



Create a Signature Fund

A signature fund at the Hawai'i Community Foundation offers a convenient, highly-customized alternative to a private foundation.

Family members and corporate managers frequently find burdensome the numerous requirements, compliance regulations, and administrative costs of a private foundation. They want an easier way that results in more effective philanthropy.

Your HCF signature fund is simple to create and flexible enough to offer you as much hands-on involvement as you would like.

What premium services and support do I receive?



HCF senior staff will support all aspects of your signature fund. Our experienced staff becomes your dedicated philanthropic team — consulting with you on grantmaking strategies, developing your signature fund communication tools, efficiently processing and evaluating grant proposals, and serving as your professional community liaison. We can also help engage your extended family or corporate team, and assess the impact of grantees.



Brand your signature fund with your philanthropic goals. You chose the name for your signature fund to reflect your motivations and aspirations. Our staff helps create the materials and tools with your unique identity that can include individualized printed materials, website, and annual report with your distinctive logo and message.



You gain an instant network of foundation and philanthropic peers for learning, interaction, and collaboration. We provide exclusive opportunities to connect with other donors as well as philanthropic thought leaders from around the world. With offices across the state, we know firsthand the changing needs of the community — so you will too.



Your legacy will be perpetuated through grantmaking. You can focus on the parts of charitable giving that bring you the most value while we do the administrative work. With expert facilitation, consistent record keeping, and communication support, your grantmaking will chart the course for generations to come.

Create a Signature Fund *Continued*

How does it work?

STEP 1: MAKE A GIFT

You make a gift of cash or other assets to establish your HCF signature fund and maintain a minimum balance of \$1 million.

STEP 2: RECEIVE A DEDUCTION

You receive a tax deduction in the year contributions are made and may also be able to carryover contributions to future years.

STEP 3: GROW

Your funds are invested with the intention to protect the principal, generate income, and ensure capital growth.

STEP 4: SUSTAIN

HCF staff supports your signature fund with grant management services and you, or your appointed advisor, recommends grants to support local or national charitable organizations.

How much input do I have?

Your name, your grants, your legacy. It's your fund. Grantmaking can be accomplished by your recommendation or by the recommendation of advisors you have identified. It can also be managed much like a foundation with an advisory committee that engages family or friends with support provided from our staff.

With a signature fund, donors can continue to receive investment management expertise from advisors they have built relationships with while enjoying HCF's philanthropic services. The HCF investment committee and staff qualifies recommended advisors after reviewing the advisor's credentials, proposal for investments approach, and fees.

How does a signature fund compare with a private foundation?



An easier start-up since our signature fund is established by a simple agreement. There is no need to incorporate or create a trust, and that significantly reduces associated costs.



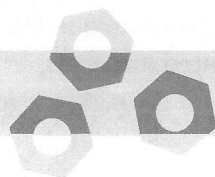
There may be significant tax advantages to a signature fund. Ask us.



You will avoid possible tax penalties given that our signature fund eliminates your burden of tax filings.



Private foundations can be converted. We will work with your tax and legal advisors to find the best solutions for you.



The Nuts & Bolts

HCF signature funds are established by a simple agreement and maintain a minimum balance of \$1 million. Your grantmaking strategy may be for perpetuity or for a specific period of time. The IRS does not require a minimum distribution, unlike a private foundation that must distribute at least 5% of net assets annually. Should you wish, names of signature fund donors can be confidential and grants can be made anonymously.

The fee for a signature fund — covering administration and support services customized for your goals — ranges from 1% to 2%*.

* Fees are subject to change without prior notice.



HAWAII COMMUNITY FOUNDATION

Amplify the Power of Giving

How do I get started?

Contact Eric La'a, Senior Development Officer, at (808) 566-5557 or elaa@hcf-hawaii.org and we will work with you to maximize the impact of your giving.

HawaiiCommunityFoundation.org



HAWAI'I COMMUNITY FOUNDATION
Amplify the Power of Giving

Do good, greater.



Comparing Funds vs. Private Foundations

As you think about your charitable giving, there are numerous ways to carry out your philanthropic wishes. Hawai'i Community Foundation can help you compare your options and make the best choice for your particular circumstances.

Whether you decide to open a fund, create your own private foundation, or convert your foundation to a fund, HCF is equipped to support your philanthropic preferences. It is important to understand the differences between a fund and a private foundation because there are legal, tax, and administrative differences that should be taken into account.

By whichever means you choose to give, our goal is to amplify the power of your giving. HCF can help you make smart and meaningful decisions that support your specific objectives and strengthen the community.

COMPARE FUNDS



HAWAI'I COMMUNITY FOUNDATION
Amplify the Power of Giving

For questions or additional information, please contact Amy Luersen,
Vice President of Community Grants & Investments, at (808) 566-5550 or aluersen@hcf-hawaii.org.
HawaiiCommunityFoundation.org

	Hawai'i Community Foundation Fund	Private Foundation
Creation	Hawai'i Community Foundation prepares a simple "Gift Instrument" to be signed by donor	A corporation or trust must be created and tax-exempt status obtained from Internal Revenue Service
Grantmaking	Donor and/or committee participation in grantmaking permitted , limitations on selection of scholarship recipients	Grantmaking done by board and/or paid staff
Charitable Deduction for Appreciated Assets	Generally full fair market value , subject to 50% Adjusted Gross Income (30% for Long-Term Capital Gain property)	Depending on type of asset , may be limited to cost basis, subject to 30% AGI (20% for LTCG property)
Fiduciary Responsibility	Hawai'i Community Foundation's Board of Governors bears fiduciary responsibility	Foundation directors or trustees bear fiduciary responsibility
Investment of Assets	Investment advisor and asset allocation options for larger funds — donor recommendations permitted	Investment in certain kinds of assets is prohibited ; management by directors or trustees
Administration	HCF staff handles all administrative requirements	Volunteer or paid staff responsible for administrative requirements
Distribution Requirement	None	Annual 5% minimum distribution requirement
Reporting Requirements	No separate reporting required , included in HCF's Form 990 and annual independent audit	Annual detailed reporting required (investments, grants, trustee fees, salaries, public Form 990-PF tax return)
Taxes	None	Up to 2% excise tax imposed on the net investment income and realized gains, in addition to other excise taxes
"Self-Dealing" Regulations	Not applicable	Self-dealing transactions are strictly regulated and are subject to excise taxes
Publicity	Donor preference — donor may remain anonymous because there is no public disclosure requirement	Certain disclosure required in tax return and annual report; Tax return is public record