

Community Foundation

FOR SOUTHEAST MICHIGAN

IPOs & CHARITABLE GIVING

A strategy to reduce your taxes on wealth created by an initial public offering and support your favorite charitable causes.

The Community Foundation for Southeast Michigan creates permanent, positive change in southeast Michigan through thoughtful philanthropy.

With generous support from thousands of donors, we are building permanent endowment for the region and helping individuals, families and businesses fulfill their charitable goals.

When you donate to the Community Foundation you will have access to our professional staff, who offer expertise in many fields including health, human services, youth, and arts and culture.

We will work with you and your professional advisors to plan gifts to make into your fund, research charities and causes that you wish to support, create family charitable mission statements, and ensure your charitable giving experience is enjoyable.

We know the issues and trends in the seven counties we support in southeast Michigan and will vet every organization — locally and nationally — that you wish to support.

DONATING PRE-IPO AND IPO STOCK

Reduce your taxes on wealth created by an initial public offering and support your favorite charitable causes.

Your donation of stock to the Community Foundation will qualify for an immediate tax deduction and you will avoid the capital gain from the appreciation.

Your gift of shares held for more than one year is deductible up to the full fair market value of the stock. This is more tax-efficient than a gift to a private foundation, which is only deductible on a cost basis.

Upon the sale of the stock by the Community Foundation, the proceeds are added to the fund you establish at the Community Foundation and your investments grow tax-free.

The Community Foundation is here to work with you. We know the needs in our communities and can help you connect your interests with causes and charities that are important to you.

DONOR ADVISED FUNDS

A Community Foundation for Southeast Michigan Donor Advised Fund provides a way for you to support the charities you care about now and in the future.

Your gift to a Donor Advised Fund of appreciated stock held for more than one year will qualify for an immediate tax deduction up to the full fair market value on the day of the gift.

A Donor Advised Fund can be established in several hours.

The Fund is invested in various investment strategies and grows tax-free.

Grants from your Donor Advised Fund can be recommended online anytime to public charities in southeast Michigan and throughout the United States.

There are no transaction fees to establish or make contributions to your Donor Advised Fund, to recommend a change in investments, or to request grant distributions to charities from your Fund.

Fees are based on the asset value of the Fund and are deducted from the Fund.

For Funds over \$1 million in value, fees and investment programs can be negotiated.

Community Foundation and staff are always available to assist you during the process to set up a Fund and to provide ongoing personalized help to maximize your charitable interests.

Consider the timing and events related to the gift of IPO stock.

You can donate pre-IPO stock with fewer restrictions; donating your IPO stock during or after the lock-up period will be subject to restrictions on transfer.

If you are a 10 percent shareholder, a director, or "an affiliate" for tax purposes, your gift of IPO stock will require additional steps in the giving process.

Every individual tax situation is unique. Meet with your professional advisors to maximize this charitable giving strategy.

To contact the Community Foundation for Southeast Michigan, call 313-961-6675, ext.104 or 101, or email pservices@cfsem.org

For a complete description of Community Foundation Donor Advised Funds, visit CFSEM.org/DAF or call. This information is general in nature and is not meant to be legal or tax advice.