

Create a Signature Fund

A signature fund at the Hawai'i Community Foundation (HCF) 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 to distribute money 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.

Receive premium services and support:

» **HCF 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 that grantees are creating.

» **Brand your signature fund with your philanthropic goals.** You choose the name of your signature fund based on your motivations and aspirations. Our staff will help create materials and tools with your unique identity, including individualized printed materials, a website, and an annual report with your distinctive logo and message.

» **You'll 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 with 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 handle the administrative work. With expert facilitation, consistent record keeping, and communications support, your grantmaking will chart the course for generations to come.

How does it work?

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.



2. RECEIVE A DEDUCTION

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

3. GROW

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

4. SUSTAIN

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



How much input do I have?

Your name, your grants, your legacy: this is your fund. Grantmaking can be accomplished through your recommendation or with 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, their proposed approach for investments, and their fees.

How does a signature fund compare with a private foundation?

- You'll experience an easier start-up since our signature fund is established by a simple agreement. There is no need to incorporate or create a trust, which 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 and 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 private foundations, which must distribute at least 5 percent of net assets annually. Should you wish, the names of signature fund donors can be confidential, and grants can be made anonymously.

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

* Fees are subject to change without prior notice.

How do I get started?

For additional information and to maximize the impact of your giving, contact us at **(808) 566-5560** or **donorservices@hcf-hawaii.org**. A philanthropic advisor can help you make the most of your philanthropic plans.

