



Fast Facts

Rochester Area Community Foundation

Our Mission

We empower donors and community partners to strengthen our region through philanthropy.

Our Vision

We lead boldly to realize a more equitable, inclusive, and vital region by:

- Encouraging generosity and civic unity;
- Addressing urgent and persistent challenges;
- Engaging donors, nonprofits, and other advocates;
- Escalating strategic responses and resources;
- Elevating broad community voice; and
- Inspiring positive, enduring community change.

For Information:

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www.racf.org

Rochester Area Community Foundation, in partnership with generous philanthropists and community partners, works to improve the quality of life for people who live and work in the eight-county region through its leadership and strategic grantmaking.

Known as the steward of charitable funds and endowments, the Community Foundation connects donors with the region's current and evolving needs in an effort to lead and inspire positive, enduring community change. As a leading grantmaker, the Community Foundation is now focused on two broad goals:

Creating an Equitable Community: Working to close academic achievement and opportunity gaps; fostering racial and ethnic understanding and equity; and partnering against poverty to help neighbors in need.

Strengthening Our Region's Vitality: Supporting vibrant and diverse arts and cultural offerings; preserving our region's rich historical assets; and promoting successful aging.

The Community Foundation and many donors make continuing investments in our region's quality of life by building and caring for permanent endowments that will help future citizens meet needs we can't even imagine today.

Please call 585.271.4100 or visit www.racf.org today.

Founded:	1972
Number of Funds:	1,420
Charitable Assets:	\$501 million
Endowed Assets:	\$381 million
Annualized Endowment Return Since Inception:	8.3% net of fees
Grants Since 1972:	\$616 million
Awarded Last Year:	\$48.4 million
President and CEO:	Simeon Banister
Board Chair:	Thomas S. Richards

How is my grantmaking amount calculated?

Spending Policy

To ensure that your endowment fund lasts forever, the principal remains intact. It is invested prudently for growth, and you recommend grants from the income. The combination of the interest, dividends and appreciation you receive is the “total return” for your fund. We have an approved spending policy that determines how much of the fund can be granted out each year. Our spending policy allows 5% to be spent, but rather than just a straight 5%, it is actually 5% of a 20-quarter rolling average of the fund’s assets.

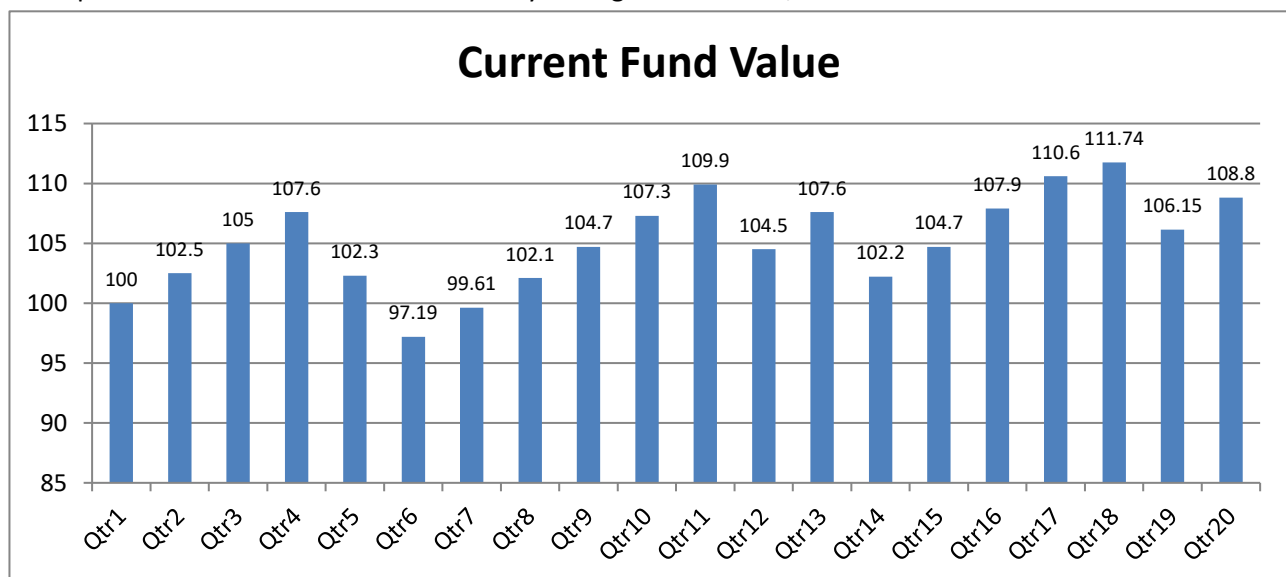
20-Quarter Rolling Average

Since your fund is invested, the fund balance will rise and fall daily as the investment values change. At the end of each quarter, we look back for 20 quarters (5 years) and calculate the average value of our funds to smooth out the ups and downs of the investment markets. This provides you with a relatively equal amount each year for your grantmaking.

Why This is Important

Having an equivalent amount to grant out each year helps you plan your charitable giving. Without the 20-quarter rolling average, you could have large amounts to grant in years with good investment performance, and much less in years with poor performance.

Example: An Endowment Fund started five years ago with a \$100,000 contribution is shown below.



The Current Fund Value rises and falls with the performance of the investments. In this example, the fund has been as low as \$97,000 and as high as \$111,000. The Average Fund Value over the 20-quarter period is \$105,000. Each quarter, a calculation takes place to determine how the Current Fund Value compares to the Average Fund Value.

- When Current Fund Value is **higher** than the average, **you will receive less** than 5% annually.
When Current Fund Value is **lower** than the average, **you will receive more** than 5% annually.
- When Current Fund Value is lower than the initial \$100,000 contribution, you will receive interest and dividends only. In Quarters 6 and 7, the Current Fund Value was less than the initial contribution so the full calculated amount (spending policy) would not be received. The interest and dividends paid out may be as little as 10% of the normal amount for grantmaking.

Example: Annual Payout

In the example above, the calculated grantmaking amount would vary much more without the use of the 20-quarter rolling average. There is only \$15 difference between the low point and high point with the rolling average approach. That difference would be 30 times higher, or \$451, if we just calculated 5% each quarter.

Year	With 20-quarter rolling average	Without 20-quarter rolling average
1	\$5251	\$5189
2	\$5241	\$5015
3	\$5254	\$5330
4	\$5256	\$5280
5	\$5248	\$5466
Range	\$15	\$451

History of our Spending Policy

Over the past 29 years, the actual annual spending policy payout has ranged from 3.82% to 6.00%. This allows us to accommodate significant highs and lows in investment performance while keeping grant dollars steady.

	Community Foundation Fiscal Year End	Spending Policy Payout for Year	Avg Spending Policy Payout for 5 years	Dow Jones Industrial Average Balance
1	3/31/2019	5.00%	4.92%	25929
2	3/31/2018	4.71%		24103
3	3/31/2017	4.97%		20663
4	3/31/2016	4.98%		17685
5	3/31/2015	4.56%	4.95%	17776
6	3/31/2014	4.48%		16458
7	3/31/2013	4.79%		14579
8	3/31/2012	5.28%		13212
9	3/31/2011	5.65%		12320
10	3/31/2010	5.84%	5.53%	10325
11	3/31/2009	6.00%		7609
12	3/31/2008	5.67%		12262
13	3/31/2007	5.50%		12354
14	3/31/2006	4.66%		11109
15	3/31/2005	4.92%	5.11%	10504
16	3/31/2004	5.27%		10357
17	3/31/2003	5.91%		7992
18	3/31/2002	5.01%		10362
19	3/31/2001	4.47%		9878
20	3/31/2000	4.18%	4.13%	10922
21	3/31/1999	4.16%		9786
22	3/31/1998	3.82%		8799
23	3/31/1997	4.24%		6583
24	3/31/1996	4.25%		5638
25	3/31/1995	4.56%	4.46%	4158
26	3/31/1994	4.37%		3636
27	3/31/1993	4.35%		3435
28	3/31/1992	4.30%		3235
29	3/31/1991	4.74%		2881
	Average over 29 years		<u>4.85%</u>	



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Sample Statement for Doe Family Fund

Fund Activity Statement April 01, 2019 – March 31, 2020

Depicts activity in the most recent quarter

Summarizes activity for the fiscal year beginning 4/1

Gifts to the fund – details on page 2

Endowment Account

	Fourth Quarter Jan – Mar 19	Year To Date Apr – Mar 20
Beginning Balance	\$194,546.05	\$201,373.56
Charitable Contributions*	0.00	9,866.40
Non-Charitable Contributions	0.00	0.00
Gain/(Loss) on Gift Transactions	0.00	32.29
Net Investment Return	17,111.07	7,022.51
Distributions to Grantmaking Account	(2,559.64)	(8,099.93)
Administrative Fee	(384.74)	(1,482.19)
Other Activity *	<u>0.00</u>	<u>0.00</u>

Difference between gift value, proceeds (ie. market price, commissions) & credit card fees

Spending policy distribution to grantmaking

Ending Balance

\$208,712.74 **\$208,712.74**

Interest, dividends, realized & unrealized gains/losses

Grantmaking Account

	Fourth Quarter Jan – Mar 19	Year To Date Apr – Mar 20
Beginning Balance	\$3,435.98	\$6,945.69
Charitable Contributions *	0.00	0.00
Non-Charitable Contributions	0.00	0.00
Returned Grants	0.00	0.00
Gain/(Loss) of Gift Transactions	0.00	0.00
Distributions from Endowment	2,559.64	8,099.93
Grants *	0.00	(9,050.00)
Other Activity *	<u>0.00</u>	<u>0.00</u>

Miscellaneous activity – detailed on page 2

Grants made from the fund – details on page 2

Ending Balance

\$5,995.62 **\$5,995.62**

*Transaction detail attached

To see investment performance for the quarter go to www.racf.org and click "About Us."

Contributions to the Doe Family Fund

02/12/2019	John and Jane Doe	<u>9,866.40</u>
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Total Contributions	<u>\$9,866.40</u>
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Grants from the Doe Family Fund

03/01/2019	Allendale Columbia School	(300.00)
03/01/2019	Teen Empowerment	(200.00)
03/01/2019	Geva Theatre Center	(2,700.00)
03/01/2019	Memorial Art Gallery at the University of Rochester	(4,000.00)
03/01/2019	George Eastman House	(350.00)
03/01/2019	Foodlink	(500.00)
03/01/2019	Rochester's Child/Current Needs Fund	(500.00)
03/15/2019	Quad A Fund/Current Needs Fund	<u>(500.00)</u>

Total Grants	<u>\$(9,050.00)</u>
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If a “#” sign appears, donor has requested that their name(s) NOT be listed in any publications.



THE COMMUNITY FOUNDATION

Rochester Area Community Foundation

Investment Policy

Investment Policy Statement

The purpose of this investment policy (the Policy) is to establish a formal framework in which to manage endowment, quasi-endowment and similar investment assets of Rochester Area Community Foundation – (collectively, the Portfolio).

The Board of Directors of Rochester Area Community Foundation (the Community Foundation) has the fiduciary responsibility to establish the parameters under which the assets of the Community Foundation are managed. These parameters include risk levels, asset allocation, diversification guidelines, credit quality, and the selection of investment managers and/or consultants who will most effectively implement the investment plan. The Board of Directors has delegated its oversight to the Investment Committee of the Community Foundation. It is the role of the Investment Committee to provide oversight and stewardship of the assets entrusted to the Community Foundation by its benefactors. The Board of Directors and Investment Committee recognize that sound investment practices and procedural prudence are the keys to fulfillment of their fiduciary responsibility.

The Investment Committee shall review this Policy at least once a year and provide any recommended changes to the Board of Directors for its review and approval in order to assure consistency in attaining the goals and viability of the program.

This Policy outlines the following:

- Investment Philosophy and Mission
- NYPMIFA
- Asset Allocation
- Diversification Requirements
- Credit Quality
- Manager Selection and Review
- Statement of Spending Policy

1. Investment Philosophy and Mission

The Board of Directors and staff of the Community Foundation strive to exercise good stewardship of the assets entrusted to the Community Foundation. The investment of the Portfolio is made in accord with the following principles:

- A. **Mission of the Community Foundation** – Investments are made in accordance with the mission of the Community Foundation, to support its grantmaking, and insure the long-term viability of the organization.
- B. **Prudence** – In accordance with the concept of the prudent investor, this Policy is based on a flexible, balanced fund approach to

accomplish the goals of the Community Foundation and yield an appropriate return given the level of risk undertaken. The Community Foundation will use a total rate of return to establish its spending policy, as defined by this Policy. (Refer to *Funds Subject to Investment Policy: 1. Charitable Endowment Funds*.)

2. Fundamental Concepts

The Board of Directors stresses an investment approach which seeks to grow the assets of the Community Foundation over time, preserve the purchasing power of the assets, control risk, and provide for the spending needs as specified by the spending policy of the Community Foundation or recommended by its donors. The Board of Directors and the Investment Committee recognize that:

- A. Inflation erodes the purchasing power of assets of the Community Foundation;
- B. Global economic growth is likely to continue;
- C. Any investment requires the assumption of risk.

The Investment Committee believes that the goals of capital appreciation, protection against inflation, and generation of sufficient income and returns for funding the spending policy of the portfolio can best be achieved by structuring a flexible, balanced fund approach.

The Policy shall cover the following investments:

- Charitable Endowment Funds
- Charitable Investor FundsSM

In managing and investing the Portfolio, the Community Foundation may incur only costs that are appropriate and reasonable in relation to the Portfolio assets, the purposes of the Community Foundation, and the skills available to the Community Foundation. The Investment Committee shall make a reasonable effort to verify facts relevant to the management and investment in the Portfolio. Under certain circumstances, the Investment Committee may deem it necessary to delegate this to the Community Foundation's investment consultant.

3. New York Prudent Management of Institutional Funds Act

As required by the New York Prudent Management of Institutional Funds Act (NYPMIFA), the Community Foundation considers the following factors when investing its assets:

- A. General economic conditions;
- B. The possible effect of inflation or deflation;

- C. The expected tax consequences, if any, of investment decisions or strategies;
- D. The role that each investment or course of action plays within the overall investment portfolio of the fund;
- E. The expected total return from income and the appreciation of investments;
- F. Other resources of the Community Foundation;
- G. The needs of the Community Foundation and the fund to make distributions and to preserve capital; and
- H. An asset's special relationship or special value, if any, to the purpose of the Community Foundation.

The Portfolio shall be invested with the care an ordinarily prudent person in a like position would exercise under similar circumstances. Investment of the Portfolio shall be so diversified as to minimize the risk of large losses, unless the Investment Committee prudently determines that, because of special circumstances, the purposes of the Portfolio are to be better served without diversification. The Investment Committee shall review a decision not to diversify as frequently as circumstances require, but at least annually.

The Investment Committee may employ one or more investment managers of varying styles and philosophies to attain this Policy's objectives. Any person who has special skills or expertise, or is selected in reliance upon the person's representation that the person has special skills or expertise, has a duty to use those skills or that expertise in managing and investing the Portfolio.

Investment Policy

1. Asset Allocation

Given the above stated goals, the Portfolio shall be managed as follows:

- A. Nominally, the equity pool of the Portfolio should be invested in common equities including domestic as well as international or non-domestic equities. No more than 5% of the total equity portion of the Portfolio shall be invested in the equity securities of any one issue. For purposes of determining this for mutual funds and limited partnerships used within the Portfolio, these investments shall not be considered the issuer of securities but rather the underlying investments within these funds will be used to calculate the overall equity position. Equities should be diversified by economic sector and in multiple industries to assure diversified exposure to various sectors of the economy.

Within the equity portion of the Portfolio the Investment Committee will consider diversification by style and market capitalization.

- B. Nominally, the fixed income pool of the Portfolio should be invested in fixed income securities as described below:
1. Investment Grade (as measured by a nationally recognized rating service such as Moody's or Standard & Poors), marketable corporate notes or bonds including convertible bonds.
 2. Non-investment grade securities.
 3. U.S. Government treasury or agency bills, notes or bonds including Treasury Inflation Protected Securities (TIPS).
 4. High quality, short-term money market instruments, certificates of deposit, commercial paper generally with an A1/P1 rating.
 5. High quality mortgage-backed securities.
 6. International bonds including developed and emerging market debt.
- C. In order to enhance investment results, the Community Foundation may elect to invest in alternative investment strategies including, but not limited to multi-strategy hedge funds, long/short equity hedge funds, private equity, real estate and REITS. These investments are made with the intention of raising the Community Foundation returns and/or lowering total volatility.

- D. Tax-exempt issues are not appropriate for the Portfolio by virtue of the Community Foundation's tax-exempt status.
- E. Individual manager or fund liquidity should be limited to residual cash and income received. In general money market positions should be 5% or less.
- F. Except as set forth in C above, managers may not employ leverage, margin, short sales or buy/sell uncovered options without the express prior written permission of the Investment Committee.
- G. Assets will be re-balanced by the staff to meet the asset allocation requirements as directed by the Investment Committee as defined in the *Current Investment Operating Guidelines*.

2. Implementation

Generally, portions of the Portfolio will be managed by independent investment managers with full discretion subject to the objectives and constraints imposed in this Policy. The fixed income portion of the Portfolio may be managed by investment advisors and/or laddered by maturity in a buy/hold strategy directed by the Investment Committee. Alternative investments may be managed by individual managers or fund of fund managers.

The investment managers shall be reviewed at least annually by the Investment Committee or its delegated consultant as requested by the Investment Committee to review their Portfolio holdings, transactions and investment performance. Securities will, whenever possible, be held in a custodial arrangement with an independent custodian unless there is prior approval of the Investment Committee. Monthly custodial statements shall be sent to the financial officer of the Community Foundation and will constitute the official valuation statement of the Portfolio. Each investment manager is required to submit periodic reports as determined by the Investment Committee and the staff.

Certain Community Foundation investments may be part of a co-mingled fund or limited partnership. In such cases, securities may not be held by an independent custodian. The Investment Committee should favor investment managers who operate in a manner which would allow the Community Foundation's securities to be held by an independent custodian.

3. Due Diligence for Selecting Investment Managers

In order to accomplish the goals and objectives of the Community Foundation, it is important that the Investment Committee engage qualified and competent investment professionals to manage the Portfolio. The Investment Committee will consider the following factors when selecting investment managers:

- **Performance Adherence to Stated Investment Style** - The investment manager has a clearly articulated investment strategy and demonstrated discipline.
- **Performance Against Peers** - Time-weighted actual quarterly results, over the long-term, outperform peer group median.
- **Performance relative to assumed risk** - Evaluated using statistical measures such as Sharpe Ratio, Alpha, and Standard Deviation of returns.
- **Performance of Key Decision Makers** - Same portfolio manager (or portfolio management team) for 2-3 years, at least \$75 million under management.
- **Performance of Organization on Expense Control** - Expense ratio, fees, execution, and reasonable soft-dollar arrangements.
- **Performance of Overall Organization** - Stability, absence of regulatory problems, ability to handle growth.

The Investment Committee shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in: selecting, continuing or terminating an investment manager, including assessing the investment manager's independence, including any conflicts of interest such investment manager has or may have; establishing the scope and terms of the delegation, including the payment of compensation, consistent with the purposes of the Community Foundation and the Portfolio; and monitoring the investment manager's performance and compliance with the scope and terms of the delegation. In performing a delegated function, an agent owes a duty to the Community Foundation to exercise reasonable care, skill and caution to comply with the scope and terms of the delegation.

It shall be the Investment Committee's responsibility to interview investment managers that have at least three years experience and track record and who have demonstrated skill in their defined area of expertise. Such responsibility may be delegated to an independent consultant. Recognizing that many good firms do not subscribe to AIMR (Association for Investment Management and Research) standards, the Investment Committee should strive to select managers that are AIMR compliant and composite returns should be audited.

Each investment manager is to be given a copy of this Policy and must agree to its terms unless there is a separate written agreement approved by the Investment Committee. Each manager shall compare its returns to an index that

is appropriate to its investment style, as agreed to by the Investment Committee and the respective investment manager. The Investment Committee will use the most appropriate active and passive indices.

4. Evaluation and Termination of Investment Managers

Investment managers will be evaluated on rolling 3- and 5-year periods based on their performance against their benchmark, client service and communications, adherence to the terms of the investment policy, continuity of key professionals and ownership structure, style discipline, and spending policy requirements.

The Investment Committee should use reports and data that enable comparison of performance to the appropriate benchmarks and peer managers by style. These reports should be provided to the Investment Committee on a quarterly basis, and should be regularly reported to the Board. Should the Investment Committee so determine, it may engage the services of a consultant to provide comparative data for the Investment Committee's consideration.

Investment managers that do not meet the expectations of the Investment Committee shall be given fair notice. It is important to recognize that there may be periods of underperformance by good managers. The Investment Committee must endeavor to monitor performance issues over the rolling 3- and 5-year periods to determine if an investment manager should be terminated.

In the case of hiring a new investment manager to replace a terminated manager, or the need to add an additional investment manager, the Investment Committee, acting as a whole or members thereof acting as an *ad hoc* committee, will interview and evaluate potential new investment managers. The Investment Committee may utilize and delegate the services of an outside consultant in the search process including the interview process. Hiring a new manager will require the approval of the Investment Committee. These actions should then be communicated to the Board of Directors.

5. Implementing a Diversity Lens in our Investment Manager Selection

This initiative is targeted toward our fiduciary duty to maximize risk-adjusted returns. To that end, the Investment Committee will appoint the best possible managers while ensuring that we actively consider qualified women and people of color. In keeping with the principles described by the Association of Black Foundation Executives (ABFE), a Philanthropic Partnership for Black Communities, our measure of success is not a target number of managers or assets. We believe that hiring a diverse pool of quality investment managers is essential for achieving the goal of maximizing returns: it demonstrates a focus on finding the best investment management talent and aligns with the mission of community philanthropy by helping to build wealth in communities of color and among women.

For tracking we will adopt the following definition of minority- and/or woman-owned investment management firms as one in which ownership is greater than 50% Asian, Black, Latinx, Pacific Islander, or Alaskan Native, or female.

The Investment Committee will engage in this effort in three ways:

- A. Asking the consultant to report, at least annually, on its efforts to expand its universe of managers to include firms with diversity in ownership. Further, the consultant will regularly report upon the diversity of its own staff and diversity initiatives.
- B. When proposing managers, the consultant will provide information on the firm's diversity in both leadership (i.e. race and gender representation in senior staff) and ownership (i.e. race and gender representation in ownership) as well as its Diversity Initiatives.
- C. Each year the Investment Committee will receive a report from the consultant on the percentage of the portfolio allocated to managers that are minority and/or woman owned (as defined above).

Funds Subject to the Investment Policy:

1. Charitable Endowment Funds

The Community Foundation's endowment and quasi-endowment funds are managed with a long-term horizon using the total rate of return approach. The assets are invested in the equity, fixed income and alternative investment pools of the Community Foundation using an asset allocation of 70% equities as defined by the equity pool's strategic sector allocation, 20% fixed income as defined by the fixed income pool and 10% alternative investments as defined by the alternative investment pool.

The Board of Directors and the Investment Committee believe that this asset allocation will maintain the purchasing power and future grantmaking capability of the endowment funds over the long term.

Funds expended for grantmaking and administration are included in the Community Foundation's spending under this Policy. The level of income available for grantmaking is set at five percent (5%) of the rolling twenty-quarter average market value of the Charitable Endowment Funds. This spending policy adjusts for unusual short-term market fluctuations, thereby giving predictability to future distributions. The amount of spending policy includes interest, dividends and appreciation. If a fund does not have enough appreciation to make spending policy, only interest and dividends are available for spending.

The Community Foundation has a separate administrative fee structure for endowment funds.

The Investment Committee shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors: the duration and preservation of the Charitable Endowment Funds; the purposes of the Community Foundation and the Charitable Endowment Funds; general economic conditions; the possible effect of inflation or deflation; the expected total return from income and the appreciation of investments; other resources of the Community Foundation; where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the Charitable Endowment Funds, giving due consideration to the effect that such alternatives may have on the Community Foundation, and the investment policy of the Community Foundation. For each determination to appropriate for expenditure, the Community Foundation shall keep a contemporaneous record describing the consideration that was given by the Investment Committee to each of the factors enumerated above.

2. Charitable Investor FundSM

The Charitable Investor FundSM (the CIF) allows the Community Foundation to consider the asset allocation request of the donor, such that the investment allocation will complement the charitable purposes and expected duration of the CIF. Both income and principal may be distributed for charitable purposes. Investments are pooled with the Community Foundation's endowment portfolio. They are divided among the equity pool, the fixed income pool and the alternative investment pool in varying asset allocation tracks selected for aggressive, long-term, balanced, moderate or conservative growth.

Each allocation track includes a five percent (5%) cash position for grantmaking liquidity.

Guidelines for Other Funds:

1. Expenditure Funds

The Community Foundation will hold funds awaiting distribution or disbursement in an expenditure fund (the Expenditure Fund). Since these monies will be spent within a short period of time, the investment objective shall be to produce current income and have low expected variability of principal. The Expenditure Fund is expected to earn competitive yields or returns available in the money market or short-term fixed income market. We recognize that since the Community Foundation uses a total rate of return approach, changes in Net Asset Value (NAV) can have an adverse short-term effect on the operating budget of the Community Foundation.

This Expenditure Fund shall use institutional money market fund(s), short-term fixed income funds, and short-term U.S. Government treasury or agency securities. For the purposes of this policy, "short-term" will be defined as having a final maturity of three years or less.

The fund or funds used shall be of high average credit quality. Returns should be compared to an appropriate universe of similar funds such as the Donahue Domestic Money Market index. The staff will seek to earn competitive money market returns without exposing the Expenditure Fund to unnecessary or inappropriate risks.

No mutual fund shall hold more than 10% of its assets in any one issuer or single obligor, except obligations of the U.S. Government or any agency thereof. In addition, for any given fund, the Community Foundation's holdings shall not exceed 10% of the total assets of that fund.

2. Charitable Checking AccountSM

The Community Foundation holds certain contributions in the Charitable Checking AccountSM (the CCA) until the donor directs distribution. Since these monies are expected to be spent within a short period of time, the investment objective calls for low risk or low expected variability of principal.

This CCA shall use institutional money market fund(s), short-term fixed income funds, and short-term U.S. Government treasury or agency securities. For the purposes of this Policy, “short-term” will be defined as having a final maturity of three years or less.

The fund or funds used shall be of high average credit quality. Returns should be compared to an appropriate universe of similar funds such as the Donahue Domestic Money Market index. The staff will seek to earn competitive money market returns without exposing the CCA to unnecessary or inappropriate risks.

No mutual fund shall hold more than 10% of its assets in any one issuer or single obligor, except obligations of the U.S. Government or any agency thereof. In addition, for any given fund, the Community Foundation's holdings shall not exceed 10% of the total assets of that fund.

3. Pooled Life Income Funds

Contributions in the Community Foundation's Pooled Life Income Fund, a separate charitable trust, are pooled with other donations and invested for maximum current income and preservation of principal. Quarterly payments of income earned are made to the beneficiaries. After the lifetime of the beneficiaries, the remainder is paid to the Community Foundation for charitable purposes. The administration of this trust is not subject to NYPMIFA.

The Community Foundation pays all administrative and investment management expenses so that the entire yield is paid to the beneficiaries until the fund matures. The trustee, Bank of America, invests the Pooled Life Income Fund as follows: 70% in fixed income securities and 30% in a diversified portfolio of equities, with re-balancing to that asset allocation every quarter. A variety of common trust funds and mutual funds are utilized in the investment program.

The Investment Committee shall have oversight of the Trustee Bank's investment program and shall consider Bank of America's management in the context of the Community Foundation's policies on investment manager selection and monitoring (Sections 3 and 4 in the Investment Policy Section).

4. Charitable Gift Annuity Funds

Contributions of cash or publicly traded securities are exchanged for a lifetime stream of income guaranteed by the Community Foundation. The New York State Department of Insurance regulates charitable gift annuities including certain mandated reserve calculations and investment requirements. The Investment Committee has concluded that the annuities represent a long-term liability that should be matched with a long-term asset allocation. The asset allocation is 70% in a diversified portfolio of equities and 30% in fixed income securities. The portfolio will limit any one investment manager to 10% of the assets in the equity and fixed portfolio. The charitable gift annuity fund will take into account the present and future distribution needs to or for the beneficiaries, looking at risk, return and time horizon objectives. The Community Foundation has contracted with Bank of America Planned Giving Services for administration and investment management within the New York State regulations.



THE COMMUNITY FOUNDATION

INDEPENDENT INVESTMENT CONSULTANT MICHAEL A. MILLER, CFA



Michael Miller is a founder and the Chief Investment Officer of Crewcial Partners (formerly Colonial Consulting, LLC). Mike provides the Community Foundation with advice on asset allocation, manager selection and performance evaluation/attribution. Mike has over 34 years of experience in the consulting business, all with Crewcial Partners.

Mike holds a BS degree in Computer Science and an MA degree in Statistics, both from Columbia University. He was also awarded the Chartered Financial Analyst or CFA designation.

Crewcial Partners is a New York-based firm which focuses on providing consulting services to not-for-profit institutions. We partner with Crewcial Partners' mission to invest in the greater good by uniting inspired capital with great investors to accelerate philanthropic impact. Approximately 90% of their client assets are held by endowments or foundations. The firm was founded in 1980 and is owned by its employees. At present, Crewcial has over 120 client relationships representing approximately \$32 billion in capital. Mike has been our investment consultant since 2003.

Crewcial Partners Values: We believe in building a better world for generations to come. We want our lives and our vocations to have purpose and lasting impact as we **strive** to invest in the greater good. ***Strive, a mnemonic for Service, Trust, Resilience, Inclusion, Voice, and Empathy, encapsulates our core values and steels our daily resolve to invest in the greater good by contributing to our clients' missions.***

Crewcial Partners Mission: Invest in the greater good by uniting inspired capital with great investors.

Crewcial Partners Vision: To accelerate philanthropic impact.

Rochester Area Community Foundation

Investment Committee Members

Mark Eidlin, Chair

Senior Vice President, Wealth Management Advisor

Eidlin-Kilmer & Associates Wealth Management Group at Merrill Lynch

Mark joined Merrill in 1992, and served as the complex sales manager from 2000 through 2008. Mark holds the following designations: Certified Private Wealth Advisor® (CPWA®) from the Investments & Wealth Institute, Chartered Retirement Planning CounselorSM (CRPC®) from the College for Financial Planning, Certified 401(k) Professional (C(k)P®) awarded by The Retirement Advisor University in collaboration with UCLA Anderson School of Management Executive Education and Certified Plan Fiduciary Advisor (CPFA). Mark is a graduate of Boston University with bachelor's degrees in both economics and political science and earned his MBA from Cornell University. He is also a graduate of the National School of Commercial Lending at Southern Methodist University's Cox School of Business and has been honored as Forbes "Best in State Wealth Advisors" from 2018-2021.

Committee Members

Edward Bloom, Esq.

Partner, Harris Beach PLLC (retired)

Richard Gray

Managing Partner, Gray Locey CPA, P.C.

Marvin Hoffman, M.D.

Senior Medical Director, Excellus BlueCross/BlueShield (retired)

Michael Millard, CFM

Senior Financial Advisor, Merrill Lynch

Thomas Mucha

Managing Director and Chief Investment Officer

Pension Investments Worldwide at Eastman Kodak

Alan H. Resnick

President, Janal Capital Management LLC

Treasurer, Bausch and Lomb (retired)

David Still

Managing Director, Fishers Asset Management (retired)

Elizabeth Thorley

CEO and President, Thorley Wealth Management

Lori Van Dusen

Founder, LVW Advisors LLC



THE COMMUNITY FOUNDATION

Rochester Area Community Foundation Investment Managers – September 30, 2022

American Funds

Amplify Partners

Blue Wolf

Brown Capital

Canandaigua National Bank

Canyon

Colchester Global Investors, Inc.

Define Ventures

Dimensional Fund Advisors

Dodge & Cox

FPR Partners

Genoa Ventures

Hengistbury

Himalaya Capital

HS Management

JPMorgan Chase

Manning & Napier Advisors, Inc.

Naya

Pertento Fund

Post Advisory Group

Raymond James

Silchester

Shine Capital

Spark Capital

State Street Global Advisors

Teleios

Tompkins Financial Advisors

The Vanguard Group

Wellington Archipelago

Wellington Management

Westwood Global Investments





THE COMMUNITY FOUNDATION

Rochester Area Community Foundation Investment Performance Since Inception

Inception-to-Date Net Returns as of September 30, 2022

	Return Since Inception	Inception Date	Number of Years
RACF Domestic Equity Managers	10.0%	10/31/1990	31.9
RACF International Equity Managers	7.3%	7/31/1993	29.2
RACF Total Equity Portfolio	9.2%	10/31/1990	31.9
Equity Blended Benchmark	8.7%		
RACF Fixed Income Portfolio	4.7%	10/31/1990	31.9
Barclays Capital Aggregate	4.7%		
RACF Alternatives Portfolio	2.9%	9/30/2013	9.0
HFRI Fund of Funds	3.1%		
RACF Blended Endowment Portfolio	8.3%	10/31/1990	31.9
70% RACF Total Equity Portfolio			
20% RACF Fixed Income Portfolio			
10% RACF Alternatives Portfolio			
Endowment Blended Benchmark	7.7%		





THE COMMUNITY FOUNDATION

Investment Report as of September 30, 2022

Annualized Performance Comparisons	1 Year	3 Years	5 Years	10 Years
<i>RACF Domestic Equity Managers</i>	-17.0%	5.5%	6.9%	10.3%
<i>RACF International Equity Managers</i>	-24.7%	-1.8%	-1.8%	2.9%
RACF Total Equity Portfolio¹	-19.7 %	2.6%	3.3%	7.5%
<i>Equity Blended Index²</i>	-21.7%	3.3%	4.0%	7.9 %
RACF Fixed Income Portfolio^{1,5}	-15.1%	-2.8%	-0.6%	0.4%
<i>Fixed Income Blended Index³</i>	-16.5%	-3.5%	-0.7%	0.2%
RACF Alternatives Portfolio^{1,5}	-8.9%	2.2%	1.4%	N/A
<i>HFRI Fund of Funds⁴</i>	-6.8%	4.0%	3.1%	3.5%
RACF Blended Endowment Portfolio^{1,5} 70% RACF Total Equity Portfolio 20% RACF Fixed Income Portfolio 10% RACF Alternatives Portfolio	-17.5%	1.8%	2.6 %	5.7%
<i>Endowment Blended Index⁶</i>	-19.1%	2.2%	3.2%	5.9%

Comparative Indexes

<i>90-day Treasury Bill Index</i>	0.4%	0.6%	1.1%	0.7%
<i>Barclays Aggregate Bond Index</i>	-14.6%	-3.3%	-0.3%	0.9%
<i>Wilshire 5000 Equity Index</i>	-17.2%	8.1%	8.8%	11.5%
<i>S & P 500 Composite Index</i>	-15.5%	8.2%	9.2%	11.7%
<i>MSCI EAFE Index</i>	-25.1%	-1.8%	-0.8%	3.7%
<i>HFRI Fund of Funds Index</i>	-6.8%	4.0%	3.1%	3.5%
<i>Consumer Price Index</i>	8.7%	5.2%	4.1%	2.8%

1. Performance is net of all consulting, custody and investment manager fees, currently averaging 0.83% of market value.
2. Equity Blended Index weights as of 5/1/2018 are 45% Wilshire 5000, 10% Russell 2000, 35% MSCI EAFE and 10% MSCI Emerging Markets; as of 09/1/2011 were 52.5% Wilshire 5000, 12.5% Russell 2000, 26.25% MSCI EAFE and 8.75% MSCI Emerging Markets; as of 12/31/09 they were 55% Wilshire 5000 Index, 15% Russell 2000 and 30% MSCI EAFE Index; as of 11/1/07 they were 75% Wilshire 5000 Index and 25% MSCI EAFE Index; as of 7/1/05 they were 80% Wilshire 5000 Index and 20% MSCI EAFE Index; prior to that the weights were 85% Wilshire 5000 Index and 15% MSCI Stanley EAFE Index.
3. Fixed Income Blended Index weights as of 12/31/13 are 35% Barclays Capital Aggregate, 15% Merrill High Yield, 20% Citigroup World Govt. Bond, 15% J.P. Morgan GBI-EM Global Diversified Index and 15% Barclays US TIPS; as of 12/31/08 the Fixed Income benchmark was the Barclays Capital Aggregate; as of 7/1/06 it was the Lehman Aggregate Bond Index; prior to that it was the Lehman Govt./Corp Intermediate Bond Index.
4. Alternative Investment benchmark as of 10/1/2013 is the HFRI Fund of Funds.



5. *As of 1/1/2014, RACF Blended Endowment Portfolio consists of 70% Total Equity, 20% Total Fixed Income and 10% Total Alternative Investments. As of 10/1/2013, we were invested 70% Total Equity, 25% Total Fixed Income and 5% Total Alternative Investment returns.*
6. *Endowment Blended Index weights as of 1/1/2014 are 36.75% Wilshire 5000, 18.375% MSCI EAFE, 6.125% MSCI Emerging Markets, 8.75% Russell 2000, 7% Barclays Aggregate, 3% Merrill High Yield, 4% Citigroup World Govt. Bond, 3% J.P. Morgan GBI-EM Global Diversified Index, 3% Barclays US TIPS and 10% HFRI Fund of Funds; as of 10/1/2013 they were 36.7% Wilshire 5000, 18.375% MSCI EAFE, 6.125% MSCI Emerging Markets, 8.8% Russell 2000, 8% Barclays Aggregate, 4% Merrill High Yield, 5% Citigroup World Govt. Bond, 4% J.P. Morgan GBI-EM Global Diversified Index, 4% Barclays US TIPS and 5% HFRI Fund of Funds; as of 9/1/2011 they were 36.7% Wilshire 5000, 18.375% MSCI EAFE, 6.125% MSCI Emerging Markets, 8.8% Russell 2000 and 30% Barclays Aggregate; as of 12/31/09 they were 47.5% Wilshire 5000 Index, 22.5% MSCI EAFE Index and 30% Barclays Aggregate Bond Index; as of 11/1/07 they were 52.5% Wilshire 5000 Index, 17.5% MSCI EAFE Index and 30% Lehman Aggregate Bond Index; as of 7/1/06 they were 56% Wilshire 5000 Index, 14% MSCI EAFE Index and 30% Lehman Aggregate Bond Index; as of 7/1/05 the weights were 56% Wilshire 5000 Index, 14% MSCI EAFE Index and 30% Lehman Govt/Corp Intermediate Bond Index; prior to 7/1/05 the weights were 60% Wilshire 5000 Index, 10% MSCI EAFE Index and 30% Lehman Govt/Corp Intermediate Bond Index.*

Community IMPACT Grants

Distributed between January 1 and June 30, 2022, the following grants were made possible by unrestricted funds — also known as Forever Funds — established at the Community Foundation for broad community purposes. The names of those funds are on the last page.

ACT Rochester, \$278,000

This initiative continues its work to change the culture of problem-solving and decision-making locally by using timely, credible, and independent data. With the retirement of its longtime director, Ann Johnson, ACT's Advisory Committee will soon hire a new leader to expand the initiative and make it a premier hub for community-wide research and information analysis.

City Roots Community Land Trust, \$50,000

To help transform a recently acquired portfolio of derelict housing in Northeast Rochester into permanent and affordable community-controlled assets for future generations of Rochester families.

Climate Solutions Accelerator, \$70,000

Supporting the organization's work to build a climate-focused collective impact initiative and develop a regional climate action strategy in order to achieve the greenhouse gas emissions reduction goals of the New York State Climate Leadership and Community Protection Act.

Great Schools for All, Up to \$34,000

This organization is planning to pilot up to three economically and racially integrated magnet schools — open to students in the City of Rochester and throughout Monroe County — to take steps toward a more equitable educational system. Funding will support social media outreach and website development.

Greater Rochester Afterschool & Summer Alliance, \$195,000

This Community Foundation initiative is leading efforts to improve a fragmented and challenging out-of-school-time (OST) learning system and eliminate barriers that providers, youth, and their families face. For the second year, GRASA coordinated a single application process for local providers to apply to all OST funders for more than \$980,000 to support safe, fun, and neighborhood-based programming in 2022.

Greater Rochester Parent Leadership Training Institute, \$25,000

This intensive 21-week civics and leadership training program for parents in Monroe County focuses on parent leadership, strengthening connections among people of different backgrounds, and local public policy.

Greyston, \$25,000

To expand the Open Hiring® business model, which works with local companies to provide employment opportunities to those ready, willing, and able to work without background checks, resumes or interviews, and clears roadblocks for historically marginalized populations to gain and sustain employment.

Inclusive Recovery Fund at Rochester Area Community Foundation, Up to \$75,000

Realizing that the pandemic had a particularly devastating impact on businesses owned by people of color, this grant supports the Procurement Equity Project, which maximizes the impact of corporate and institutional spending within our region to strengthen these businesses.

Legacy Makers Wealth Initiatives, \$57,040

To support a qualitative assessment of this nonprofit, which addresses wealth disparities through education to create personal, generational, and collective wealth in the Black community. The goal for this evaluation is to provide strategies for organizational effectiveness related to structure, curriculum, and marketing in order to showcase Legacy Makers' value and impact.

NeighborGood Grants Program, \$35,000

Continues funding that has been ongoing since 1998 to support projects in City of Rochester neighborhoods through grants to resident-led associations and block clubs. West-side groups are being supported in 2022.

North Star Coalition, Up to \$100,000

This coalition of individuals, organizations, and elected officials leverages consulting and other technical assistance, particularly from the Urban Institute, Brookings Institution, and Center for Governmental Research, to ensure that Greater Rochester will spend federal and state recovery funds to overcome economic distress and provide opportunity for historically excluded residents to benefit from and contribute to economic prosperity.

ROC the Future, \$55,000

Supports this collective impact initiative that involves many partners working together to help improve academic outcomes for Rochester youth by aligning community supports from cradle to college or career.

Rochester's Child, \$30,000

In support of quality early childhood systems and programs, this Community Foundation initiative and its partners are focusing new efforts on addressing racism and structural inequity. This approach takes strength-based views of all children, respects family knowledge, and acknowledges the inherent power dynamic between school systems and families when assessing children in authentic ways.

Rochester Ecology Partners, \$20,000

To support a community-driven sustainability, environmental justice, and climate justice research study that will identify and analyze the activities of organizations in our community that are working toward a healthier, more just and sustainable environment.

Rochester Energy Efficiency and Weatherization, \$50,000

Known as RENEW, this collective impact initiative braids resources of community partners and works cooperatively to make the homes of low-to moderate-income homeowners more energy-efficient, healthier, and safer. Partners have invested more than \$6 million into 415 homes in every City of Rochester ZIP code and several suburban communities.

Trillium Health, \$75,033

Supports efforts of the COVID-19 vaccine team to conduct routine pop-up clinics at community-based organizations, businesses, public housing buildings, and apartment complexes where low-income older adults live.

Urban League of Rochester and Coordinated Care Services, Inc. (CCSI), \$160,000

This initiative leverages CCSI's development of an equity audit tool with the Urban League's INTERRUPT RACISM online platform to enhance the offerings of accessible trainings and coaching support to Rochester organizations and businesses so that their team members may thrive in diverse, inclusive, and equitable work environments.

The following **Forever Funds** provided support for the competitive grants listed. We are grateful to the donors who created these flexible funds to support the changing needs in our eight-county region — now and in the future.

Ann Connors Adler Fund
William S. Allen Fund
George and Vee Angle Community Impact Fund
Marilyn J. Aten Memorial Fund
Ben and Sylvia Atkin Fund
Bruce B. Bates Forever Fund
Alexander and Marcia Beach Fund
Albert Beer Fund
Chub and Ed Belcher Fund
Bernstein, Neivert, Weinberg Family Fund
Beverly T. Bowen Fund
Jim and Karen Boucher Fund
Joe and Helen Brown Fund
Anna R. Bundschuh Community Impact Fund
Catalysts for Change Fund
Brackett and Ruth Clark Fund
Mary W. Clark Fund
Tom and Barbara Clark Forever Fund
Tony H. and Gill R. Dechario Fund
Howard and Marjorie DeNise Fund
Discretionary Grant Endowment Fund
Ebsary Charitable Fund
Colonel William Hubbel Emerson Memorial Fund
Matthew and Ruth Fairbank Family Fund
B. M. Feinberg Fund
Helen M. Fiske Memorial Fund
Gertrude Ford Fund
Mildred and Walter Fotch Fund
Founders Fund
Marion and Harry Fulbright Fund
General Endowment Fund
Giles Family Fund
Phil and Jane Gilman Fund
Edwin R. Glossner Fund
Louis and Mildred Goldstein Fund
Virginia D. Gordon Fund
Samuel Greenberg Community Impact Fund
Jean Edgcumbe Groff Memorial Fund
John and AnneMarie Groth-Juncker Community Impact Fund
Hallowell Community Impact Fund
Glenn and Henrietta Hammond Endowment Fund
Joseph and Margaret Harris Endowment Fund
Lawrence C. Harris Fund
Marvin and Nancy Hoffman Forever Fund
Erma House Fund
Virginia V. Howard Fund
Wolcott J. and Patricia K. Humphrey Fund
Daniel A. and Mary Louise Jones Fund
Warren and Eunice Joslyn Fund
Kate and Sol Karch Fund
Clayton F. Kaul Fund
Francis H. and Olive C. Kehoe Memorial Fund
Henry H. Kingston Fund
Laurence J. Kirwan Fund
Michael and Kathleen Kirwan Fund
Alfred C. and Audrey F. Lawson Fund

David B. Lederer Fund
Sherman F. Levey Community Impact Fund
Carleton Lindsay Fund
Lowenthal Family Fund
Cricket and Frank Luellen Fund
John F. Mahon Charitable Fund
Lynny Manus Memorial Fund
Thelma March Fund
Ann and Patrick McCormick Unrestricted Endowment Fund
Marjorie McDowell Fund
Memorial & Honorarium Fund
Sam Merrill Memorial Fund
Robert A. Mertz Fund
Mabel Messinger Fund
Barbara H. and Richard P. Miller Fund
Edith and Oran Miller Fund
Paul and Louise Miller Fund
Eleanor Eisenhart Morris Fund
James S. and Ruth A. Moser Fund
Ernestine W. Murray Community Impact Fund
Dolores and Philip Neivert Fund
Marion Weston Neun Fund
Richard C. & Mary Anne Palermo Community Impact Fund
Mary Z. and Lloyd C. Patchin Fund
George and Elizabeth Peters Fund 2
Richard Pine Memorial Fund
Marion D. and Jane E. Piper Fund
Henri and Bessie Projansky Fund
Pulsifer Family Fund
Thelma Rawcliffe Fund
Frank and Norma Riedman Community Impact Fund
Nathan Robfogel Discretionary Fund
Patricia I. Robinson Fund
Bernie and Irma Rumbutis Memorial Fund
Richard and Vicki Schwartz Family Community Impact Fund
Fred and Mary Schwertz Fund
Select Fund
Dean V. Stanley Fund
Harmon V. Strong Discretionary Fund
Ann B. Swett Community Impact Fund
Drs. Krishan and Jaimala Thanik Fund
Maxine Tillotson Memorial Fund
Thomas and Beverley B. Tulloch Fund
Elizabeth Van Horn Community Impact Fund
Adelaide and Bob Weinberg Family Fund
Linda S. Weinstein Discretionary Fund
Beulah M. and Mark W. Welch Fund
Ethan and Janet Welch Fund
Clement C. Wells Fund
Marion and Ernest Whitbeck Fund
Donald L. Wood Fund
Tom and Pat Woodlock Fund
Robert and Martha Young Fund

Make a difference

Charitable giving is an investment and should be part of your overall financial plan. Inside, you'll find seven options to consider, and hopefully one that is right for you.

How can I do it?

You've probably written a check or made an online donation to support causes and organizations that you are passionate about. Establishing a fund at the Community Foundation may allow you to get an immediate tax deduction and begin making a difference right away. You can be actively involved with your giving by recommending grants yourself, or you may delegate that responsibility to the Community Foundation to address pressing community needs as they arise. It's entirely up to you.

How do I make a gift?

Your gift does not have to be cash. Assets that include stocks, bonds, life insurance, individual retirement accounts, real estate, shares in closely held businesses, and more may offer you more tax advantages than only giving cash.

"We wholeheartedly believe in the Community Foundation and are honored and blessed that our endowment will assist the needs of the elderly in our community."



Randy and Marion
Henderson

Who We Are

Generous and passionate philanthropists have created more than 1,300 funds and endowments at Rochester Area Community Foundation to meet the current and changing needs of greater Rochester's eight-county region. Thanks to our donors, the Community Foundation has awarded more than \$479 million in grants and scholarships since our founding in 1972.

We believe it's important to
Give where you LiveSM.

For More Information

Philanthropic Engagement
Department

585.271.4100
Giving@racf.org



THE
COMMUNITY
FOUNDATION

500 East Avenue, Rochester, NY
585.271.4100 • www.racf.org



THE
COMMUNITY
FOUNDATION

Current Giving Options



Funds at a Glance

Our different types of funds offer you a choice between permanence and flexibility. Each of these is potentially a tax-advantaged, low-cost alternative to a private foundation. Most importantly, donors are able to access the grantmaking, fiduciary, and community expertise of our experienced professional staff.

	TYPE OF FUND	DESCRIPTION	BENEFITS TO DONORS	MINIMUM
CHANGING COMMUNITY	Forever (Unrestricted)	A flexible, future-oriented endowed fund established to meet a broad range of local needs today and tomorrow. Grants address pressing issues as they arise, support innovative ideas and programs, and strengthen nonprofit organizations.	Supports changing community needs in a name of the donor's choosing. The Community Foundation handles the grant research, administration, and distribution on the donor's behalf.	\$25,000
FAVORITE CAUSES	Field of Interest	An endowed fund to benefit causes important to the donor. The Community Foundation accepts proposals from nonprofits and recommends grants.	Matches grantmaking with donor interests. Allows flexibility to provide grants for new organizations and programs in the future.	\$25,000
	Scholarship	An endowed fund that provides scholarships to students. A committee recommends grants.	Allows donors to recognize outstanding students or those studying in a particular field. It is also an excellent vehicle for honoring or memorializing someone.	\$50,000
SPECIFIC CHARITIES	Donor-Advised or Charitable Investor FundSM	A fund established by a donor to support his or her charitable interests over time. The donor recommends grants.	Attractive alternative to private foundation. Offers flexibility, actively involves donors and successors in grantmaking, and can fund a legacy gift. Our Charitable Investor option allows you to choose your investment mix and spend both principal and income.	\$25,000 (DAF) \$50,000 (CIF)
	Designated	An endowed fund established by a donor to benefit one or more specified charities. The charities receive annual grants.	Endows annual giving, provides professionally managed support for smaller organizations, and will always support the cause even if an organization closes its doors.	\$25,000
	Organization	A fund established by a nonprofit to create an endowment. The nonprofit may receive an annual grant or reinvest income.	Organizations can create an endowment fund with professional management and low fees. Assistance is provided for planned giving and endowment building.	\$50,000
	Charitable Checking AccountSM	A fund that offers convenient current giving. The donor recommends grants. Fund principal is guaranteed.	Allows donors to make contributions to the fund as needed, then request grants to nonprofit organizations of their choosing.	\$10,000

Create your legacy

Charitable planned giving is an investment and should be part of your overall financial plan. Inside, you'll find eight options to consider, and hopefully one that is right for you.

Can I afford to do it?

Yes, you can. Planned giving allows you to support causes and organizations that you are passionate about, and it doesn't take millions of dollars. A small percentage of your estate — as little as five percent — would make a real difference in our community. You can give to an established charity, create a Forever Fund at the Community Foundation to help solve pressing community issues that are important to you, or contribute to our General Endowment Fund, which supports our community forever.

How do I create a planned gift?

Your gift does not have to be cash. Assets that include stocks, bonds, life insurance, IRA proceeds, real estate, shares in closely held businesses, and more may offer you more tax advantages than only giving cash.



"We are leaving a legacy gift to the Community Foundation because we believe in what the Foundation does and how it will help make a better community for everyone in the future."

Karl Wessendorf and
Nannette Nocon

Who We Are

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For More Information

**Philanthropic Engagement
Department**

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Giving@racf.org



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Planned Giving Options



Planned Giving at a Glance

Our different planned giving vehicles offer you ways to remember worthy causes while offering a range of benefits such as providing for your loved ones, creating current income, or possibly reducing taxes. Any may be used to create or add to a fund at the Community Foundation.¹

	TYPE OF GIFT	DESCRIPTION	BENEFITS TO DONORS	MINIMUM
SPECIFIC CHARITIES	Bequest	A gift made through a will.	Simple to establish and typically requires an attorney to create. Sample language at racf.org/bequest .	Any amount ¹
	Charitable Lead Trust Annuity (CLAT) fixed amount or Unitrust (CLUT) fixed percent	A trust that pays annual income to the Foundation and leaves the heirs a “remainder” after death.	Provides current income to a charity. Remainder passes to named beneficiaries after the donor’s death. Established with trustee of choice. ²	\$100,000
	Insurance	A gift of a new or existing insurance policy (subject to the Community Foundation’s life insurance acceptance policy). The Foundation becomes the owner and beneficiary.	May provide an immediate tax deduction if there is cash value. Allows a larger gift with smaller cost.	Any amount ¹
	Individual Retirement Account	A gift through your required minimum distribution ³ or through IRA proceeds after death.	May provide a charitable deduction for the estate.	Any amount ¹
	Life Estate	A gift of a house or farm to the Foundation that allows donors to continue living there for the rest of their lives.	May provide an immediate partial tax deduction and remove a high-value asset from the estate.	\$200,000 ⁴
CREATE CURRENT INCOME AND BENEFIT CHARITIES, INTERESTS, OR COMMUNITY	Charitable Gift Annuity	An annuity contract that pays one or two people (who must be 55 or older) a fixed annual income for the rest of their lives. After death, the remainder value is a charitable gift to the Foundation.	Provides current income and a possible partial tax deduction. Payments are made quarterly and are a fixed percentage based on the donor’s age when established. Income is partially tax free.	\$10,000 ¹
	Pooled Income Fund	A pool of funds that donors may invest in. Each donor receives a variable annual income based on their relative share of the pool. After death, the remainder value creates a charitable gift to the Foundation.	Provides current income and a possible partial tax deduction. Payments are made quarterly and are a varying percentage based on the market performance of the pool’s investments. Income is taxable.	\$10,000 ¹ (may be added to later in increments of \$1,000 or more)
	Charitable Remainder Trust Annuity (CRAT) fixed amount or Unitrust (CRUT) fixed percent	A trust that pays annual income to the donor and leaves a charitable “remainder” to the Foundation after death.	May provide a partial tax deduction. Removes an asset from the estate and provides current income. Established with trustee of choice. ² Income is tax-advantaged.	\$100,000 ¹

March 2020

¹ A minimum remainder of \$25,000 is required to create a separate, named fund.² The Community Foundation cannot act as trustee, but can be the recipient of a trust.³ Even under the SECURE Act, donors 70½ or older may direct up to \$100,000 each year from their IRAs to the Foundation through Qualified Charitable Distributions.⁴ Real estate must have a minimum value of \$50,000, and the gift must be reviewed and approved by our board of directors.

All invested funds may gain or lose value.