Giving FAQ

Thank you for your interest in making a charitable contribution to the Racine Community Foundation. This document answers questions many donors have when first considering the possibility of donating. We invite you to contact us anytime to continue the conversation.

Ways to Give
You can use a wide range of assets to establish your fund. RCF has the ability to process the most complex gifts. We accept a wide variety of gifts including (but not limited to) cash, stocks, securities, estate gifts, mutual funds, distributions from IRAs or other retirement plan assets, real estate and life insurance policies.

Benefits of Giving
First and foremost, the Racine Community Foundation strives to assist you in developing a way of giving that creates a legacy of long-term support for your charitable interests. As a public charity, the Foundation is also able to offer superior tax benefits over private foundations. Additionally, more complex gifts can be developed to further maximize your tax situation.

Tax Benefits
Donors are eligible for a tax deduction in the year the gift is made, to the full extent allowed by law. The type of gift determines the tax benefits that accompany it.

In many instances, a donor may deduct a larger gift (as a percentage of the donor's adjusted gross income) when contributing to a community foundation, compared to contributing to a private foundation.

When cash gifts or gifts of long-term appreciated assets are made to the Racine Community Foundation, they may be carried forward for five years if the amount donated exceeds the amount allowed by law in the first year.

Establishing a Fund
In just three simple steps, you can put a very powerful charitable giving tool to work for you. In order to set up a fund, we will work with you to define your charitable purpose, choose the type of fund you would like to establish, and create a fund agreement.
Define Your Charitable Purpose
You can choose to support one or more of your favorite charities or organizations working toward a specific cause. After you help us understand what you'd like to support, we can recommend a fund type that will best allow you to do that. The Racine Community Foundation primarily supports organizations that provide services in the following categories:

- Arts and Culture
- Community Development
- Education
- Healthcare
- Environment
- Human Services

Choose the Type of Fund You Would Like to Establish
The Racine Community Foundation offers flexible options through seven different fund types, allowing you to reach your charitable goals and participate at a level that is right for you.

*Acorn Fund - investing in the community*
This fund is for individuals who are interested in permanent community philanthropy but do not have the desire to create a fund immediately. This fund is built over time with tax-deductible contributions of as little as $50 per month, or $600 per year. Earnings are reinvested into the fund, enhancing its tax-free growth. Upon reaching a predetermined funding level of $5,000, $10,000 or $20,000, the Acorn Seed Fund converts into a grant-making fund. Taking small steps enables you to create a fund that will make a difference for generations to come.

*Administrative Fund - investing in the foundation*
This fund provides fiscal support for the ongoing operation and administration of the Racine Community Foundation. By providing an additional source of revenue to fund the needs of the
Foundation, Administrative Funds keep administrative fees exceptionally low for all fund holders. A minimum of $10,000 is required to establish an Administrative Fund.

*Designated Fund - sustaining and building organizations you care about*
This fund ensures long-term annual support for one or more tax-exempt nonprofit organizations. The charity or charities an individual wishes to support are determined when the fund is established. Those organizations then receive an annual grant indefinitely. A minimum of $10,000 is required to establish a Designated Fund.

*Donor Advised Fund - personalized giving*
This fund helps donors or their designees play an active role in charitable giving. While the Foundation retains final discretion regarding distributions, donors can recommend gifts to their favorite charities. A minimum of $10,000 is required to establish a Donor Advised Fund.

*Field of Interest Fund - aligning your values with high-impact opportunities*
This fund gives donors the opportunity to provide long-term support to broad areas of interest such as arts and culture, community development, education, environment, healthcare and human services. The Foundation uses these funds to make grants within these fields of interest. A minimum of $10,000 is required to establish a Field of Interest Fund.

*Named Fund - providing flexibility to meet changing community needs*
Named funds are unrestricted in their use and are a source of funding for Foundation grants. These are the most flexible funds and also the most responsive to changing community needs. A minimum of $5,000 is required to establish a Named Fund.

*Scholarships - investing in students' potential*
By establishing a Scholarship Fund, you can help students achieve their educational goals. Donors establish the basic criteria for scholarships while the Foundation administers the funds. A minimum of $20,000 is needed to establish a scholarship.

**Create a Fund Agreement**
We will work with you to create a Fund Agreement which names your fund and outlines its charitable purpose. Your fund is established once the Racine Community Foundation receives the agreed-upon payment to begin to build your fund, or the entire gift to fully establish your fund. For the types of gifts that are acceptable to establish your fund, see Ways to Give.

Once your fund has been established, the Racine Community Foundation manages all of the related tax, legal and administrative tasks. Our Board of Directors supervises each fund, and our
investment experts work to invest the fund for growth. We are committed to ensuring your fund will impact the community in the way that you intended, for generations to come.