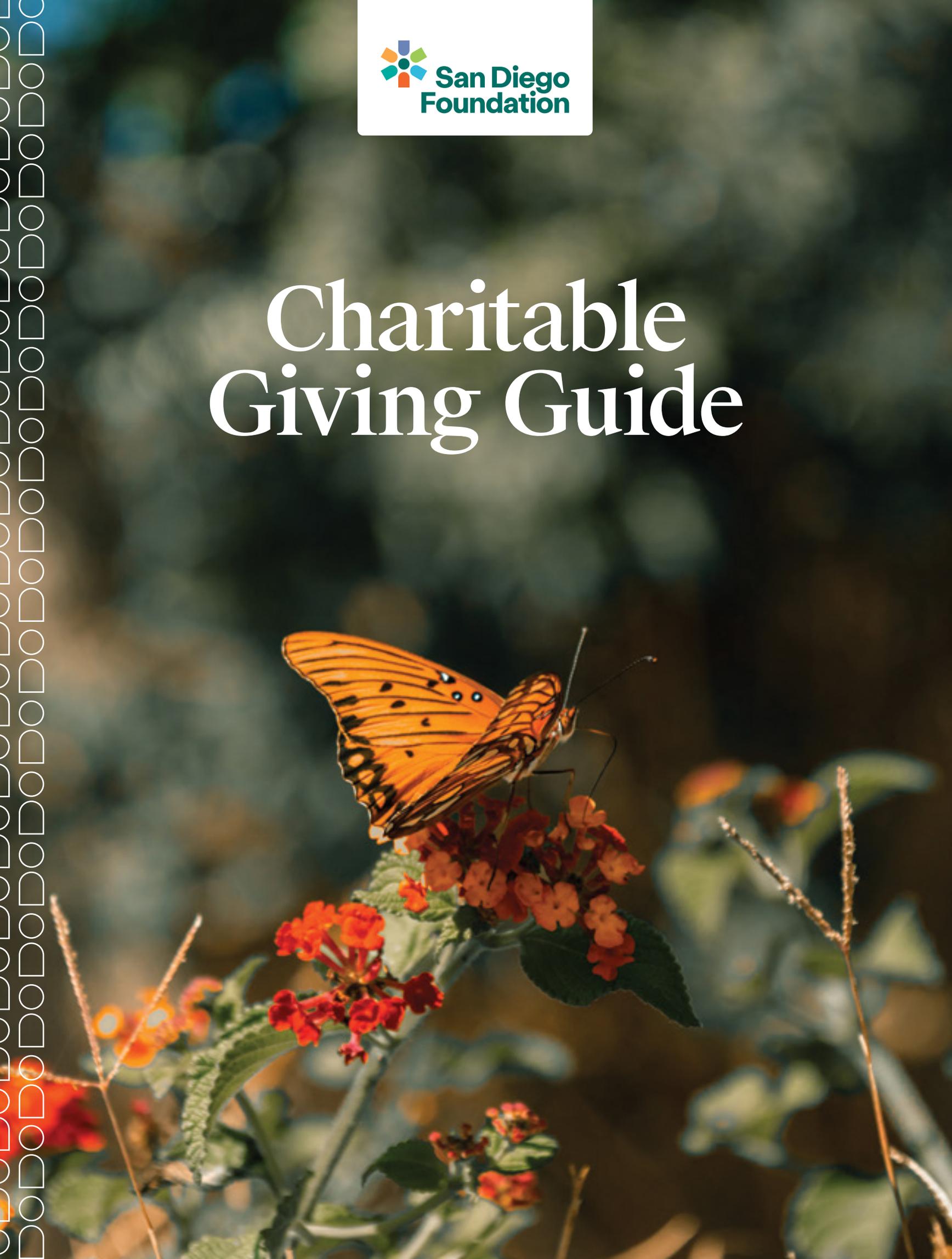




Charitable Giving Guide





A Trusted Resource, A Valuable Partner.

Let San Diego Foundation help facilitate your commitment to community by leveraging our relationships, resources and community insight.

We have deep roots in the community

With more than 45 years of philanthropic leadership region-wide, we understand San Diego's diverse challenges and the nonprofits working to address them.

We grow your giving and impact

With 150 years of combined expertise, our investment leaders maximize your charitable return on investment, so you can grow your giving and your impact.

We are expert advisors in philanthropy

Our experienced staff understands the technical complexities of charitable giving and helps to maximize your gifts.

We accept a variety of assets

In addition to simple gifts of cash and stock, we administer complex gifts including partnership interests, life insurance, annuities, real estate and more.

We ensure optimal tax advantages

SDF is a 501(c)(3) public charity, so your gifts garner maximum state and federal tax benefits – especially compared to private foundations.

We maximize the impact of your gift

We provide opportunities for you to give together with like-minded donors to identify community challenges and opportunities, as well as new forms of philanthropy.

We deliver the highest degree of personal service

We tailor our service to your unique needs and interests.

We connect you with your charitably-minded peers

We provide opportunities to build lasting relationships through one of the largest donor networks in the San Diego region.

We honor your legacy

We help you create a personal legacy through endowment funds that support your chosen cause forever.

We simplify the giving process

We coordinate with financial advisors, attorneys and your chosen nonprofit beneficiaries to ensure your charitable giving is seamless.

**Empower the Community Impact
You Want, Where You Want.**

Join forces with your fellow San Diegans who are getting involved to improve our region, our cities and our neighborhoods. At San Diego Foundation, you belong to one of the largest donor networks in the county to maximize the impact of your charitable giving. Consider us your legacy partner to invest in the place you call home for good, forever.

Become a Donor.

Why do you want to give back?

We know philanthropy is personal and every donor has unique reasons for giving. We provide personal service to help you connect your passion to a giving opportunity with a specific organization or a regional challenge, while providing maximum tax benefits.

What do you care about most?

We understand your charitable interests and priorities may change. Our funds offer you the flexibility to advise grants yourself, appoint a family or volunteer group, join a giving circle and engage our expert programs staff to explore needs-based opportunities that support your passions.

Do you want to give now or in the future?

Establish a fund today and experience the joy of giving now, and give through your estate to create a lasting legacy for the future.

Are you interested in making a long-term or short-term impact?

Endowment funds ensure you will make an impact in the region for generations to come. Grantmaking is derived from a portion of annual investment earnings, so your principal gift lasts forever. Non-endowment funds are impermanent, so you can immediately grant the entire fund balance.

What types of assets can you give?

We accept many types of assets and work with you and your professional advisors to streamline even the most complex giving plans.

Give the Gifts You Want.

Giving comes in all shapes and sizes. Our charitable giving advisors are experts in identifying the most effective option and will simplify the process with the Internal Revenue Service to support your financial needs.

Cash: Receive a tax deduction

Stock: Avoid capital gains tax and receive a tax deduction. Includes publicly traded stock, mutual funds, bonds, private or restricted stock, partnership interests, and pre-IPO shares

Real Estate: Avoid capital gains tax and receive a tax deduction

Life Insurance: Transfer policy or name your fund as beneficiary; Receive a tax deduction

Will or Living Trust: Name your fund as beneficiary of a portion or the entirety of your estate; Receive a tax deduction

Individual Retirement Account (IRA): Avoid income tax on distributions. After age 70-1/2, roll over up to \$100K of required minimum distributions (RMD) to charity tax free. Select scholarship, designated, nonprofit, or programmatic funds at San Diego Foundation*

Charitable Gift Annuity: Give cash or appreciated stock and receive guaranteed, partially tax-free income for life

Charitable Remainder or Lead Trusts: Name your fund as beneficiary

*The rollover provision does not currently allow RMD contributions to go directly to donor-advised funds per IRS regulations.

“Generosity is humanity at its best. It means using gifts you have to create value in the lives around you not just for those you love, but for those you might not know.”

Adrian Gonzalez, Former Major League Baseball Player and Donor





What is a Donor-Advised Fund?

A donor-advised fund is a simple, tax-efficient way to give to your favorite nonprofit organization(s) or area(s) of interest. You are able to contribute assets such as cash, stock or real estate and take an immediate tax deduction, then support your favorite community initiatives or nonprofit organizations whenever you are ready.

Over time, your initial charitable contribution grows through tax-free investments, and at any time you can grant your funds to nonprofits focused on impactful initiatives that mean the most to you.

The best part is, charitable sponsors, such as community foundations, manage all the heavy lifting for you. San Diego Foundation, for example, has an expert staff to process your grants, maintain historical records of your philanthropy and provide regular fund statements to make tax reporting as seamless as possible.

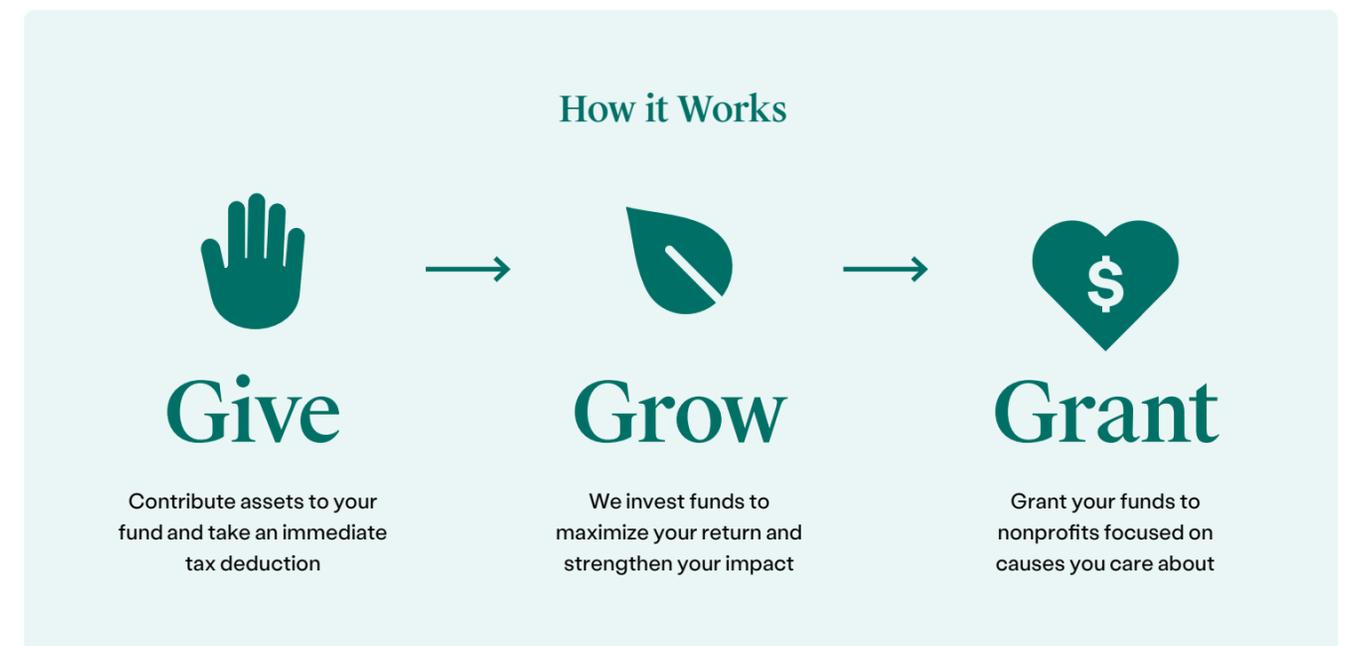
Why Consider a Donor-Advised Fund?

Donor-advised funds have become one of the most used tools in philanthropy to maximize the impact of charitable dollars. According to the National Philanthropic Trust, contributions to donor-advised funds have recently reached an all-time high and are expected to rise even further in the coming years.

In 2019, philanthropists contributed more than \$38 billion to approximately 873,000 donor-advised funds in the U.S. and used these donor-advised funds to recommend more than \$27 billion in grants to qualified charities.

“There is a tremendous opportunity for all San Diego companies to help our community thrive by winning our hearts and our business through philanthropy.”

Garry Ridge, WD-40 Company, President & CEO and Donor



Comparing Your Options.

When establishing a donor-advised fund, a common question is, “What’s the difference between a community foundation fund versus a commercial gift fund or a private foundation?”

While each share some of the same benefits, donor-advised funds at community foundations provide you with opportunities to strengthen your own community, network with like-minded philanthropists and maximize the impact of your charitable giving in ways that commercial gift funds and private foundations cannot.

Fees from donor-advised funds at community foundations are re-invested into the community by way of programmatic work, staff support and grantmaking, a key differentiator from a private foundation or a commercial gift fund where fees benefit stakeholders, not your community.

Benefits for Charitable Giving Options	Community Foundation	Private Foundation	Commercial Gift Fund
No startup cost	✓	✗	✓
Grant anonymously	✓	✗	✓
No annual fees	✓	✗	✓
No annual 5% payout required	✓	✗	✓
Maximum tax benefits	✓	✗	✓
Grant and admin services	✓	✗	✓
Form 990 is not required	✓	✗	✓
Community knowlege	✓	✗	✗
Fees re-invested into community	✓	✗	✗
Network with local donors	✓	✗	✗
Philanthropic advisors	✓	✗	✗
Donors own brand	✓	✓	✗

“I value the power of collective philanthropy that is achieved through San Diego Foundation. Individually, one can move stones. **Collectively, we can move mountains.**”

Hollyce Phillips, Carlsbad Charitable Foundation Board Member and Donor



Choose a Fund. Start Your Impact.

Fund Type	Purpose	Endowment Fee	Non-Endowment Fee	Grantmaking
Broad Purpose	Support the changing needs of the San Diego region	1%	1.5%	Professional staff and volunteer experts select grantees addressing local areas of greatest need based on research and extensive vetting process.
Advised	Support nonprofit organizations	1%	1.5%	Donor and/or designated advisors select grantees.
Designated	Support specific nonprofit organization(s)	0.5%	N/A	Donor designates specific organizations at outset that receive scheduled distributions.
Scholarship	Support individual students pursuing higher education	2%	2%	Donor and/or designated committee selects scholarship recipients based on student application pool.
Legacy	Support specific nonprofit organization(s), charitable causes or leave unrestricted	No fee during donor's lifetime. Ongoing fee of 0.5-2% depending on fund chosen	No fee during donor's lifetime. Ongoing fee of 1.5-2% depending on fund chosen	Donor establishes fund to receive a future estate gift. Donor selects an ongoing fund type for management of estate assets once received - Broad Purpose, Advised, Designated or Scholarship. No assets are required to set up the fund.
Agency	Support nonprofit organizations	0.5%	0.5%	Nonprofit organization establishes fund and receives scheduled distributions.
Corporate (Advised Fund)	Support nonprofit organizations	1% (fee for service may apply)	1.5% (fee for service may apply)	Corporate representatives select grantees.
Mitigation	Support conservation of open space and species	0.75%	0.75%	Development corporations, government agencies and/or nonprofit habitat managers establish fund to meet mitigation requirement.

Approvals: All grant decisions are approved by the San Diego Foundation (SDF) Board of Governors to ensure that recommended organizations are qualified nonprofits or public agencies.

Other requirements & fees: Most funds require a \$25,000 minimum opening gift. Agency funds require a \$50,000 opening deposit. Fees support the charitable mission of SDF, as well as research, grantmaking, programs, civic engagement and other efforts to improve quality of life in San Diego. Fees enable us to work with donors to identify community challenges and opportunities, as well as new forms of philanthropy. The fees above are taken out of the distributable portion of a fund, and charged monthly. The endowment fee is calculated on July 1, the first day of the fiscal year, based on the weighted average of 70% (prior year fee, adjusted for inflation) + 30% (July 1 balance x fee % specified above). The endowment fee is payable evenly over the next 12 months and adjusted when new contributions are made within the same year. The non-endowment fee is based on the beginning balance of the first day of the fiscal year (July 1, or for new funds the date it is established), plus contributions. The non-endowment fee is payable evenly over the next 12 months and adjusted when new contributions are made within the same year. Fees decrease at \$500,000, \$1 million and \$5 million on advised funds. Legacy funds incur a one-time fee of 1% upon receipt of estate gift.

Termination fees: When donors decide to close their non-endowed fund, a three-month termination fee is assessed on the balance prior to the final grant or transfer.

Grantmaking: San Diego Foundation requires its fund holders to grant a minimum of \$250 during a 3-year period.

Investment manager fee: San Diego Foundation hires professional investment managers with asset class expertise to manage funds. The industry standard fees below are variable, netted against investment earnings prior to reporting on fund statements.

Endowment	Long Term	Medium Term	Intermediate Term	Short Term	Sustainable Endowment	Sustainable Non-Endowment
0.75%-0.85%	0.55%-0.65%	0.35%-0.45%	0.4%-0.5%	0.15%-0.25%	0.55%-0.65%	0.55%-0.65%

Custodial and reporting fee: SDF also employs an independent investment consultant to ensure we receive strategic, objective investment counsel and an independent custodial bank for financial asset safekeeping. SDF charges each fund a separate fee specific to the investment pool, netted against investment earnings prior to reporting on fund statements.

Endowment	Long Term	Medium Term	Intermediate Term	Short Term	Sustainable Endowment	Sustainable Non-Endowment
0.45%	0.40%	0.40%	0.30%	0.30%	0.40%	0.40%

“I had the income, I had the identity.
And now, through San Diego
Foundation, I have a way to be
**significant in this world and execute
the purpose of why I’m here.”**

Aaron Taylor, CBS Sports Analyst, NFL
Super Bowl Champion and Donor



Leaving Your Legacy.

Opening an endowment, or permanent fund, with a planned gift is a flexible, efficient and tax-effective way of ensuring the causes you care about will benefit from your generosity forever.

You can provide for loved ones and support causes and organizations that have been important to you during your lifetime with a planned gift to a legacy fund or Foundation program endowment fund.

Our philanthropic advisors are experts in helping you determine the best planned giving strategy to meet your goals. We work with you and your professional advisors – including estate attorneys, CPAs and wealth advisors – to maximize your tax advantages and your community impact.

With Planned Gifts, You Can:



Leave a specific amount or percentage in your will or living trust



Give what's left after you or your heirs are cared for through a charitable remainder trust



Leave your "residuary" estate—what's left after other bequests have been fulfilled



Name your fund as a beneficiary of your IRA

Do Good. Forever.

Establish an endowment fund today, and leave a legacy to your community and an impact on the San Diego region for generations to come.

Your community foundation is a locally-based, enduring financial asset for the community—a charitable bank that comprises permanent endowment funds that will benefit San Diego forever. San Diego Foundation specializes in endowment giving, both through lifetime gifts and estate gifts.

What is an endowment fund?

An endowment is a permanent fund. Each endowment consists of two components – the principal and the distributable. The principal is invested for long-term growth. Each year 5% of the balance, allocated monthly, is transferred to the distributable for grantmaking, net of fees. The monthly percentage, 1/12 of 5%, is calculated based on the average market value of the prior 36 months. If at any time the principal is less than the initial fund value, distribution is limited to interest and dividends. This keeps the corpus of the fund intact and allows for grantmaking in perpetuity.

What is a non-endowment fund?

A non-endowment fund is impermanent. The entire balance is available for grantmaking, which provides flexibility to recommend grants of any size at any time.

The San Diego Foundation Investment Committee manages our endowment and non-endowment fund investment portfolio strategy that targets sustained financial growth to maximize returns. These funds are crucial for an organization intended to serve generations of San Diegans and unknown future regional challenges.

“I have found that among its other benefits, **giving liberates the soul of the giver.**”

Maya Angelou



Our Mission

San Diego Foundation inspires enduring philanthropy and enables community solutions to improve the quality of life in our region.

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