

FUND TYPES

A community foundation reflects the diversity of donors' interests and passions. Donors at The Minneapolis Foundation can select from a variety of fund types to turn their charitable dreams into reality. By administering these funds, the Foundation is proud to support the generous individuals who are responding to the community needs of today and tomorrow.

SUPPORTING ORGANIZATIONS

A tax-wise and potentially less restrictive alternative to a private foundation, a Supporting Organization enables donors to hire staff and convene a board. The Minneapolis Foundation handles all administrative and grantmaking oversight, including IRS-mandated tax returns and annual audits. Supporting Organizations are individual 501(c)(3) public charities under Section 509(a)(3) of the tax code and should have assets of at least \$5 million. Although they have their own tax ID number and donations receive the maximum level of tax deductions, each Supporting Organization is covered by the umbrella of the community foundation, and its grants and activities must fulfill and support the charitable purposes of The Minneapolis Foundation.

DONOR ADVISED FUNDS

These funds enable donors to make a charitable gift, receive an immediate tax benefit, and then recommend grants from the fund over time. They are established by individuals, families, foundations, or businesses that value administrative ease and cost efficiency, but still want to be actively involved in the grantmaking process. Contributions to these funds are tax-deductible, but there are no IRS regulations about when dollars need to be distributed. Donor Advised Funds are often the right answer for: people selling a business or facing a liquidity or tax issue; individuals who require due diligence before selecting charitable recipients; donors who want to involve other family members in decision-making; and folks who wish to make their gifts anonymously.

SIGNATURE FUNDS

For individuals, families, and businesses considering a charitable foundation of \$1 million or more, Signature Funds combine the name recognition of a private foundation with the privacy, flexibility, and tax advantages of a Donor Advised Fund.

PLAY IT FORWARD FUNDS

Specially designed for professional athletes, these funds offer all the benefits of a Donor Advised Fund while also connecting donors with a community of other current and former professional athletes, corporate leaders, and philanthropists. Donors can network, discover charitable opportunities, and explore opportunities to collaborate with others to make a monumental impact in the community.

LEGACY FUNDS

These permanently endowed funds are created by living donors or through estate gifts. Donors may create their own funds or pool their resources with those of other generous donors to achieve even greater impact. Legacy Funds are invested for the long term, with annual distributions to organizations working within 12 specific areas of interest. These funds make it possible for donors to support causes close to their hearts well beyond their lifetimes.

FIELD OF INTEREST FUNDS

These funds are similar to Legacy Funds, except that donors choose one or more focal points for their giving. (These can be stated as broadly as “health” or as narrowly as “nutrition for mothers in greater Minneapolis.”) The grantmaking decisions for these endowed funds are made within defined guidelines over long periods of time by The Minneapolis Foundation, with grants supporting organizations engaged in the focus area established by the donor.

DESIGNATED BENEFICIARY FUNDS

Designated Beneficiary Funds are endowed funds established by donors to support one or more specific nonprofit organizations in perpetuity. These are commonly established through an estate plan as a way to continue providing annual financial support to the organizations a donor supported during his or her lifetime.

SCHOLARSHIP FUNDS

Often created in honor or memory of a loved one, Scholarship Funds provide financial support to deserving students. Scholarships can be established to support graduates of, or those attending, a particular school. The initial minimum funding to endow a scholarship is \$125,000.

COMMUNITY ACTION FUNDS

Over generations, donors have left gifts directly to The Minneapolis Foundation to use in addressing community needs. These endowed gifts provide resources annually to help improve the quality of life for everyone in our community. They are invested in strategies like grantmaking, advocacy, convenings and collaborations, and public awareness campaigns. Grants are awarded to nonprofits through a competitive process.

Current focus areas of these funds are:

- » Education: Putting all students on track for college and careers.
- » Civic Engagement: Enabling all communities to participate in our democracy and in public decision-making.
- » Economic Vitality: Building a competitive and inclusive workforce.

SPECIFIC PURPOSE FUNDS

These charitable funds are created by The Minneapolis Foundation to receive and distribute assets for a specific charitable purpose. Funds are typically created on behalf of groups or organizations that have not yet been designated as 501(c)(3) organizations, or for charitable projects that have a limited term. They usually receive contributions from a broad cross section of the community.

CHARITABLE REMAINDER TRUSTS

A Charitable Remainder Trust allows a donor to irrevocably transfer assets into a trust. The trust pays income to beneficiaries throughout their lifetimes. Then the remainder goes to a fund at the Foundation.

CHARITABLE LEAD TRUSTS

A Charitable Lead Trust, which a donor seeds with irrevocably transferred assets, provides for payment to a fund at the Foundation during a fixed term. Then the balance of the trust assets is distributed to one or more individual beneficiaries.

RETAINED LIFE ESTATES

As defined by federal tax law, these gifts permit the donation of a personal residence, vacation home, or farm, with the donor retaining the right to occupy it for a period of time. A life estate may be retained for one or more lives, or it may be retained for a term of years.

COMMUNITY BUILDER BEQUESTS

Community Builders have made a lasting commitment to the community, the charities, and the causes they value. These philanthropists have trusted The Minneapolis Foundation to carefully manage and distribute their charitable funds for generations.

Questions about any of these funds? Please let a Foundation Philanthropic Advisor be your guide! Contact us at 612-672-3878.

