

# ADVANTAGES OF GIVING THROUGH INNOVIA FOUNDATION

Innovia Foundation offers a range of services to enhance the impact of your charitable giving.

The following information gives you an idea of some of the advantages of working with Innovia Foundation.

## CHARITABLE GIVING OPTIONS

Innovia Foundation	Private Foundation
<b>Income Tax Deduction*</b>	
<b>Cash Gifts</b> Cash gifts to some funds may be up to 100% deductible. Donor-advised funds provide deductions up to <b>60%</b> of adjusted gross income (AGI).	<b>Cash Gifts</b> Up to <b>30%</b> of adjusted gross income (AGI).
<b>Publicly Traded Securities</b> Fair market value up to <b>30%</b> of AGI.	<b>Publicly Traded Securities</b> Fair market value up to <b>20%</b> of AGI.
<b>Real Estate and Closely Held Securities</b> Fair market value up to <b>30%</b> of AGI.	<b>Real Estate and Closely Held Securities</b> Cost basis up to <b>20%</b> of AGI.
<b>Tax Considerations</b>	
<b>Tax Status</b> 501(c)(3) public charity, provides more favorable tax status. The fund is a component of a public charity.	<b>Tax Status</b> 501(c)(3) private foundation tax status is not as favorable as public charity status.
<b>Private Foundation Excise Tax</b> No excise tax requirement. Your invested contribution grows tax-free.	<b>Private Foundation Excise Tax</b> Yes, 1 - 2% excise tax is assessed on net investment income. Substantial excise taxes are imposed for failure to meet payout requirement and for engaging in certain prohibited transactions such as self-dealing.
<b>Tax Returns and Audits</b> The community foundation files tax returns and conducts audits.	<b>Tax Returns and Audits</b> Must be performed by foundation managers or professional accountant.

\* Tax laws are subject to change. This is based on our most recent information as of June 2021.

## Innovia Foundation

## Private Foundation

### Administrative Requirements

#### Payout Requirement

None. Innovia strongly encourages annual grantmaking from donor-advised funds, but no legal requirement exists.

#### Payout Requirement

Yes, at least 5% of net asset value annually.

#### Fund Administration

Community foundation staff provides administrative services (fund management, donor assistance with complex gifts or trusts, gift processing, grant report tracking and publicity). Online giving available.

#### Fund Administration

Administrative services must be performed by board members or officers (“foundation managers”) or hired staff or consultants.

#### Ongoing Costs

Cost for administrative services, legal fees and accounting/auditing expenses are covered by a nominal annual fee.

Investments are pooled to be managed by fund managers specializing in long-term endowment investment strategies at a nominal cost.

Donor/agency can recommend an investment manager for funds with more than \$500,000.

#### Ongoing Costs

The nonprofit assumes the costs of ongoing fees for legal assistance, accounting/auditing and investment management. These costs must be controlled and managed in relation to the amount spent each year on grantmaking.

Investment responsibility lies with board members or officers and foundation managers with assistance from professional investment manager(s).

#### Endowment Distribution

The establishing fund agreement determines the amount that is distributed each year. The community foundation follows the Uniform Prudent Management of Institutional Funds Act and considers the “best practice” to be a 4% payout on a 13-quarter rolling average.

#### Endowment Distribution

Foundation board members or officers must establish its own spending policy that includes, at a minimum, distributing at least 5% of net asset value annually, regardless of earnings and despite a desire to protect principal or grow the corpus of the investment.

#### Reporting

Community foundation handles reporting.

#### Reporting

Annual IRS 990 tax form must be filed.

#### Anonymity

Yes - Donors can request full anonymity, if desired.

#### Anonymity

Substantial contributors’ name(s) must be disclosed.

#### Planned Giving Resources

Yes - No additional fee.

The Foundation provides a full range of planned giving resources and special services. Legacy Society and Lifetime Benefactors programs recognize donor giving. Foundation staff provide support and advice for planned gifts.

#### Planned Giving Resources

Additional legal fees.

Innovia offers online planned giving resources, free of charge, at [innovia.org](http://innovia.org).