provided us with updated contributor lists, including addresses, so we could personally thank each one in addition to FCF's formal acknowledgement.

Ours was a short-term “donor-advised pass-through” fund, so several months later we designated charities to whom FCF should distribute the memorial gifts. We selected the American Red Cross, because blood transfusions had extended Mary-Mom's life; Northwest Health Care Foundation's new treatment technology for breast cancer, because she had survived it twice; Save a Sister fund providing mammograms for women in need; and FCF for so graciously and professionally administering and distributing this fund.

Community Foundations 101: What is a Community Foundation, Anyway?

Community foundations make up one of the fastest growing sectors of philanthropy in the United States today. They are designed to pool investments into a coordinated investment and grant making facility dedicated primarily to the improvement of a given place. Community foundations build and strengthen communities by making it possible for a wide range of do-

nors to participate in creating funds to meet present and future needs. The people or organizations that establish the funds can recommend that grants be distributed, in the name of the fund or anonymously, to qualified nonprofit groups or schools.

Community foundations are a sustainable aspect of philanthropy - providing leadership and problem solving in

the present and preparing for the future with a permanent endowment.

There are nearly 700 community foundations in the United States. Montana is home to more than a dozen community foundations, plus numerous geographic affiliates. The community foundation model has spread throughout the world, with numbers growing rapidly.

Community foundations have become catalysts for improvement through philanthropy that is visionary, diverse and inclusive

“You made my week when I heard we were receiving the grant”
—Rick Moore, Family Forestry Expo

“This is a blessing; thank you for remembering those in need”
—Naomi Davidson, Community Kitchen

2008 Grants Help Make a Difference

In December of each year, the Flathead Community Foundation awards grants to local charities. Recipients of 2008 grants are the Bob Marshall Wilderness Foundation, Community Kitchen, Family Forest Expo, Flathead Food Bank, Northwest Montana Human Resources, Somers School District Before/After School

Program, and the Nurturing Center.

Grants committee member Connie Peters noted that the committee has a mandate to consider the entire Flathead Valley, and not just Kalispell. “There were so many exceptional applicants; it was very difficult not to choose every one of them to receive a grant!”

In addition to the annual grants from the Flathead Community Foundation’s operating funds, additional grants were made from the Sustainability Fund and the Roling Family Fund. In total, FCF distributed more than \$130,000 in grants in 2008. Assets held at the Flathead Community Foundation are currently over \$800,000.

Creating a Lasting Gift to the Place You Love

Whether you’re new to the area or have lived here for generations, chances are you recognize that the Flathead Valley is a special place. The Flathead Community Foundation can help you meet your philanthropic goals for the area through a wide variety of giving op-

tions. You may establish your own endowment or pass-through fund with a minimum \$5000 investment; or you may give a gift of any size to the “Flathead Fund”, the general fund which is our permanent endowment.

If you choose to establish

your own fund, you may set it up as a donor-advised, field of interest, or agency fund.

For more information, please visit flatheadcommunityfoundation.org, or call 756-9047. We’ll be happy to answer your questions.

*Our Mission:
To enrich the lives of present and future generations by supporting philanthropy in the communities we serve.*



Flathead Community Foundation

For the good of the Flathead, forever.

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Planned Giving (continued from Page 1)

“The Montana Tax Credit is a remarkably valuable tool for Montana donors and charities, allowing donors to pay less in state income taxes when they give a planned gift to a charitable endowment.”

donors and charities. It allows donors to pay less in Montana state income taxes when they give a planned gift to a Montana charitable endowment. The incentive is 40% of the value of the gift, up to a maximum \$10,000 per taxpayer (\$20,000 per couple) in one year.

Example: A donor, 60, purchases a \$10,000 charitable gift annuity. As income beneficiary, the donor will receive 6% or \$600 per year for life. The donor names the endowment of the Flathead Community Foundation as the remainder beneficiary of the annuity. The federal charitable deduction for the gift is \$3,553 and the quali-

fy amount of the Montana Endowment Tax credit is \$1,421 or 40% of the planned gift. (Assumes IRS discount rate of 5%. Example provided by the Montana Community Foundation).

Another type of planned giving is a **bequest**. Bequests can take many forms. A donor can designate a specific dollar amount, a percentage of the estate or the entire residual estate. The most common way to make a bequest is to set up a codicil to your existing will. Such charitable bequests are fully deductible against income or estate taxes.

Charitable annuities and bequests are but two of many types of planned gifts.

Immediate gifts of non-cash assets, such as securities or real estate, may appeal to some donors. Other strategies for after-death giving include naming the charity as beneficiary of your retirement plan assets or life insurance. To discuss any aspect of giving, please contact the Flathead Community Foundation at 756-9047.

Disclaimer: The Flathead Community Foundation is not in a position to offer legal or tax advice. Please consult your personal tax, financial or legal advisors for further guidance.