



Foundation *FOCUS*

Quarterly Newsletter of District 7710

Issue 6 – December 2016

The [Association of Fundraising Professionals](#) (AFP) has recognized The Rotary Foundation with its annual Award for Outstanding Foundation.

The award honors organizations that show philanthropic commitment and leadership through financial support, innovation, encouragement of others, and involvement in public affairs. Some of the boldest names in American giving — Kellogg, Komen, and MacArthur, among others — are past honorees.

“We are honored to receive this recognition from the AFP, which gives us even more reason to celebrate during our Foundation’s centennial year,” says Rotary Foundation Trustee Chair Kalyan Banerjee. “The continued strong support of Rotary members will help us keep our promise of a polio-free world for all children and enable the Foundation to carry out its mission of advancing world understanding, goodwill, and peace. We look forward to another 100 years of Rotary members taking action to make communities better around the world.”

The announcement came on 15 November, known to industry professionals since the 1980s as National Philanthropy Day. The award will be presented in early 2017 at the AFP’s annual conference in San Francisco.

Rotary Foundation Trustee Chair-elect Paul Netzel is set to accept the award on Rotary’s behalf, and Eric Schmelling, director of fund development at Rotary, will speak at the conference. The event is expected to draw more than 3,400 senior-level fundraising professionals from 33 countries.

“While almost everyone is familiar with Rotary, not everyone may realize just how much of an impact Rotary and The Rotary Foundation have had on countless people and communities across the globe,” says Jason Lee, AFP president and CEO. “On behalf of the entire charitable sector and people around the world, all of us at AFP are honored to be able to recognize The Rotary Foundation as our 2016 Outstanding Foundation.”

AFP’s committee of judges cited Rotary’s comprehensive campaign to eradicate polio as a major driver of the selection. They also mentioned that Rotary applies a methodical, purposeful approach to support a wide variety of causes, from providing clean water to educating the next generation of peace professionals.



Advancing Ethical and Effective
Fundraising Worldwide

CHANGE THE WORLD



WITH A GIVING HEART

**National
Philanthropy Day®**

CHARITY NAVIGATOR UPGRADES ROTARY FOUNDATION'S RATING

The Rotary Foundation has received the highest possible score from [Charity Navigator](#), an independent evaluator of charities in the U.S.

In the most recent ratings, released in September, The Rotary Foundation earned the maximum 100 points for both financial health and accountability and transparency.

The ratings reflect how efficiently Charity Navigator believes the Foundation will use donations, how well it has sustained programs and services, and its level of commitment to good governance and openness.

In the previous rating, the Foundation had received 97 points.



50/50: Using Matching Points for Paul Harris Fellowships

By Barry Phillips

Due to the generosity of several fellow Rotarians we can offer you the opportunity to obtain a Paul Harris Fellowship for only a \$500 donation. Your donation will be matched with 500 "points" donated by the other Rotarians.

To take advantage of this offer, send a completed Form 123-en and a donation of \$500 either by check or credit card to the address below by April 30, 2017. Mark the form to show the donation is to go towards AF-SHARE and also indicate where you would like the recognition certificate and pin to be sent. The recipient of the Paul Harris Fellowship can be yourself or you can name another person to receive the award.

Your club Secretary or Foundation Chair should have a **Form 123-en** or you can download one by going to www.rotary.org/myRotary and follow the links to Rotary Foundation – giving.

Send the Form 123-en and the donation by April 30, 2017 to:

PDG Barry Phillips
146 Cedar Trail
Hillsborough, NC 27278

Barry will complete the paper work (Form 102-en) and send everything to The Rotary Foundation



If you get the paperwork into Barry early, this will be a wonderful way to make your donation this year and have it qualify as an offset against your 2016 taxes



You Can Help
Make Great
Things Happen
...TODAY

The Rotary Foundation

Of Rotary International

End-of-Year Suggestions for Gifts to Rotary Foundation

Five things to keep in mind as we approach the end of calendar year 2016.

By Carl Davis

As we approach the end of the calendar year, here are five things to keep in mind when seeking to use your financial resources to make our world better through our Rotary Foundation.

Calendar Year. First, remember that although Rotary does not operate on a calendar year, the IRS does. For a contribution to be tax deductible on your 2016 tax return, the gift must be made during 2016. Make your year-end gift sooner rather than later to ensure that it is received and processed in plenty of time. This is especially true if you are making a gift of stock or mailing your contribution via US mail.

3-Year Pledge. Second, something as important as our philanthropic giving really deserves to be well planned. Consider planning your giving by using a three year pledge with The Rotary Foundation. The way it works is that, over the period of the next three years, you agree to give a total of \$10,000 or more to any fund at The Rotary Foundation (Annual Fund, PolioPlus or Endowment Fund). The Rotary Foundation then enters into a pledge agreement with you that spells out your preferred planned payment schedule for making that contribution in a series of smaller gifts (each one is considered a payment on your total pledge) during the next three years. You receive full donor recognition for the total amount as soon as you make the first of your scheduled pledge payments and sign the agreement outlining your intent.

Planning your multi-year philanthropy in this way allows The Rotary Foundation to better plan our philanthropic work and allows you to reach Major Donor recognition in an easier way than may be otherwise possible.

IRA Charitable Rollover. Third, if you have an Individual Retirement Account and you are over age 70½, you may have your Required Minimum Distribution made payable directly to The Rotary Foundation, and then designate it as a qualified charitable distribution on your tax return.

You'll have satisfied your distribution requirement, and you won't have to pay income taxes on that money. Be aware that you can't also claim the qualified distribution as a charitable tax deduction—the amount is simply excluded from your taxable income. This can be especially helpful for people who do not itemize their tax returns or who are

seeking to lower the amount of their adjusted gross income. A pledge can be funded with gifts made directly from your IRA.

Appreciated Stock. Fourth, consider gifting appreciated stock. Donating long-term appreciated securities directly to charity — rather than selling the assets and donating the cash proceeds — is one of the best and easiest ways to give more. By taking advantage of the applicable tax incentives, you can significantly increase the amount of funds available for charitable giving. A charitable contribution of long-term appreciated securities — i.e. stocks, bonds and/or mutual funds that have realized significant appreciation over time — is one of the most tax-efficient of all ways to give. This method of giving has become increasingly popular in recent years because of two key advantages: First, any long-term appreciated securities with unrealized gains (meaning they were purchased over a year ago, and have a current value greater than their original cost) may be donated to The Rotary Foundation and a tax deduction taken for the *full fair market value of the securities* — up to 30% of the donor's adjusted gross income, and second, since the securities are donated rather than sold, *capital gains taxes from selling the securities no longer apply*. The more appreciation the securities have, the greater the tax savings will be.

Holiday Gift. Finally, consider making your gift to The Rotary Foundation in honor of a loved one as a holiday gift. Whether you make a pledge, a gift from an IRA, a gift of stock, or simply write a check or give online, you can make your gift in honor of a loved one. The loved one will receive a letter saying a gift has been made to The Rotary Foundation in their honor. Most of us have people on our holiday gift list for whom we do not have a good gift idea. Making the world a better place through the power of Rotary is a gift that is always appropriate.



For more information, contact:

Major Gifts Officer Carl Davis

Phone: (847) 424-5343

Email: carl.davis@rotary.org

[Nothing in this article constitutes legal, financial or tax advice. Each person is encouraged to consult his or her own legal, financial and tax professional before making any decisions about charitable giving.]

2016 YEAR-END CONTRIBUTION DEADLINES

Credit Cards:

- Via rotary.org – must be authorized by midnight on Saturday. **31 December 2016 Central Standard Time.**
- Via fax (847-328-5260), phone (866-976-8279) or mail - must be received prior to the close of business on Friday, **30 December 2016.**

Credit card contributions should not be sent to Rotary's Lockbox Addresses below; rather they should be done online at Rotary.org to ensure timely recording or fax them to 847-328-5260.

Note: For security purposes, please do not send credit card contributions electronically, rather fax them to 847-328-5260. **You can also make contributions over the phone by calling 866-976-8279 during regular business hours.**



Mail (least preferred):

Sending credit card information by mail is less secure and slower than contributing online.

Note: Contributions mailed at the end of December 2016 intended as early gifts for January 2017 will be treated as December 2016 gifts. It is best to begin mailing January 2017 gifts in the month of January.

Both the postmark on the envelope and the date written on the check must be no later than Saturday, **31 December 2016** and received by Thursday, **5 January 2017**

Wire transfers:

Must be initiated prior to Friday, **30 December 2016** and received by Wednesday, **4 January 2017.**

Securities:

Must be received in TRF's gifted securities account by Saturday, **31 December 2016.**
[Stock Transfer Instructions](#)

United States Lockbox Address:

The Rotary Foundation, 14280 Collections Center Dr., Chicago, IL 60693

Major Gifts

Major gifts will play a substantial role in achieving the \$300M comprehensive fundraising goal in this milestone Centennial year. As we approach the close of the 2016 calendar year, many potential major gift donors will review their finances and think about year-end contributions. At the same time, the Centennial will be almost half-way over, leaving only six months for our supporters to make an impact with their giving. Remember to check progress towards the comprehensive goal at

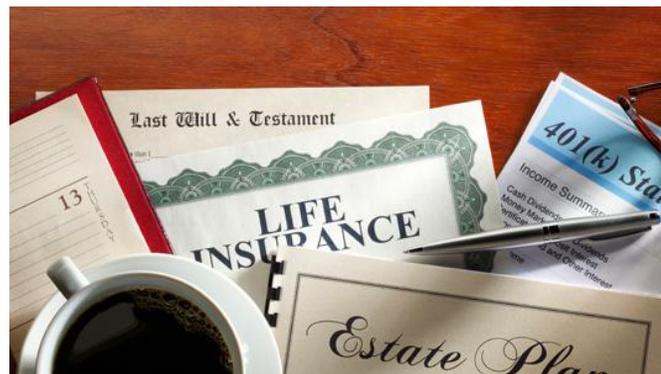
<http://centennial.rotary.org/en/fundraising-goal>.



Planned giving

How can you incorporate a gift into your financial or estate planning?

Through a planned gift, donors can provide ongoing support to Rotary programs. Donors can choose structured gifts to be made after their lifetimes, and take advantage of financial and tax benefits, which vary by country.



Giving opportunities

The most common gift structure is a provision in an estate plan. Worldwide opportunities include:

- A provision in a will including codicils
- A provision in a trust
- Insurance beneficiary designations
- Real estate and other asset transfers
- Gifts of retirement plan assets or other financial accounts

Tax Benefits

Individuals who reside in the U.S. or who benefit from U.S. tax opportunities, can structure gifts that may provide financial and tax benefits, such as:

- **Charitable Gift Annuity (CGA)** (immediate and deferred) minimum age 50. Minimum \$10,000 3% for a 50 year old to more than 7% for a person of advanced years.
- **Charitable Remainder Unit Trust (CRUT)** a trust that reverts to TRF on death and gives an annual income based on value at year-end and a tax offset on donations.
- **Charitable Remainder Annuity Trust (CRAT)**. Similar to CRUT but annual payouts are for a fixed amount.

- **Charitable Lead Trusts.(CLT)** They pay the Charitable Organization \$\$ now, and then revert back to the donor after say 15 years.
 - *Avoid the capital gains tax. Write some of the donation off against this year's taxes and turn some low dividend assets into a life time income that could be 5% or more a year. A true **Win-Win-Win situation.***
- **Pooled Income Fund.**
 The Fund was established in 1983 for donors to support The Rotary Foundation while providing the opportunity for an income stream for the lifetime of the income beneficiaries. The remainder of all gifts received by the Fund ultimately will be placed in The Rotary Foundation's Endowment Fund.
 The Fund works like a mutual fund with the commingling of all contributions. Each donor is assigned a number of units based on the fair market value on the date of the contribution. Growth in the Fund depends upon underlying asset performance and new contributions.
- **Donor Advised Fund;**
 If you own assets that have increased in value since you acquired them and you are facing a capital gains tax bill if you liquidate them for cash, here is an alternative. Consider using Rotary's Donor Advised Fund (DAF).

More information

To learn more about making a planned gift to the Foundation, contact:

Barry Phillips barryphillips1314@gmail.com

Kent Thompson kthompson134@nc.rr.com

You may also call +1-847-866-3100 or email The Rotary Foundation at planned.giving@rotary.org.

The Foundation's tax U.S. identification number is 36-3245072.

The Foundation **cannot** provide legal or financial advice. We **urge** you to consult with your legal representative or financial adviser to determine the most appropriate way for you to give.

	2014/15 Actual	2015/16 Actual	2016/17 Goals	2016/17 Year to Date*	%
Annual Fund	\$ 372,011	\$ 422,711	\$ 500,000	\$ 81,706	16%
Endowment Fund	\$ 36,050	\$ 37,510	\$ 50,000	\$ 35,120	70%
Polio Plus	\$ 48,196	\$ 63,383	\$ 75,000	\$ 24,603	33%
sub total			\$ 625,000	\$ 141,429	23%
Other (e.g. Focus area donations,)	\$ 24,100	\$ 8,425		\$ 29,460	
Total	\$ 480,357	\$ 532,029	\$ 625,000	\$ 170,889	27%