

MARCH 10, 2017



**COMMUNITY FOUNDATION**  
OF THE NORTHERN SHENANDOAH VALLEY

# INVESTMENT GUIDE

FOR DONORS AND ADVISORS

COMMUNITY FOUNDATION OF THE NORTHERN SHENANDOAH VALLEY

P.O. BOX 2391, WINCHESTER, VA 22604

## WELCOME

Welcome to the Community Foundation of the Northern Shenandoah Valley:

On behalf of the staff and Board of Directors of CFNSV, I am delighted you are joining our community of passionate, committed donors. We look forward to assisting you in meeting your philanthropic goals.

This handbook is a guide to establishing and using your fund. It includes information about CFNSV and our endowment fund. It provides guidance for establishing a fund, donating to a fund and requesting grants from a fund. It summarizes some of our investment policies and procedures. We hope you will find it useful.

Please do not hesitate to call our Executive Director Debbie Connolly at 540-869-6776 should you ever need assistance.

We look forward to working with you.

Sincerely,

*Erik Beatley*  
President

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## ABOUT CFNSV

The Community Foundation of the Northern Shenandoah Valley is a 501(c)(3) corporation that strives to foster a healthy and vibrant community to benefit the residents of the City of Winchester, and the Counties of Clarke, Frederick and Warren. We connect philanthropic individuals and organizations with local nonprofits. We offer a vehicle for the community to provide long-term support for donors' charitable interests.

Community foundations combine the tax advantages of a public charity with the lasting quality of a private foundation. Establishing a fund within the CFNSV endowment is easy, since the legal structure is already in place. We charge no fee to establish a fund and the ongoing fees are minimal as compared to a private or family foundation. Administrative and investment responsibilities are handled by the community foundation. See Appendix B for a comparison chart for community foundations and private foundations.

Our endowment currently is comprised of 73 named funds valued at approximately \$2 million. These funds are pooled together to create a permanent resource for the community with the flexibility to respond to changing times.

Since our inception in 2001, CFNSV has returned more than \$1 million to the community in endowment payouts, grants, scholarships and pass-through funds. Our local grant programs are designed to improve community life in areas that are deemed crucial to the future competitiveness of the Northern Shenandoah Valley.

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## OUR TEAM

The Community Foundation of the Northern Shenandoah Valley relies on a team of professionals to manage our endowment. This team includes our Board of Directors, our Investment Manager, our Accountant and staff.

### BOARD OF DIRECTORS

We are currently governed by a 12-member board of directors. Board members are chosen for their leadership, experience and knowledge of their community and its charitable needs. A current board member list is included in Appendix A.

### INVESTMENT COMMITTEE

Our Finance and Investment Committee, made up of CFNSV board members, is responsible for the formulating the investment policy and advising the board on investing and associated matters. The committee oversees the investment manager and fund performance.

## INVESTMENT MANAGER

Mason Investment Advisory Services, Inc. in Reston VA, the investment management unit of the Mason Companies, manages the CFNSV endowment. Founded in 1982, it now manages \$5 billion in assets, including those of 36 community foundations. Mason's proven track record reflects the importance of allocating and diversifying assets among a variety of investment classes, coupled with a formalized rebalancing strategy. Mason formally reports to the board of directors twice a year, provides monthly reports and are always available to advise and assist the board.

## ACCOUNTANT

The accounting firm, Hottel & Willis, P.C., Certified Public Accountants, located in Winchester, Virginia, provides professional accounting services to CFNSV. They provide preparation and support services for filing our annual IRS Form 990, which provides the public with financial information about a nonprofit organization. They also serve as trusted advisors for our accounting and fund management processes.

## STAFF

Daily operations of CFNSV are managed by the Executive Director, Debbie Connolly. You can contact her at (540) 869-6776 or [director@cfnsv.org](mailto:director@cfnsv.org).

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## FUND TYPES

### DONOR ADVISED FUND

A donor advised fund provides the greatest flexibility for a donor in terms of the organizations and causes supported. You select the recipient(s) of your grants annually. As your charitable goals change, you can adjust your grants accordingly. You can also fund more than one organization, program, or goal from a single donor advised fund.

Your donor advised fund can make grants to any qualified nonprofit organization. CFNSV performs due diligence to ensure your grant recipients are legally eligible for a grant from your fund as outlined in the Due Diligence section of the Distribution/Grant portion of this guide.

CFNSV can also administer grant programs. Together we would establish the grant requirements and develop the application, review and award processes. CFNSV would then award your grant annually to the selected recipients.

Generally, donor(s), family and friends donate to a donor advised fund.

### DESIGNATED FUND

Designated funds name one or more organization(s) to benefit from the endowment fund permanently. The Community Foundation ensures that the designated recipients receive support as long as they remain in existence and continue to fulfill the intended charitable purpose.

Anyone may donate to a designated fund. The designated organization could choose to solicit donations to this fund in coordination with the Community Foundation.

## **AGENCY FUND**

Agency funds are created by nonprofit organizations to provide long-term funding for operations and programs. It's a simple and efficient way to build an endowment – and help create sustainability – for a nonprofit organization. Through diligent planning, annual distributions from agency endowed funds can eventually offset some or all of a nonprofit organization's operations expense.

We handle investment management and the administrative responsibility related to that endowment, so that your organization's staff and volunteer hours are concentrated on fulfilling your mission. Plus the Community Foundation's economies of scale provide your organization the benefits of a diverse investment portfolio and low investment fees that typically come only with very large funds.

Per IRS regulations donations can only be made by the agency who established the fund.

## **SCHOLARSHIP FUND**

A scholarship fund provides a vehicle to recognize students' achievements and help them further their education. Scholarships may only be used at educational institutions and cannot be distributed to individuals.

You may select eligibility requirements for the scholarship and designate funds for any level of education. Typically we work with educational institutions to administer the scholarships, using their normal scholarship application processes and committees. However, we can administer a separate scholarship application process if you desire.

Anyone may donate to a scholarship fund.

## **FIELD OF INTEREST FUND**

Field of interest funds allow pooling of assets in order to address an area or issue of importance to the community (for example: children, the elderly, the arts, human services, or the environment.) Once established, field of interest funds grow through gifts from others who support these same causes.

By establishing a field of interest fund, you can target your gift to address needs in an important area of community life. Our board awards grants to community organizations and programs that are making a difference in the area you select. Your gift stays flexible enough to meet community needs in your interest area – even as they change over time.

While you direct and create a field of interest fund, the maintenance is left up to us. Our staff continually monitors changing community needs so that you can be sure grants made in the name of your fund make the most impact in your field of interest and create your personal legacy of giving.

Anyone may donate to a field of interest fund. These gifts become a permanent community funding resource.

## **UNRESTRICTED FUND**

Unrestricted Funds give CFNSV maximum flexibility in responding creatively and effectively to the community's most compelling needs and opportunities. These funds are among our most important assets, capable of addressing community needs as they change over time.

When you establish an unrestricted fund, your gift can address a broad range of local needs – including future needs that cannot be anticipated at the time your gift is made. We evaluate all aspects of community well-being; arts and culture, economic development, education, environment, health and human services, neighborhood revitalization and more. The flexibility of your unrestricted gift enables us to respond to the community's most pressing needs, today and tomorrow.

Because you set no restrictions on the use of your gift, it enables our staff and board to do what they do best – assess community needs and respond by awarding grants to the nonprofit organizations that undertake our community’s most critical work. Unrestricted funds enable us to support long-term solutions; respond quickly to emergencies; and meet changing social, cultural, educational, or environmental needs in our local community.

Anyone may donate to an unrestricted fund. These gifts become a permanent community funding resource.

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## **SUCCESSION PLANS**

What happens to your fund when you are no longer able to serve as an advisor or the organization you designated for support ceases to exist or becomes ineligible for charitable funding?

Donor advised fund holders may designate a successor advisor(s) in their fund agreement. All fund holders may select a successor use for their fund, including reclassifying the fund as an unrestricted, field of interest, scholarship or designated fund.

If no succession plan is in place and the organization you select ceases to exist or changes its status or mission as a charitable organization, the Foundation’s Board of Directors may exercise its variance power, selecting an alternate use for the fund compatible with its original charitable purpose.

The Foundation is legally and ethically bound to honor the charitable intent of your fund and the instructions that you provide for its continuance.

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## **CONTRIBUTIONS**

Gifts may be added to the fund at any time and in any increments by the donor (or other donors as permitted) to assure the continuation and growth of the fund. The Community Foundation of the Northern Shenandoah Valley has exclusive legal control over the contributed assets.

### **FUND MINIMUM**

There is a \$5000 minimum to maintain an active grant-making fund at CFNSV. A new fund has five years to achieve this minimum level. If the balance falls below the minimum, the donor must replenish the fund prior to making additional grants.

### **CHECK CONTRIBUTIONS**

Checks should be made payable to CFNSV and mailed to CFNSV, P.O. Box 2391, Winchester, VA 22604. Please note the specific fund name in the memo line.

### **ONLINE AND CREDIT CARD CONTRIBUTIONS**

For all established funds except agency funds, online contributions are available through the website, [www.cfnsv.org](http://www.cfnsv.org). These payments are processed by PayPal using either a PayPal account or a credit card. Please note that transaction fees apply to online and credit card contributions.

### **OTHER GIFTS**

You may also donate other assets to the Community Foundation including stocks and real estate. These donations are particularly beneficial when these assets have appreciated in value. Gifts to the Community Foundation incur no tax and entitle the donor to a tax deduction for the full value.

Donations of assets other than cash and stock require board approval. Stock instructions are included in Appendix C.

## PASS THROUGH DONATIONS

Donors with established donor-advised funds may also request that contributions be used for a pass-through donation to a qualifying nonprofit organization. Instead of placing the donation in the endowment, pass-through donations are immediately distributed to the selected, qualified charity. Donors frequently use this option with appreciated assets. Donors must coordinate this in advance to ensure the funds are distributed appropriately.

## PLANNED GIFTS

CFNSV offers many options for planned gifts. Some of these vehicles allow you to make charitable contributions while preserving economic security for yourself and your loved ones. Planned gifts also can provide you with important tax savings and other benefits while allowing you to leave a permanent, growing legacy. Giving options vary, depending on whether you want to give now or in the future. These can include:

***Bequest:*** Naming CFNSV in your will or trust is a popular way to support the community and your charitable interests. A charitable bequest to create an endowment or add to an existing fund can designate a specific amount, a percentage of your estate or what remains after other bequests are fulfilled. Benefits can include significant estate tax savings. They are easy and revocable if circumstances change.

***Charitable remainder trust (CRT):*** Allows you or your designee/s to receive an income for the life of the trust, with the remainder passing to CFNSV to support a cause or fund/s that you've identified. Benefits can include capital gains avoidance, reduced income taxes and provisions for your spouse or heirs. CFNSV doesn't act in a trustee capacity, but we do work with donors and their chosen trustees.

***Charitable lead trust (CLT):*** The donor creates a trust to provide CFNSV with income for a specified period, with the remainder distributed to heirs or any third party. Assets expected to increase in value are commonly assigned to a CLT. This strategy benefits those who want to leave an inheritance for children or grandchildren while minimizing gift and estate taxes. CFNSV doesn't act in a trustee capacity, but we do work with donors and their chosen trustees.

***Retained life estate:*** You can deed real estate to charity, save taxes now with a current deduction and enjoy the property for the rest of your life. CFNSV can help transform your property's value into a legacy to benefit your community and meet charitable intents, while allowing you to realize financial and tax benefits. Proceeds from the eventual sale of the real estate will help leave your legacy and carry out your charitable intentions.

**Life insurance:** If your need for life insurance has decreased, transforming the policy into a gift can help you meet philanthropic goals and realize income tax savings, estate tax advantages and extend your charitable reach with a low annual cost. Transferring ownership of a cash value policy to CFNSV may allow you to receive a tax deduction based on its current value.

**Retirement plans:** If you find that the assets you've set aside for your retirement in an IRA or other qualified plan exceed your needs, you may elect to name CFNSV as the beneficiary. Retirement assets can be the ideal way to meet philanthropic goals, because they're heavily taxed if left to heirs, but tax-free if designated for charity.

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## GRANT RECOMMENDATIONS

### AVAILABLE DISTRIBUTION

The spending rate of the Community Foundation may vary, however current policy prohibits the rate to exceed four percent (4%) unless otherwise stated in the fund agreement. The exact rate will be declared annually based upon the recommendations of the Finance and Investment Committee and the approval of the board. The distribution amount is based on the rolling 20 quarter, five-year average of the market value of the portfolio. (Funds established in the past five years will use the number of quarters available.) The intent of this method for the payout calculation is to smooth out payouts over time while not detracting from portfolio performance, allowing the portfolio to grow larger in rising markets by increasing payments at a slower rate.

With our normal 4% distribution, sample averages and distributions are shown below.

Average Balance	4% Annual Distribution	Average Balance	4% Annual Distribution
\$5000	\$200	\$100,000	\$4,000
\$10,000	\$400	\$250,000	\$10,000
\$25,000	\$1000	\$500,000	\$20,000
\$50,000	\$2000	\$1,000,000	\$40,000

Please remember, however, that the primary objective of the fund is to provide support for your charitable causes in the long-term. Therefore, should the endowment experience an extended period of decreased performance, the board may vote to decrease the distribution percentage or not recommend a distribution.

### THE DISTRIBUTION PROCESS

After a thorough review of the endowment's performance, the Board of Directors votes on the distribution percentage in February. You will receive a Distribution Form in March. This form details the available distribution for each fund for the calendar year. You should return the form by the specified deadline to recommend grants or request your agency distribution. If the Distribution form is not returned, there will be no distribution from the fund unless otherwise specified in the fund agreement.



## DUE DILIGENCE

All distribution requests are reviewed and approved by the Board of Directors. As a fiduciary and public charity, CFNSV has a responsibility to ensure that the charitable purpose of all grants that we make on your behalf is met. Toward that end, our due diligence involves two steps:

- 1) We review your grant requests to verify the recommended recipient is recognized by the IRS as a tax-exempt public charity;
- 2) We review your grant to ensure it falls within our giving policies for your fund. We are dedicated to maintaining policies based on tax law that are designed to protect the integrity of your fund and its charitable purpose.

## ELIGIBLE GRANT RECIPIENTS

You **can** recommend a grant to any of the following:

- 501(c)(3) public charities, schools, municipalities, government entities and religious organizations anywhere in the United States (this includes the U.S. arm of any international organization)
- Private operating foundations (if the private foundation was not established by the advised fund holder or his/her family)
- Any other component fund of CFNSV

You **cannot** recommend a grant to any of the following:

- Non-501(c)(3) organizations
- Individuals: Grants may not be made to or for the benefit of specified individuals.
- Any entity if the purpose is not charitable
- Private foundations: Grants may not be made to private non-operating foundations.
- Personal pledges: Grants may not fulfill a donor's legally binding pledge of financial support. See the Personal Pledges section below for more information.
- Personal benefit to donor: Federal law prohibits the use of a donor advised fund grant to provide anything more than an incremental benefit to the donor. Thus, grants may not be made to fulfill the charitable or non-charitable portion of these requests.

## PERSONAL PLEDGES

Occasionally fund holders want to use their donor advised funds to fulfill an enforceable pledge made to an organization. However, the IRS does not allow donor advised funds to be used for this purpose. What constitutes an enforceable pledge? It occurs when a donor makes a financial commitment in writing to an organization. The donor is then legally responsible for fulfilling that commitment. From the perspective of the IRS, however, using a donor advised fund to satisfy that commitment results in an impermissible benefit – it's as if the donor were using the fund to satisfy a personal debt, such as paying a credit card bill or making a mortgage payment.

By ensuring that fund holders, family members of fund holders and entities controlled by fund holders do not use donor advised fund grants to satisfy their enforceable pledges, the Foundation protects you from paying IRS-imposed excise taxes. The Community Foundation could also be subject to a variety of excise taxes related to the grant.

To avoid this issue, you may set up multiyear grants from your donor advised fund payable to the organization of your choosing subject to the availability of funds. Once you have arranged this with CFNSV, we will be happy to notify the organization of the Foundation's commitment on your behalf.

## **MATERIAL AND INCIDENTAL BENEFITS**

Because donors receive charitable tax deductions for all the gifts to a donor advised fund, the IRS does not allow additional material benefits, such as free admission to grantee events, a discount at retail shops, or a table at a benefit or fundraiser for the organization. Allowable incidental benefits, however, can include coffee mugs, key chains, newsletters, snacks, etc., if the value does not exceed the IRS regulations. You are welcome to use personal funds for these items. Please consult your tax advisor regarding the deductibility of these costs.

## **ACKNOWLEDGMENTS AND ANONYMITY**

With each grant recommendation, you will choose how you and your fund are identified in the communication that accompanies the grant payment sent to the grantee organization. You can choose whether we share the fund name, your name and/or your contact information with the grant recipient.

## **PARTICIPATION IN GRANT AWARDS AND PUBLICITY**

Participating in the grant award process can be very rewarding, and we encourage you to participate in the check presentation if you desire. Check presentations provide an opportunity to visit the recipient organization and learn more about what they do. We also love to share the impact that our donors have in our community in publications, on our website and in social media. However, with each grant recommendation you can decide whether to participate and/or be acknowledged in this way.

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## **FEES**

The Community Foundation charges an administrative fee which is reviewed annually by its Board of Directors. This small fee which helps to cover the costs of our operations is currently one percent (1%) annually. The administrative fee is calculated and assessed monthly using the fund's current market value starting at the end of the first month following the establishment of the fund.

This administrative fee is in addition to the relatively low cost expenses of the fund's investment, currently .65 basis points.

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## **COMMUNICATION**

The Community Foundation of the Northern Shenandoah Valley communicates with its donors using their preferred communication channel, electronic or mail, and at the frequency the donor requests, monthly, quarterly, semi-annually or annually.

## **ACCOUNT BALANCE**

Donors receive a detailed account balance report as requested. This report provides monthly balances including fund additions, distributions, earnings, investment fees, realized and unrealized gains/losses and administrative fees.

## **ANNUAL DISTRIBUTION**

Each year in March you receive your Annual Fund Distribution Request Form. This details your recommended distribution and is your vehicle to request distributions to qualifying nonprofit organizations.

## ONLINE

The Community Foundation of the Northern Shenandoah Valley provides information about each fund it manages on its website, [www.cfnsv.org](http://www.cfnsv.org). The donor will help to determine how each fund is described and can provide a photo for the fund listing. Donors can share their listing with friends, families, co-workers or others interested in their cause.

## UPDATED CONTACT INFORMATION

CFNSV will periodically request you review your contact and fund information to ensure the accuracy of our records. We also encourage donors to update us in writing when contact information changes. These updates can be made by email to [director@cfnsv.org](mailto:director@cfnsv.org) or by mail at CFNSV, P.O. Box 2391, Winchester, VA 22604.

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## APPLICATION/FUND CREATION PROCESS

You will complete an application to begin the fund creation process. Our Executive Director will use this application to create a formal fund agreement for each fund. We will review this agreement, and when you are satisfied, you will sign two copies of the agreement(s). The signed agreement(s) will be presented to the Board of Directors, who will vote to approve the fund. The CFNSV Board President will sign the agreement and return a fully executed copy to you. You will then make a contribution to initiate the fund.



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### 2017 BOARD OF DIRECTORS

#### **ERIK BEATLEY, PRESIDENT**

Erik Beatley is president of Enterprise Hospitality Group and Allen Properties, Inc. A lifelong resident of the Winchester community, he is a graduate of the Shenandoah University School of Business and serves on the University Endowment Committee. He is an active member of the Winchester Rotary, serving a co-chair of the Winchester Rotary Coats for Kids campaign, which distributed 750 new coats to area children and youth in 2016. He is a Rotary Paul Harris Fellow and has received the Phil Sprinkle Vocational Award and the Distinguished Service Award.

#### **PETER HEERWAGEN, SECRETARY**

Secretary Peter Heerwagen is the former publisher of the Quad-State Business Journal covering parts of four states along the I-81 corridor from Chambersburg, PA to Woodstock, VA. A resident of Winchester with an MBA degree in finance, he is active with the Highland Food Pantry in Winchester and the Winchester Area Temporary Thermal Shelter (WATTS), and previously served on the board and finance committee of Habitat for Humanity of Winchester-Frederick County.

#### **KATHLEEN KANTER, TREASURER**

Treasurer Kathleen Kanter has lived in the Shenandoah Valley for 38 years and is manager of H. L. Borden Lumber and Hardware in Strasburg Virginia. She is a retired dental hygienist, who now practices in various nonprofit clinics. She is in the Strasburg Rotary Club and is serving as Assistant Governor for Area 2. She has served as bookkeeper for the Community Foundation for 5 years.

#### **DARCUS BRENNEMAN**

Darcus Breneman is a client advisor at The Winchester Group (TWG) and Winchester Wealth Management. She is the 2017 Board President of the United Way Northern Shenandoah Valley, where she has served since 2011. She has been a Rotarian since 1992 and is currently a member of the Rotary Club of Winchester. She served on the Lord Fairfax Community College Foundation Board from May 2010 to December 2016, is a member of the Valley Business Women/Top of Virginia Chamber, and attends Macedonia United Methodist Church in White Post.

## **JOHN COPENHAVER**

John Copenhaver is Professor Emeritus of Religion and Philosophy at Shenandoah University and is the Vice-Chair of the Virginia Interfaith Center for Public Policy. He is interested in social entrepreneurship, specifically alternative lending. He serves on the Board of Church and Society of Virginia Conference of the United Methodist Church, and is active with the Torch Club of Winchester, the Rotary Club of Winchester and the Valley Interfaith Council.

## **CARY CRAIG**

Cary M. Craig Jr. is an attorney with the Winchester law firm Harrison & Johnston, PLC. He is a graduate of Louisiana State University and Loyola University New Orleans, College of Law. Cary is in the United States Marine Corps Reserves and has served on the Board of Directors for the Winchester's Latest Rotary Club and Habitat for Humanity of Winchester-Frederick County.

## **BEN GLENN II**

Ben Glenn II has served the nonprofit and civil service sectors for 30 years in many roles including grantmaker, fundraiser and communications executive. He has worked for a broad range of fields including the visual and performing arts, disability services, and animal welfare. He was Manager of Communications for The Community Foundation for the National Capital Region in Washington D.C. from 2006 – 2011 and Manager of Communications and Volunteer Services at St. Luke Community Clinic in Front Royal from 2012-2016. He is currently Vice President and Program Committee Chair for the Friends of Samuels Library and a lecturer at Randolph Macon Academy.

## **NATALIE SWOPE GREENHALGH**

Natalie Swope Greenhalgh is a native of Winchester and a resident of Clarke County. She has served as a teacher in public and private schools in Virginia, California and Germany and has used her skills in networking, fundraising, grant writing and research on behalf of educational organizations.

## **DON LOUQUE, III**

Don Louque, a 16-year resident of Winchester, is currently Director of Business Development, Clutch, Inc. He is a graduate of Virginia Tech with a degree in Marketing and Communications. He is active with several nonprofits and boards and currently serves as the Vice President, Marketing for the Boy Scouts of America, Shenandoah Area Council and is assistant scoutmaster for Boy Scouts of America, Troop 45. He

is active with the Winchester Rotary where he is the former President, Current Committee Chair for Public Relations and member of the Golf Committee.

### **DOUG STANLEY**

Douglas P. “Doug” Stanley is the County Administrator for Warren County, Virginia; a post he has held since April 2000. Doug has a B.A. in Geography from Mary Washington College, a Master’s Degree in Urban and Regional Planning from Virginia Commonwealth University, and a Graduate Certificate in Public Administration from Shenandoah University. He is also a graduate of the Senior Executive Institute at the University of Virginia – Weldon Cooper Center. Doug has served many community boards including the Warren Memorial Hospital Planning Committee, Front Royal Rotary Club – Board of Directors, and Warren County Educational Endowment Board of Directors.

### **JOHN TYSON**

John H. Tyson is a retired bio-tech executive with more than 40 years of experience in medical device, pharmaceutical and biological systems development and operations. During 25 years as a member of this community he has served on numerous nonprofit boards and state advisory councils. Currently, he is an active member of the Winchester Rotary Club, serves as Secretary of the Our Health Board, and is President of the Winchester Day Preschool Board.

### **JOHN WILLINGHAM**

John Willingham is Market President at Wells Fargo in Winchester and Managing Director at Stoneridge Capital, LLC. He has served on City Council for the City of Winchester since January 2009, and is the current Council President. He serves on the finance committee of Valley Health and as chairman of the Winchester Frederick County Metropolitan Planning Organization. He graduated from Virginia Tech where he doubled majored in Accounting and Finance.

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## **DIRECTOR EMERITI**

### **MARY ANNE BIGGS**

Mary Anne Biggs is a retired educator in the city of Winchester and Clarke County. She is a community volunteer in Warren County and a fund holder in CFNSV. She is currently active with the Warren County Educational Endowment, the St. Luke Community Clinic, the administrative board of First Baptist Church, Samuels’ Public Library, and Theresa Nethers Daycare Preschool Board.

### **BYRON BRILL**

Byron Brill is a lifelong resident of the Shenandoah Valley. Byron had a private dental practice in Frederick County for 40 years, retiring this past July. Byron has been active in the nonprofit community, working with Rotary, Lord Fairfax Community College, Boy Scouts, and Belle Grove.

### **SHAREN GROMLING**

Sharen Gromling is Executive Director of Our Health, Inc. She worked for 30 years as Director of Administration and Human Resources for the City of Winchester. She is a trainer for Lord Fairfax Community College, Shenandoah University and several other organizations on nonprofit leadership, team building, ethics and strategic planning. She is active with the Winchester Rotary Club, the Shenandoah University Center for Public Service and Scholarship, the Shenandoah Apple Blossom Festival, the Winchester Area Society of Human Resource Management and the Virginia Youth Ballet.

### **WILLIAM HUEHN**

Apples brought Bill Huehn and his wife Mary to Winchester 37 years ago from western New York. Bill enjoyed a 42-year career in the agri-business and served as an Army officer.

### **KEN RICE, PAST PRESIDENT**

Past President Ken Rice is Executive Vice President/COO of H.N. Funkhouser & Co. A native of the eastern shore of Maryland, Ken received his B.A. from Randolph Macon College and MBA from Salisbury State University. He is active with the Winchester Rotary and Blue Ridge Hospice.

### **HARRY SMITH**

Harry Smith has worked in the banking industry for 39 years and currently serves as Market President for United Bank. He has served on numerous Boards, committees, councils and commissions.



## APPENDIX B

### COMPARISON OF COMMUNITY AND PRIVATE FOUNDATIONS

Points to Consider	Donor-Advised Fund at Community Foundation (CF)	Private Foundation
Legal identity	501(c)(3) and 509(a)(1) (public charity)	501(c)(3) (private charity)
Privacy	CF can protect your identity if you like	All information is public record
Annual payout requirement	None (monies can accumulate) annually	Grants must equal 5% of corpus
<b>Tax Deductions</b>		
Income tax deductions for cash gifts	Up to 50% of adjusted gross income	Up to 30% of adjusted gross income
Income tax deductions for appreciate stock gifts	Fair market value up to 30% of adjusted gross income	Fair market value up to 20% adjusted gross income
Income tax deductions for real estate and closely held stock gifts	Fair market value up to 30% of adjusted gross income	Cost basis up to 20% of adjusted gross income
Deduction carry-over Available	Five additional years	Five additional years
<b>Administrative and Grantmaking</b>		

Points to Consider	Donor-Advised Fund at Community Foundation (CF)	Private Foundation
Administration	Simple: All record keeping and accounting carried out by CF	More burdensome: requires record keeping and filing with the IRS
Grant making expertise	CF assistance to review and monitor proposals dealing with restrictions	Your professional staff, if any (can use family members). Subject to self-review and self-monitoring
Separate annual IRS tax return required	No	Yes
Control	Designated representatives may make recommendations but not control assets or grants	PF's trustees retain control of board investments, grant making and reporting
Investment flexibility	CF offers investment strategies	PF's trustees retain control of investments, but must divest closely held stock within five years
<b>Cost</b>		
Tax on investment income	None	Up to 2% annually
Start-up costs	No cost to establish	Includes legal and accounting fees, staff, insurance, office space, and miscellaneous expenses
Ongoing costs	Moderate administrative fee depends on size and whether the fund is endowed	Ongoing legal and accounting fees, staff, insurance, office space and communication

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### GIFTING SHARES OF STOCK

Thank you for considering gift shares of stock. Below are the instructions for transferring the stocks to the Community Foundation of the Northern Shenandoah Valley's account, which is administered by The Mason Companies. Please call us direct at 540-869-6776 if you have any questions.

#### FROM ANOTHER BROKERAGE ACCOUNT

To make a gift from your brokerage account to our brokerage account, send the [Stock Gift Letter](#) to your broker. Your broker will then send the requested shares to the Community Foundation of the Northern Shenandoah Valley's account to The Mason Companies via DTC (which is the technical term for electronically transferring shares of stock). Please advise us of the gift so that we may accept the shares.

#### WITH STOCK CERTIFICATES IN YOUR POSSESSION

- To make a gift using stock certificates in your possession, please print the [Stock Gift Letter B](#) and the [Stock/Bond Power](#).
- Follow the [stock gift delivery instructions](#) in transferring your stock certificates. These instructions will ensure trouble-free transferring.
- Complete the Stock/Bond Power according to the stock gift delivery instructions.
- Complete the Stock Gift Letter B and attach with the Stock/Bond Power to your shares of stock. This letter must be Signature Guaranteed, a service provided by your local bank.

*NOTE: Do not complete the back of the stock certificate. Use one stock/bond power per certificate and ship using certified or overnight delivery. Also be sure to include the Community Foundation of the Northern Shenandoah Valley's account number (931030129 ) at The Mason Companies on the face of each stock certificate.*

- Please provide the Community Foundation with a copy of both Stock Gift Letter B and the fronts and backs of all stock certificates so we may accept the shares. You can mail a copy to: CFNSV, P.O. Box 2391, Winchester, VA 22604 or e-mail copies to us at [director@cfnsv.org](mailto:director@cfnsv.org).



This letter allows you, the donor, to transfer shares of stock from your brokerage account to the TD Ameritrade account of the organization receiving your donation.

RE: \_\_\_\_\_  
\_\_\_\_\_

Dear Sir/Madam:

Please consider this letter as your authorization to deliver free \_\_\_\_\_ shares of  
\_\_\_\_\_ -to the following account:

TD Ameritrade, Inc.

Depository Trust Company (DTC) # 0188

For the Credit to TD Ameritrade Account #: \_\_\_\_\_

Account Name: \_\_\_\_\_

This is a charitable donation of the above assets. Your prompt attention to this matter is greatly appreciated.

Sincerely,

Client Name (printed): \_\_\_\_\_

Client signature: \_\_\_\_\_

## Gift Letter B

For Use of Gifts of Stock in Certificate Form  
TD Ameritrade Institutional  
5010 Wateridge Vista Drive  
San Diego, CA 92121-5775  
RE: Gift of Shares

To Whom It May Concern:

Please consider this a letter of instruction, authorizing you to deposit \_\_\_\_\_ shares/units of  
\_\_\_\_\_ (name of security),

registered in the name of \_\_\_\_\_,

represented by certificate number \_\_\_\_\_

into the account of the Community Foundation of the Northern Shenandoah Valley, TDAI  
- 931030129.

By making this gift of stock, I understand that I relinquish all rights of ownership  
in this security.

Sincerely,

SIGNATURE GUARANTEE:

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



# IRREVOCABLE STOCK/BOND POWER

(Please do not fax this form; an original is required.)

Account # 931030129

Advisor # 99G

Case # \_\_\_\_\_

For value received, the undersigned does (do) hereby sell, assign, and transfer to:

Buyer's Social Security or Taxpayer Identification No. \_\_\_\_\_

## IF STOCKS, COMPLETE THIS PORTION

\_\_\_\_\_ shares of the: \_\_\_\_\_  
(Number) (Class or Issue)

stock of: \_\_\_\_\_  
(Name of Issuer)

Represented by Certificate No(s). \_\_\_\_\_ inclusive,  
standing in the name of the undersigned on the books of said Company.

## IF BONDS, COMPLETE THIS PORTION

\_\_\_\_\_ bonds of  
(Issue and Due Date)

\_\_\_\_\_ in the principal amount  
(Name of Issuer)

of \$ \_\_\_\_\_, No(s).  
inclusive, standing in the name of the undersigned on the books of said Company.

## SIGNATURES

The undersigned does (do) hereby irrevocably constitute and appoint TD Ameritrade Clearing, Inc. attorney to transfer the said stock or bond(s), as the case may be, on the books of said Company, with full power of substitution in the premises.

Account Title: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Account Number: \_\_\_\_\_ Signature for Joint Account: \_\_\_\_\_ Date: \_\_\_\_\_

Please note that the signatures must **correspond** to the name of the holder as registered without alteration or any change.

Mailing Address:  
**TD Ameritrade Institutional**  
PO BOX 919094  
San Diego, CA 92191-9094

Overnight Address:  
**TD Ameritrade Institutional**  
5010 Wateridge Vista Drive  
San Diego, CA 92121-5775

TDAI 0310 REV. 08/14

Investment Products: Not FDIC Insured \* No Bank Guarantee \* May Lose Value

TD Ameritrade Institutional, Division of TD Ameritrade, Inc. and TD Ameritrade Clearing, Inc., members FINRA/SIPC.  
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# Mason Investment Advisory Services, Inc.

## HOW TO DELIVER SECURITIES TO YOUR ACCOUNT

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1. Each stock certificate must have a corresponding Irrevocable Stock/Bond Power to accompany it, i.e., if you have twenty-two stock certificates, you will need to sign twenty-two stock/bond powers.
2. The Stock/Bond Power must be signed exactly as the stock certificate has been issued. Examples are (a) stock certificate is issued to Robert H. Smith – stock power must be signed Robert H. Smith; (b) stock certificate is issued to Bobby Smith – stock power must be signed by Bobby Smith.
3. Do not sign or complete the stock/bond power. This form has been pre-printed assigning TD Ameritrade Institutional (which is the clearing firm for Mason Investment Advisory Services, Inc.) as attorney to transfer. (IF THIS BLANK DOES NOT REFLECT “**TD AMERITRADE INSTITUTIONAL**,” STOCK/BOND POWERS AND CERTIFICATES SHOULD BE MAILED IN TWO SEPARATE ENVELOPES)
4. Do not sign or complete the back of the stock certificate. These must be completely blank.
5. On each stock/bond power to each stock certificate, you must put the client’s account number in the upper right hand corner.
6. Staple each stock/bond power to each stock certificate. Please complete the Gift Letter B, keeping a copy for your records and sending another copy to your registered representative. Attach this form to the front of your certificates and powers.
7. We strongly recommend the stock/bond powers and certificates be sent via overnight mail, receipt signature required. This helps prevent loss/theft and ensures immediate attention. Send your stock/bond powers, Gift Letter B and stock certificates to:

Overnight:

TD Ameritrade Institutional 5010  
Wateridge Vista Dr.  
San Diego, CA 92121-5775

PO Box:

TD Ameritrade Institutional  
PO Box 919031  
San Diego, CA 92191-9031

8. Should you need additional information, please do not hesitate to contact Sandy Stranksy at Mason Investment Advisory Services, Inc., at (703) 716-6000.