



THE COMMUNITY FOUNDATION

Welcome to the Charitable Checking Account

Your Charitable Checking Account is a convenient vehicle for current giving. It allows you to make a tax-deductible gift of appreciated assets or cash (often at year-end) and then use the Community Foundation's online DonorCentral service to issue checks to your favorite nonprofit organizations at your convenience. You have the ease of making one gift for many purposes while reducing your paperwork. Charitable Checking Accounts are held within Rochester Area Community Foundation Depository, Inc., a subsidiary of Rochester Area Community Foundation.

Establishing An Account or Adding to Your Account

Minimum opening contribution to establish an account is \$10,000; minimum additions are \$1,000.

Making A Deposit of Securities

The Community Foundation must receive ownership of any stock *before* it is sold. If you sell the stock and send us the proceeds, you will have to pay capital gains tax. Once the stock has been transferred to our ownership, we will sell it immediately, provide a tax receipt for the market value of the gift, and treat the proceeds as a gift of cash. Please inform us at StockProcessing@racf.org or call Cynthia Pacia at (585) 341-4331 before initiating any gift of stock.

1.) Stock held electronically at a brokerage firm.

Our preferred method of receiving stock held electronically is through DTC transfer to our account at State Street Bank. Delivery instructions are available from the Stock Processing team at StockProcessing@racf.org or by calling Jeff Hand at (585) 341-4341. If the stock is held by a broker with whom we have an account, you may instruct your broker to transfer the stock to our account. (You may request a sample "Letter of Authorization to Your Broker" from us.)

2.) Stock held in certificate form.

It is important that the individual(s) named on the certificate *not* endorse the actual certificate. Rather, the named individual(s) must sign a blank Stock Power form with the exact name(s) as on the certificate and must complete a letter stating their intention to give the stock as a charitable contribution. These documents may be submitted to the Community Foundation in person or by mail. If by mail, the unendorsed stock certificate must be sent in one envelope and the signed Stock Power and gifting letter in a separate envelope.

Upon receipt of securities, the Community Foundation will immediately sell them, credit your Charitable Checking Account with the net proceeds, and mail to you written acknowledgment of the transaction. For tax purposes, the value of the stock gift is established on the date when the stock certificate has been received by the Community Foundation or transferred electronically to one of our accounts. The tax value of your contribution and the credit to your account will differ by the amount of market fluctuation between the dates of contribution and sale. Costs incurred in accepting your contribution (e.g. stockbrokers' commissions, transfer fees) will be deducted from the proceeds.

Making A Cash Deposit

Checks should be made payable to Rochester Area Community Foundation Depository, Inc. or to your account name and mailed to Rochester Area Community Foundation, 500 East Avenue, Rochester, NY 14607. You will receive written acknowledgment of your tax deductible deposit. For tax purposes, the date of contribution is the date your check is received by the Community Foundation.

Contributing By Credit Card

Contributions may be made using VISA, MasterCard, or American Express (sorry, we can't accept other cards at this point), in person, over the phone, or online at www.racf.org.

Making Distributions (Grants) From Your Account

Upon creation of your account, you will be registered for the Community Foundation's online fund service, DonorCentral, where you can view your account activity (contributions, distributions, and account balance) and make distributions (grants). An email address is required for free registration; your password and instructions for using DonorCentral will be emailed to you. Distributions may be made 90 days after a gift of cash or publicly traded securities or after settlement of other gifts. At any time you choose after the 90 days, you may use DonorCentral to request your distributions. Please note that the minimum distribution amount is \$250 and that all distributions must be directed to charitable organizations in the United States that are described in Sections 501(c)(3) and 509(a)(1), (a)(2), or (a)(3) of the Internal Revenue Code. Any questions about distributions should be directed to Lynny Manus, (585) 341-4354 or lmanus@racf.org. Pre-printed distribution forms are also available from Lynny if you prefer not to make distributions online.

The Internal Revenue Service requires the Community Foundation to ensure that all grants and distributions are for charitable purposes. Therefore, grants may not be earmarked for specific individuals, may not support non-charitable activities, or may not be made to private foundations or for-profit entities. Requests for support for events that donors will attend will not be paid from Community Foundation funds, even if a portion of the support would be tax-deductible if paid by the individual. Grants for institutional membership may be paid if the benefits are determined to be *de minimus* and if the grant check is marked "benefits waived." The Rochester Area Community Foundation's counsel has advised the Community Foundation to send all grants and distributions directly to the charities.

The recipient organization will receive a letter with the grant check stating that the contribution is from your account and giving your name and address so the recipient can thank you directly, unless you instruct otherwise. We would be happy to enclose any personal correspondence with your distribution. Please include it with your distribution instructions. The distribution has no tax implications to you, since the value of the contribution is established upon deposit.

Distribution requests received by Friday are processed and mailed the following Friday unless additional research or documentation is needed or if funds are not yet available for distribution. Requests for distributions over \$25,000 may be re-confirmed with you by phone or email.

There is no minimum balance requirement. However, if your account remains below \$300 or inactive for some time, we may contact you regarding your plans for continued use. Accounts may be easily closed and re-opened as needed.

Final Distribution

The Rochester Area Community Foundation Depository, Inc. is required in its by-laws to distribute any remaining balance in an account within one year of the donor's death unless the Depository has written instructions on file giving his or her spouse the right to designate recipients or other instructions directing the distribution within one year of the donor's death to specific charities. Fifty percent (50%) of any remaining balance is distributed to the Community Foundation's general purpose fund for community needs; 50% may go to other identified charities.

If a depositor dies without leaving specific instructions, the Rochester Area Community Foundation Depository, Inc. Board of Directors will distribute 100 % of the remaining balance to the general endowment of Rochester Area Community Foundation.

No Service Charges Or Fees

Fees are not charged for the services of the Charitable Checking Account. Rather, overhead is covered by the interest earned from the funds on deposit. Accordingly, gifts of cash or publicly traded securities (or settlement proceeds from other gifts) are not available for distribution until 90 days after the date of gift.

It is the policy of the Community Foundation to sell gifts of securities as close to their receipt as possible. Brokerage fees and transfer expenses resulting from the sale of securities are deducted from the proceeds.

Statements Of Accounts Provided To All Depositors

Each depositor will receive quarterly statements of deposits, distributions, and the current account balance. You may authorize us to send a copy to your professional advisor.

The Charitable Checking Account records are subject to audit, and we may periodically be requested by the auditor to verify depositor accounts and records.

Confidentiality Of Depositor Records Maintained

Information on a depositor's contributions and distribution instructions will be made available only to the board of directors, staff and auditors as needed. Under no circumstances will depositor information be given to soliciting groups.

Resources

For More Information or To Make A Deposit

Contact Kate Baker at (585) 341-4337 or kbaker@racf.org.

Questions about DonorCentral?

Contact Cynthia Pacia at (585) 341-4331 or cpacia@racf.org.

For Information On Distributions or to Obtain Distribution Forms

Contact Lynny Manus at (585) 341-4354 or lmanus@racf.org.

The Charitable Checking Account (Rochester Area Community Foundation Depository, Inc.) is a donor directed pooled fund as defined in Section 170 (b)(1)(E)(iii) of the Internal Revenue Code. The Federal Tax ID number is 22-3106737.