What is an Affiliate Fund?

Community foundations are a valuable resource for a community interested in protecting its future and enhancing the quality of life for its residents. In hundreds of communities across our country, caring leaders have come together to establish community foundations, founded on the belief that a portion of wealth created by a community should accrue to its benefit. The charitable intent is fulfilled for generations. It's lasting.

Components of The Community Foundation of Middle Tennessee, Affiliate Funds are designated to benefit a particular geographic area, be it a county, a community or a region. Each Affiliate Fund is overseen by an advisory board of local leaders who are charged with two tasks: first, educating their friends and neighbors about the wisdom of creating a "charitable savings account" to benefit the area; and second, helping make wise decisions about grant distributions when such funds become available.

HOW IT WORKS

- One or more individuals, committed to making their community a better place to live, make a gift to The Community Foundation of Middle Tennessee. The gift may be cash, publicly traded or closely held securities, bequests, planned gifts, insurance, IRAs, Remainder or Lead Trusts, real property, etc.
- The Fund is established in the name chosen — such as "Community Foundation for X County" — with this initial gift and the completion of an agreement outlining how the Fund will work.
- Once the Fund is established, anyone can give any amount at any time. The donor(s) receives tax benefits in the year the gifts are made. Additional gifts can be made at the donor's convenience.
- Grants from the Fund may only be made to qualified charitable organizations, and cannot represent payment of a personal obligation or pledge.
- In order for donor(s) to qualify for a tax deduction, The Foundation must own the Fund.
- Our professional staff handles the administrative details and assists the Affiliate leadership in realizing their charitable goals, while keeping within the policies and procedures of The Community Foundation and the IRS' rules.

FINANCIAL FACTS

- Affiliate Funds are Field-of-Interest Funds and can be established with a minimum gift of $5,000.
- They are endowed and approximately 5% of the balance of the Fund is used annually for grants.
- Funds are generally invested in a diversified portfolio designed to manage risk and ensure steady growth over time.
- In addition to an annual investment fee, all Funds will be charged an annual fee of 1.25% to support the charitable work of The Foundation.

GETTING STARTED

- Discuss an Affiliate Fund with The Community Foundation's staff and with community leaders in the geographic area to be served.
- Make a gift to The Community Foundation of Middle Tennessee and complete the Fund agreement.
- Join The Community Foundation, as together, we connect generosity with need.