

The Flexible Foundation



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Dade Community Foundation has the ability to match the specific wishes of generous contributors with the tremendous needs of our community. Ruth Shack, the Foundation's president, explains that Dade Community Foundation is extremely flexible in conducting its charitable activities. The following specific and actual case histories explain why this flexibility is so important and how it can be put to work effectively.

The Dilemma of the Donor and the Deadline

A gentleman wished to contribute two million dollars to one of two educational institutions. The one he preferred was awaiting accreditation. If the institution did not receive accreditation, he would donate the money to the other school.

The dilemma arose when the contributor sought to obtain a charitable deduction before the end of the tax year. The decision for accreditation could take several months. The tax deadline was less than seventy-two hours away. If the contributor waited for the outcome of the accreditation, he would miss the tax deadline. If he gave the money to the second institution so he could meet the deadline, and the first school eventually received accreditation, he would be disappointed that his contribution did not go to his first choice. So, what was the solution?

Thanks to the flexibility of Dade Community Foundation and the assistance of Ms. Shack and experienced former Board of Governors member Henry H. Raattama, Jr., an "advised fund" was established within the Foundation. This donation allowed the donor to obtain his tax deduction. The Foundation invested the funds until the accreditation process was successfully completed and then provided a grant of the donor's money to the preferred institution.

Productive Partnerships with Private Foundations

Sometimes private foundations lack the resources to properly identify qualified charitable organizations. Once grants are made, private foundations are sometimes unable to monitor how funds are used. For example, a private foundation might learn of an inner-city problem it would like to help resolve, but it doesn't have the staff or expertise necessary to review the activities of the charitable organizations who are involved in addressing the problem.

What can a small private foundation do when it is eager to help but unable to identify a legitimate organization, let alone assess how the contributions are being used? It can use the comprehensive expertise of Dade Community foundation by joining in an informal partnership. The Foundation is constantly looking for partners to fund projects which it has already thoroughly scrutinized and found to be worthwhile. By creating these informal partnerships, private foundations and Dade Community Foundation are able to combine their resources and create outcomes unattainable by their individual efforts.

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To maintain their tax exempt status, private foundations must also exercise “grant expenditure responsibility” over their disbursements to other charitable organizations. Sometimes, this can be troublesome. Fortunately, private foundations can share some of this accountability by working through Dade Community Foundation. The Foundation’s diligent, expert staff monitors all grants expenditures to guarantee that funds are being properly used.

The private foundations which worked with Dade Community Foundation to address these concerns were extremely impressed. Over the years, these organizations have remained eager to work with the Foundation and pleased to participate in important and exciting projects that otherwise might never have come to their attention.

Let All Your Wishes Come True with an Advised Fund

When assisting clients with their income or estate tax planning, this firm frequently finds individuals who wish to support charities. These donors often have particular interests or issues of concern, but do not know which charities to approach to find effective programs that address their concerns.

For example, one donor was interested in providing services to children and to the elderly, but didn’t know which charities provided such assistance. To make fulfilling her wishes even more challenging, the donor wanted to use part of her assets to make gifts available during her lifetime and use part of her estate to continue funding these pursuits after her death.

How could she fulfill her wishes? Thanks to the flexibility of Dade Community Foundation, she was able to create an advised fund during her lifetime and sustain it annually with relatively small donations. The Foundation suggests charities appropriate to her areas of interest. With her approval, checks are prepared bearing the name of her advised fund and made payable to the selected charities. She then delivers the checks to the charities, adding her own personal touch.

This donor has included a charitable lead trust in her estate plan. This trust will provide an annuity to her advised fund after her death. She has appointed her daughter as her successor to make future recommendations for her advised fund.

Another client was interested in finding a charity involved in helping elementary school children who were addicted to crack. After a single phone call, the Foundation immediately began locating the appropriate charity in this area. The contributor learned the abilities and advantages of the Foundation and ultimately created a fund that carried out his charitable wishes.

Dade Community Foundation is a truly flexible resource that can assist benefactors in many ways in accomplishing their philanthropic wishes. The Foundation is an invaluable resource that makes our community a better place for everyone.