

Philanthropy & You: A Comparative Guide



Philanthropy is a world with different places and routes to get there. It is a journey of empowerment, impact, and personal fulfillment.

In this guide, we delve into the diverse landscape of philanthropy, exploring various avenues through which your generosity can flow and flourish.

PHILANTHROPY

The desire to promote the welfare of others, expressed especially by the generous monetary donation to good causes in broader efforts toward social well-being, encompassing time, effort, and financial resources to create meaningful and lasting changes in communities and societies.

Paths to Philanthropy



GIVE FOR GOOD

Contribute to our foundational efforts in tackling the most critical needs and opportunities within our community. Your support fuels our collective impact.



CONTRIBUTE TO AN ESTABLISHED FUND

Donate to one of our existing funds for a specific initiative. Whether supporting education, healthcare, animals, or other vital areas, you make a real difference.



CREATE YOUR OWN FUND

Start a personalized fund to direct your giving toward the causes and organizations that resonate deeply with you.



PLAN FOR THE FUTURE

You can establish a legacy that reflects your deepest values by including a gift in your will or estate plan. It's a powerful way to extend your care and support for the community.

Working With Us

The San Angelo Area Foundation offers expertise in managing endowments and planned giving and we are here to support you in long-term philanthropic planning.

Whether it's legacy giving, succession planning, or ensuring sustained community impact, our team is committed to honoring and preserving your philanthropic legacy.



The Process

1 INITIAL CONSULTATION AND GOAL ALIGNMENT

Our partnership begins with a conversation. We take the time to understand your philanthropic aspirations, interests, and what you hope to achieve.

2 EXPLORE OPTIONS

Based on your objectives, we explore various giving options and strategies. Our team provides insights and advice on the best approaches to fulfill your philanthropic goals.

3 FUND ESTABLISHMENT AND MANAGEMENT

Once your philanthropic strategy is defined, we help set up the appropriate fund either as an endowment fund where giving lasts into perpetuity or as a quasi-endowed fund, permitting grants from the gift principal and allowing your gift to end in a shorter defined period.

4 ONGOING ENGAGEMENT AND TRANSPARENCY

Transparency and accountability are key to our partnership. We provide regular updates and reports on your fund's performance and impact to remain in line with your evolving vision.

5 COLLABORATIVE COMMUNITY IMPACT

We offer opportunities to participate in broader community projects and events that deepen your understanding and connection to the causes you care about.

6 REVIEW AND ADAPTATION

Philanthropy is dynamic, and so are our services. We continually review and adapt our strategies to ensure your impact is maximized, even in changing circumstances.

Types of Funds

Familiarize yourself with various planned giving vehicles. Endowments offer a lasting legacy with ongoing impact, while other planned giving options like trusts or bequests provide different benefits and flexibilities. Contributions to these funds are invested, growing the fund assets.



COMMUNITY FUND

ABOUT

These are versatile funds that empower a Foundation to address current and evolving community needs effectively. These funds are not restricted to any specific cause or organization, allowing the Foundation the flexibility to allocate resources where they are most needed.

HOW IT WORKS

- The donor makes an unrestricted gift to SAAF
- SAAF establishes a fund and manages the administrative details
- SAAF determines areas of the community that can most benefit from grants of the fund
- The donor receives a tax benefit in that year



FIELD OF INTEREST FUND

ABOUT

By establishing this type of fund, you can focus your support on defined areas or causes. These funds allow the Foundation to award grants within your chosen sphere, ensuring that your philanthropic impact aligns with your personal interests and concerns.

HOW IT WORKS

- The donor establishes a fund at SAAF
- SAAF identifies the donor's interests and priorities
- SAAF manages the administrative details and identifies organizations that align with the donor's wishes and would benefit from a grant
- The donor receives a tax benefit in that year



SCHOLARSHIP FUND

ABOUT

Scholarship Funds are a meaningful way to help students achieve their academic goals. This fund can potentially bridge the gap between educational goals and financial barriers experienced by driven students.

HOW IT WORKS

- The donor establishes a fund at SAAF
- The donor expresses any specific criteria for the scholarship recipients, if any
- SAAF awards scholarships based on the criteria
- The donor receives a tax benefit in that year

DIVERSIFYING YOUR PHILANTHROPIC PORTFOLIO

Much like your financial investments, diversifying your philanthropic contributions across various organizations and causes can maximize your impact and reduce risks. By spreading your support, you help ensure that your philanthropic goals are met, even if one of your chosen organizations faces unexpected challenges or closure.



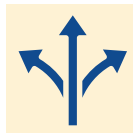
DESIGNATED FUND

ABOUT

Designated Funds allow you to provide ongoing support to your favorite entities either perpetually or for a set duration. You can select one or more organizations as beneficiaries, and the Foundation will ensure that these funds are distributed regularly to your chosen causes.

HOW IT WORKS

- The donor identifies a specific organization or project to support and establishes a fund at SAAF
- SAAF manages the administrative details and processes grants
- The donor receives a tax benefit in that year



DONOR-ADVISED FUND

ABOUT

A flexible giving vehicle offering immediate tax benefits, allowing donors to recommend grants to their chosen charities on their own schedule. The donor can be anonymous when they choose.

HOW IT WORKS

- The donor establishes a fund at SAAF but does not have to identify nonprofit beneficiaries immediately
- Donors identify which funds they want to support
- SAAF manages the administrative details and grants
- The donor receives tax benefits upon contribution



AGENCY FUNDS

ABOUT

Established by nonprofit organizations, Agency Funds provide a sustainable income stream to support their ongoing work. A nonprofit can focus more on its mission and programs by entrusting the Foundation with administrative and investment responsibilities.

HOW IT WORKS

- A nonprofit establishes a fund and specifies its fund distribution preferences
- A donor can contribute to the fund at SAAF
- SAAF manages the administrative details, invests the assets, and processes grants from the fund

CONTINGENCY PLANS

A contingency plan ensures that a donor's philanthropic goals continue to be met, even if a nonprofit dissolves. This involves outlining alternative avenues for their contributions, such as redirecting future donations to other organizations with similar missions or causes. Donors should have clear guidelines on how their funds should be reallocated or used in the event of a dissolution.



What a Fund Can Do: Aligning Donor Passion With Community Causes

With a deep desire to improve the quality of life for residents of San Angelo, a donor-advised fund was created through a gift of appreciated stock. This type of fund offers flexibility to support causes whose mission aligns with donor passions while ensuring charitable legacies provide for the future. With an initial gift of \$2 million in 2002, this fund has distributed over \$2 million in grants, has grown to \$4 million, and will continue to provide a legacy of charitable support for generations to come.



“

We are indeed thankful for the many blessings that have come our way, which make it possible for us to make this gift.

- John Mark McLaughlin

”



DONORS HAVE
WORKED WITH SAAF
TO CREATE OVER
450
CHARITABLE FUNDS



Contributing Assets

The San Angelo Area Foundation welcomes a variety of asset types to facilitate your giving and make your philanthropic journey flexible and convenient.

CASH AND CASH EQUIVALENTS

Simple and straightforward, cash donations are a popular choice for many donors. This includes checks and electronic transfers.

STOCKS AND SECURITIES

Donating stocks, bonds, and mutual funds can be an effective way to support your favorite causes.

REAL ESTATE

Contributions of residential, commercial, or undeveloped real estate can significantly impact while offering potential tax advantages.

PERSONAL PROPERTY

Gifts of valuable personal property, such as artwork, antiques, or collectibles, can also support the Foundation's work.

LIFE INSURANCE POLICIES

Naming the Foundation as a beneficiary of a life insurance policy is a unique way to create a lasting legacy.

RETIREMENT PLAN ASSETS

Donors can designate the Foundation as a beneficiary of retirement plan assets, which can be an efficient way to manage estate taxes while supporting charitable causes.

BEQUESTS

Including the Foundation in your will or estate plan is a meaningful way to leave a lasting impact in the community.



Why the San Angelo Area Foundation?



The San Angelo Area Foundation has earned The Community Foundation National Standards accreditation seal by demonstrating a strong commitment to rigorous, sector-driven best practices that exceed federal and state law requirements, resulting in accountability and excellence.

The Accreditation Seal is only achieved by those foundations that comply with 26 distinct standards of excellence. Click the logo to learn more.

Philanthropy Worksheet

Embarking on philanthropy is an impactful journey, and the San Angelo Area Foundation is here to guide you every step of the way. Understanding your motivations and goals is essential as you consider your charitable path. By answering these questions, we can craft a giving strategy that aligns with your intentions and maximizes your impact.

Identifying Your Causes

- What causes are you passionate about?
- Do you wish to support multiple causes?
- Why are these cause(s) important to you?
- Are there specific communities or organizations you aim to impact?

Expectations and Goals

- What do you expect from the organizations or causes you support?
- What achievements would you like to see from these organizations?

Giving Preferences and Boundaries

- Are there any limitations or boundaries in your giving priorities?
- How do your values and beliefs inform your philanthropy?
- What are your primary motivations for giving?

Envisioning the Impact

- How do you envision changing your community through your giving?
- What outcomes do you hope to see as a result of your contributions?

Types of Funds and Involvement

- Would you like to establish a specific type of fund (e.g., endowment, donor-advised)?
- How involved do you want to be in grantmaking decisions?

Deciding on the Nature of Your Fund

- Would you prefer an endowment (permanent fund) or a "spend down" fund?
- Are you planning to give during your lifetime, leave a legacy, or both?
- Do you wish for your fund to be permanent or spent down over a specified period?
- What is your contingency plan if the organization/cause you support dissolves?

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