

Community foundations and American Funds

Working toward a win-win-win for philanthropy

Working together with financial advisers and community foundations across the country, American Funds has established a program that matches advisers and their clients with foundations in their areas.

In many cases, advisers have clients who are capable of making charitable gifts but may not be aware of opportunities for giving through their local community foundations. American Funds helps educate financial advisers about the charitable giving options and benefits available through the foundations.

How does it work?

- When meeting with financial advisers, American Funds associates can describe the program and identify the local community foundations that are participating.
- Interested financial advisers can then meet with representatives from participating community foundations to discuss their philanthropic services.
- Working with a community foundation, a financial adviser may then introduce suitable clients as potential donors. If a donor gifts an asset and establishes one of the planned giving vehicles available through the community foundation, the foundation *may* sell the asset and *may* invest the proceeds in American Funds.

Who benefits?

- Financial advisers can provide an added service to clients in the form of philanthropic planning.
- Donors to a community foundation benefit from the tax benefits that charitable giving can provide, while also helping the foundation accomplish its mission to strengthen its community.
- Community foundations can broaden the philanthropic knowledge of financial advisers in their area and increase their visibility to potential donors.

To participate

A community foundation must:

- Have an investment policy that does not prohibit the use of mutual funds
- Have at least \$50 million in total endowed assets or invest (or have already invested) \$1 million in the American Funds

For more information

Please call American Funds at 800/421-9900, ext. 4.

Investors should carefully consider the investment objectives, risks, charges and expenses of the American Funds. This and other important information is contained in each fund's prospectus and summary prospectus, which can be obtained from a financial professional and should be read carefully before investing.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

ideas for advisers

Networking the not-for-profit way

Community organizations around the country are actively involved in charity work. Working closely with your area's charities is not only the right thing to do, it could also lead to surprising benefits for your business.

Do your homework

Before participating in any charitable work, take the time to check out the organization. GuideStar (www.guidestar.org) has a large searchable database of charitable organizations, as does the Better Business Bureau (www.bbb.org/charity).* Use these tools to see what the charities do in your community and how they operate. You can spot any potential conflicts of interest or other issues beforehand.

Participate in charitable events

Many charitable organizations host fundraisers, bringing together people who want to donate both time and energy. Whether it's a charity gala or a 10K run, participating not only benefits the charity, but also brings you closer to people in your community — some of whom could be future clients sponsoring various events and activities. Check with your firm to see if it requires approval before participating in charitable events.

Take a more active role

Increasing your involvement in community work may put you in the position to spend more time with a given charity by serving on a board or committee. This gives you a chance to make a positive impact in your area, while bringing you into contact with potential clients.

Money management

You may be able to volunteer your financial advisory services to a charity. Your financial know-how can help the organization plan for the future. American Funds can assist with investments for charitable giving plans for both clients and not-for-profit organizations. American Funds also offers the EndowmentsSM funds for charities, which are open to any tax-exempt 501(c)(3) organization or the charitable trusts for those organizations. The funds do not have sales charges nor provide compensation to advisers. If you are personally involved with a charitable organization, these funds may be the appropriate choice.

Requirements for a charity's fiduciary responsibilities vary by state. If you serve on a charity's board, you may not be able to offer financial advisory services, even on a volunteer basis. Check with your firm, local charity and attorney to determine the requirements if you wish to volunteer your financial services. Regardless, you can still serve on a board and contribute in other ways.

Benefits to your business

The biggest contributors to local charities tend to be successful businesses and individuals with considerable assets. Both are potential client bases with which you will regularly interact as part of your own charitable endeavors. Use your exposure to these potential clients to help build your business. Lists of donors and board members may be available from many organizations and can be helpful prospecting tools. You can also ask current clients about their charitable efforts as well.

*These websites are not affiliated with the Capital Group Companies.

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