

THE FUND *ADVISOR*

The Southeast Virginia Community Foundation

FALL/WINTER 2018

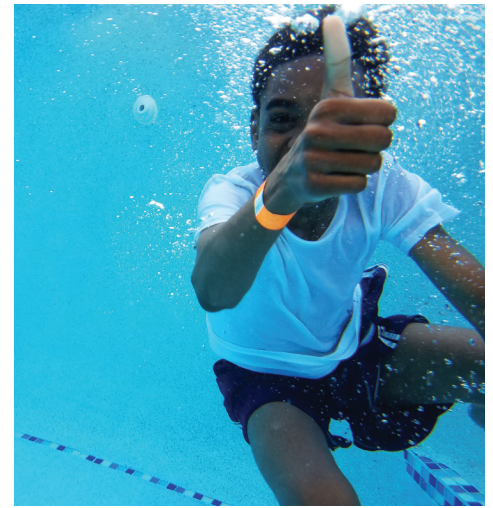


SEVACF IS FORMING IMPACTFUL PARTNERSHIPS TO EMPOWER AREA'S YOUTH

The board and staff of Southeast Virginia Community Foundation (SEVACF) are forming impactful partnerships that share a common goal to improve life in our community.

This fall, SEVACF joined with the Beazley Foundation and the Portsmouth General Hospital Foundation (PGHF) to help the Portsmouth YMCA continue its Swim Gym program. The Swim Gym provides swim lessons and gym activities to all second graders in Portsmouth Public Schools. Nearly 11,000 children have benefited from Swim Gym to date. "It's a worthy program for the youth in any community, especially ours with the amount of accessible water in our area," says Richard Wentz, Executive Director of the Portsmouth YMCA.

Swim lessons are critical because unintentional drowning is the second leading cause of death in children ages 5-14 (NCHS, 2016). For every child who perishes, another five receive emergency care for non-fatal submersion injuries (CDC, 2016). Most of the students who attend Portsmouth Public Schools are minority children who were never taught to swim. Swim Gym is a solution. It empowers children with the skills they need to survive if they become involved in a life-threatening water accident. "The program could not exist without the partnership of the Portsmouth YMCA and our local area funders (SEVACF, Beazley Foundation, and PGHF). It's also a program that we hope will be picked up by our neighboring cities," says Wentz. SEVACF is proud to align with these two great foundations and the YMCA to continue Swim Gym.



- National Center for Health Statistics (NCHS), National Vital Statistics System (2016).
- Center for Disease Control (2016). Unintentional Drowning: Get the Facts.

SUPPORT SEVACF'S *HERITAGE FUND*



SEVACF's new Heritage Fund opened in 2017 to help sustain the Foundation into the future. The Fund provides a means for friends of the Foundation to support its long-term mission by making tax-deductible contributions on an annual basis, or remembering the Foundation in their wills by way of a bequest. Gifts to the Heritage Fund will provide much needed annual operating revenue to help sustain the Foundation's continuing work of promoting philanthropy in Southeast Virginia. We invite you to join efforts! Contact info@sevacf.org or call 757-397-5424 to discuss this exciting new giving opportunity or to make your gift to the Heritage Fund today.



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OUR *AMAZING* 2018 GRANTEES

SEVACF awarded \$181,425 in grants to 48 organizations during the 2018 spring and fall grant cycles.

They supported vital services in education, health and human services, the environment, arts and culture, and civic and economic development. We'd like to thank the donors who made this possible. To give to the non-profits that participate in our bi-annual grants program, go online to <https://sevacf.org/give/donate/> and select "The Community Needs Fund". You may also call our office directly at 757-397-5424. Congratulations to our amazing 2018 grantees!

SPRING 2018:

- ACCESS PARTNERSHIP
- AMERICAN RED CROSS
- BON SECOURS MARYVIEW FOUNDATION
- CHESAPEAKE HUMANE SOCIETY
- CHESAPEAKE PUBLIC SCHOOL EDUCATIONAL FOUNDATION
- CHILDREN'S HEALTH INVESTMENT PROGRAM
- CLEVER COMMUNITIES IN ACTION
- COMMUNITIES IN SCHOOLS HAMPTON ROADS
- GOVERNOR'S SCHOOL FOR THE ARTS FOUNDATION
- HABITAT FOR HUMANITY SOUTH HAMPTON ROADS
- HEALTHY CHESAPEAKE
- HOLIDAY HOUSE OF PORTSMOUTH
- HORIZONS HAMPTON ROADS, INC.
- JUNIOR ACHIEVEMENT OF GREATER HAMPTON ROADS
- PORTSMOUTH CHRISTIAN OUTREACH MINISTRIES
- PORTSMOUTH READS
- PORTSMOUTH SCHOOLS FOUNDATION
- READING ENRICHES ALL CHILDREN
- RONALD MCDONALD HOUSE CHARITIES (NORFOLK)
- STARBASE VICTORY, INC.
- VIRGINIA SYMPHONY ORCHESTRA
- VIRGINIA MUSEUM OF CONTEMPORARY ART
- VOLUNTEER HAMPTON ROADS
- YOUTH VOLUNTEER CORPS OF HAMPTON ROADS
- YWCA SOUTH HAMPTON ROADS

FALL 2018:

- ACCESS COLLEGE FOUNDATION
- ARTS ALIVE! CHESAPEAKE
- THE BRIDGE MINISTRY
- BUFFALOW FAMILY AND FRIENDS COMMUNITY DAYS
- COMMUNITY OUTREACH COALITION
- GIRLS ON THE RUN HAMPTON ROADS
- GREAT BRIDGE BATTLEFIELD & WATERWAYS HISTORY FDN
- THE HURRAH PLAYERS
- ICE4LIFE FOUNDATION
- NEW VISION YOUTH SERVICES, INC.
- NORFOLK FRIENDS OF FOSTER CARE
- NURSING CAP, INC.
- PORTSMOUTH COMMUNITY CONCERTS
- PORTSMOUTH HUMANE SOCIETY
- RX PARTNERSHIP
- SALVATION ARMY
- ST. MARY'S HOME
- VIRGINIA STAGE COMPANY
- VIRGINIA SUPPORTIVE HOUSING
- WARR FOUNDATION
- WHRO
- YOUNG AUDIENCES ARTS FOR LEARNING VIRGINIA
- YMCA OF SOUTH HAMPTON ROADS (PORTSMOUTH)

Dear Friends,

This holiday season, we are reminded of the generosity of individuals in Southeast Virginia and across our nation. In the spirit of Thanksgiving, Americans look for ways to give back to their communities and support programs that have the greatest impact on the residents most in need.

SEVACF prides itself on making grants in any field of interest with a charitable benefit to local communities. Heartfelt donations lead to positive changes in education, health care, human and family services, arts and culture, civic and economic development, and the environment.

Community needs change as the population grows and diversifies. SEVACF's organizational structure provides flexibility to ensure seamless adjustments to those changes. We're governed by leaders with strong community ties. We build endowments to ensure grants are always available to support the community, and we re-direct funds as community needs change.

A gift to SEVACF is an investment in the future of our region. The funds go to work immediately supporting vital services, while also providing sustained support for years to come. Rather than looking towards the next election or business cycle, community foundations are always focused on the next generation.

Please join us in recognizing the collective impact and the difference we can make together. Call the Foundation to make a tax-deductible contribution by year's end.

Best wishes for a safe and joyful holiday season!

Sincerely yours,



TIMOTHY S. CULPEPPER
President, Board of Directors



R. STEPHEN BEST, SR.
Chief Executive Officer

SEVACF
SOUTHEAST VIRGINIA COMMUNITY FOUNDATION





3 CHARITABLE IDEAS TO CONSIDER BEFORE YEAR END 2018

By Stephen Korving, CFP, SEVACF Board of Directors

As you review your personal finances, including charitable giving and tax planning, here are three ideas to consider:

1. Give to a Community Foundation or a Donor Advised Fund.

Contact your local community foundation if you want your charitable giving to stay local. Their mission is to enhance the local quality of life by providing advice on capable non-profits.

To create a legacy, consider "lump giving" using a Donor Advised Fund (DAF) through a qualifying organization such as SEVACF.

Even though you can deduct the entire amount in the year you contribute, you aren't required to distribute all the DAF's funds in that year. You can spread it out over several.

The "lump" giving idea is in response to recent tax law changes that saw the near doubling of the standard deduction, which will lead many people who once itemized their charitable contributions to simply take the standard deduction. If you are looking for some additional tax benefit, you could "lump" several years' worth of philanthropy into one year so that your itemized deductions exceed the standard one, and then claim the standard in the following year(s).

2. Donate Highly Appreciated Stocks or Mutual Funds.

If you are holding onto highly appreciated stocks or mutual funds because you do not want to pay capital gains taxes, think about donating those securities directly to charity and receive double tax savings. First, you can deduct the full market value of the donation, which can reduce your taxable income. While a deduction for appreciated securities is limited to 30% of your Adjusted Gross Income (AGI), you can carry the unused portion to future tax years. Second, the donation allows you to avoid paying capital gains taxes if you had sold the stock.

If you prefer to gift mutual funds, do so before they declare their year-end dividends and capital gains and you will avoid that taxable income too. Be sure to notify the charity that you are donating appreciated securities so they know where to send the record of receipt. Your information is not passed along with the stock transfer.

3. Qualified Charitable Distribution.

Finally there is the "Qualified Charitable Distribution (QCD)," which allows persons over 70 ½ to give up to \$100,000 directly from an Individual Retirement Account (IRA). A QCD can satisfy all or part of annual required minimum distribution (RMD) and receive special tax treatment.

Typically, taking money out of an IRA is a taxable event – the withdrawal increases your AGI. However, QCDs do not count as taxable income and therefore have no effect on AGI. This is significant because AGI determines Medicare premium costs, the net investment income Medicare surtax, the taxability of Social Security income, itemized deduction phase-outs, and exemption phase-outs.

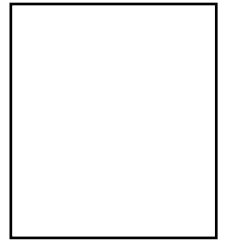
What are the rules?

- You must be over 70 ½ on the date of distribution.
- QCDs are limited to \$100,000 per person per year.
- Only distributions from a Traditional IRA, Rollover IRA or Inherited IRA (where the beneficiary is over 70 ½) are eligible. You may not make QCDs from SEP or SIMPLE IRAs, nor from any type of employer retirement plan; those types of accounts must be rolled over into a Rollover IRA before they may qualify.
- Your QCD must go to an organization designated by the IRS as a "qualified charity." This list includes all 501(c)(3) public charity organizations, but explicitly excludes donor advised funds (DAFs), private foundations and other grant-making organizations, as well as "split-interest" charitable trusts (such as charitable lead trusts or charitable remainder trusts).
- The QCD must be made directly to the charity. This is non-negotiable. The distribution will not qualify if the check is made out to you, or if the money is first transferred into a non-IRA account of yours before it goes to the qualifying charity. The IRS does not provide a way to correct mistakes. Most trustees and custodians already have forms and procedures in place to help you make these transfers; make sure you are specific with them about your intent, and that they know how to handle your request. (Checks should be made out directly in the charity's name and can be mailed to the charity's address or to you.)
- Ensure that no tax is withheld from your QCD to the charity (no withholding is necessary since this is a non-taxable distribution).
- Alert the charity that you are making a QCD to them, as some custodians may not put any information on the check or wire transfer that would personally identify you.
- Make sure you get a confirmation letter from the charity acknowledging your gift and stating that you received no goods or services in exchange for it.
- To report a QCD on your Form 1040 tax return, you generally include the full amount of the charitable distribution on the line for total IRA distributions (15a). On the line for the taxable amount (15b), enter zero if the full amount was a QCD (or calculate the taxable amount if your QCD was less than your total required minimum distribution) and write "QCD" in the blank space next to the line.

Consult with your tax advisor to learn if any of these ideas make sense for you.



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MEET THE SEVACF TEAM

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R. Stephen Best, Sr., *Chief Executive Officer*
Janice Coppa, *Director of Finance and Administration*
Stephanie Kincaid, *Donor Development Specialist*
Asha Rose, *Administrative Coordinator*

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