THE CHICAGO COMMUNITY TRUST®

EQUITY • OPPORTUNITY • PROSPERITY

# PERPETUAL IMPACT

## ESTABLISHING AND SECURING **YOUR PHILANTHROPIC LEGACY** AT THE CHICAGO COMMUNITY TRUST

**Monica Walker**, focusing her philanthropy on providing support for education and learning to close economic and education gaps in the African American community, **with The Chicago Community Trust since 2016.**

KNOW YOUR PURPOSE

# *YOUR ESTATE*

## THE MOST POWERFUL TOOL YOU HAVE TO **CREATE A PHILANTHROPIC LEGACY** THAT MEETS YOUR GOALS

**IT'S ABOUT YOUR LEGACY.** You want your prosperity to make a difference. You want to have an impact. And you want your goals and interests to be addressed even after you're gone.

Since 1915 The Chicago Community Trust has supported thousands of individuals and families in achieving their philanthropic objectives, delivering clear guidance and expert solutions that help them leverage their generosity for the greater good.

The Trust transforms donor gifts from wills, trusts and other vehicles into grants that fulfill your intentions and enable the Trust to respond to the most pressing needs of the community.

The Trust lets you broaden your vision and expand your impact. By joining forces with other donors in a community foundation framework, your giving can become more flexible, responsive and inventive — as the following examples will demonstrate.

Working with the Trust to craft your philanthropic estate plan provides you with three significant and unique advantages:

**CONTROL** over how your gifts are disbursed for charitable impact in perpetuity

**CONFIDENCE** that a philanthropic leader with a 100+ year track record will fulfill your wishes

**LEVERAGE** that comes from joining forces with like-minded donors to tackle serious issues and critical needs

**In 2016, Monica Walker** established a scholarship fund at the Trust in memory of her longtime business partner, Lou Holland. Together, Monica and Lou founded Holland Capital Management, one of Chicago's largest minority-owned asset management firms, and Monica served as the company's CEO until 2017. The Lou Holland Scholarship Fund provides financial assistance to students from Chicago studying finance, accounting or economics at local universities—honoring Lou's legacy and Monica's commitment to supporting education and addressing the lack of African American representation in financial services.

Wanting to ensure long-term support for these causes, Monica continued her partnership with the Trust to establish The Monica Walker Equity Fund. The fund will focus on closing the economic and education gaps in the African American community by providing support for education, as well as for other resources that help position women and children in particular to achieve their greatest potential.

## WE WORK WITH **YOUR ADVISORS**

**The Trust can discuss your options with you or your team of advisors** to determine the optimal philanthropic vehicles for your financial and philanthropic goals. Our experts have helped thousands of individuals and families devise the ideal solution for their circumstances — and we are happy to do so for you too.

ESTABLISHING YOUR PHILANTHROPIC LEGACY

# KNOW YOUR OPTIONS

## **YOUR OPTIONS:** THE SOURCE OF YOUR GIFT

The philanthropic options available to your estate give you a wide range of flexibility — here's how to plan and use them wisely.

| | ADVANTAGES FOR YOU | HOW THE TRUST CAN HELP |
|---|---|---|
| **YOUR WILL OR TRUST** | **Zero initial outlay**<br><br>**Offers clarity to heirs**<br><br>**Amount to be gifted can be specified in absolute amounts or in percentages** | The Trust can help you and your advisors with:<br>• Exploring the full range of your options<br>• Making gifts<br>• Precise testamentary language<br>• Contingent bequests |
| **NAMING A BENEFICIARY OF YOUR RETIREMENT FUND OR YOUR LIFE INSURANCE POLICY** | **Naming a charitable beneficiary** for some or all of your 401(k) plan assets, your IRA, or your life insurance policies can help you create a lasting legacy<br><br>When you name the Trust as a beneficiary, you can specify how your intentions are carried out in the future through a variety of means | The Trust can help you and your advisors with distributing proceeds as desired among and between charitable organizations or vehicles, such as a field of interest or designated fund |
| **CONVERSION OF YOUR FOUNDATION** | **Ensuring your foundation's ongoing mission** is among the most compelling reasons to consider converting it into a legacy fund at the Trust<br><br>There are several other advantages to consider:<br>• Allowing future flexibility to address your foundation's mission in innovative ways<br>• Protecting generational priorities<br>• Calibrating the spend rate | The Trust has converted dozens of private foundations into family legacy funds that preserve or extend the intentions of the primary donors |

ESTABLISHING YOUR PHILANTHROPIC LEGACY

# KNOW YOUR OPTIONS

## **YOUR OPTIONS:** THE ULTIMATE RESULT OF YOUR GIFT

| | ADVANTAGES FOR YOU | HOW THE TRUST HELPS YOU |
|---|---|---|
| **DISCRETIONARY FUND** | Offers support for the most pressing needs | See Case Study on **page 6** |
| **FIELD OF INTEREST FUND** | Narrows the focus of your giving to a field of interest | See Case Study on **page 7** |
| **DESIGNATED FUND** | Identifies specific charitable recipients for your generosity | See Case Study on **page 8** |
| **DONOR ADVISED FUND** | Giving for now, later, or both — the most popular option at the Trust | See Case Study on **page 9** |
| **DONOR ADVISED ENDOWMENT FUND** | Maintains giving control across generations | See Case Study on **page 10** |

## ADDITIONAL OPTIONS

Several other vehicles can help you leave a lasting legacy while offering additional flexibility during your lifetime. These include:

- **Charitable remainder trust**
- **Charitable lead trust**
- **Charitable gift annuity**

**FOR MORE INFORMATION** Please see our companion guide: *BEYOND GIVING: Advantages of your philanthropy at The Chicago Community Trust*

ESTABLISHING YOUR PHILANTHROPIC LEGACY

# *KNOW YOUR OPTIONS*

## HOW TO COMBINE OPTIONS INTO **YOUR PHILANTHROPIC LEGACY**

Your decision-making process builds a bridge from the source of your estate gift to the ultimate realization of your philanthropic legacy. Here are the three most important factors in reaching a decision that fulfills your intentions:

**YOUR PREFERENCES.** Philanthropic preferences are highly personal matters for which there is no prescription. The Trust will help you determine answers to important questions like: *"What issues and organizations are most important to me? How do I support those interests now and in the future? What is the scope of what I'm trying to achieve? Do I want my family, friends or trusted advisors to participate in creating and maintaining my philanthropic legacy? Do I want my generosity to be recognized or anonymous — or somewhere in between?"*

**YOUR PROFESSIONAL ADVISORS' COUNSEL.** Your advisors can provide history and context for what is best for your situation. The Trust's role is to facilitate your preferences by offering a wider range of philanthropic options with the participation and counsel of your most trusted advisors. We work with them to expand your options and realize your goals.

**YOUR PHILANTHROPIC ADVISOR AT THE CHICAGO COMMUNITY TRUST.** Beyond expertise in the available techniques of legacy giving, your dedicated Philanthropic Advisor at the Trust provides a wealth of knowledge on options for legacy giving, as well as nonprofit effectiveness and organizations doing work in your interest area. Our role is to amplify your voice, increase the power of your gift, and realize your most deeply held wishes.

KNOW YOUR OPTIONS

# *DISCRETIONARY FUND*

## SUPPORT FOR THE MOST PRESSING NEEDS

Community members, civic leaders and philanthropists have long supported the work of The Chicago Community Trust by making unrestricted gifts during life or through an estate. These gifts allow the Trust to focus on the most pressing needs of the community at any given time, and allow the donor the comfort of knowing their gift will always be used for maximum impact. Donors also have the option of creating funds that are unrestricted and can support the Chicago region in perpetuity.

The discretionary fund — also known as an unrestricted fund — is endowed by donors **to provide support for the most pressing needs**, as identified at the time of disbursement by the grant making experts at The Chicago Community Trust. This flexibility enables donors to have a positive impact on the community and to ensure their charitable legacy addresses needs that the donor could not have anticipated while they were living (see below). Discretionary funds can be named after their donors or can remain anonymous.

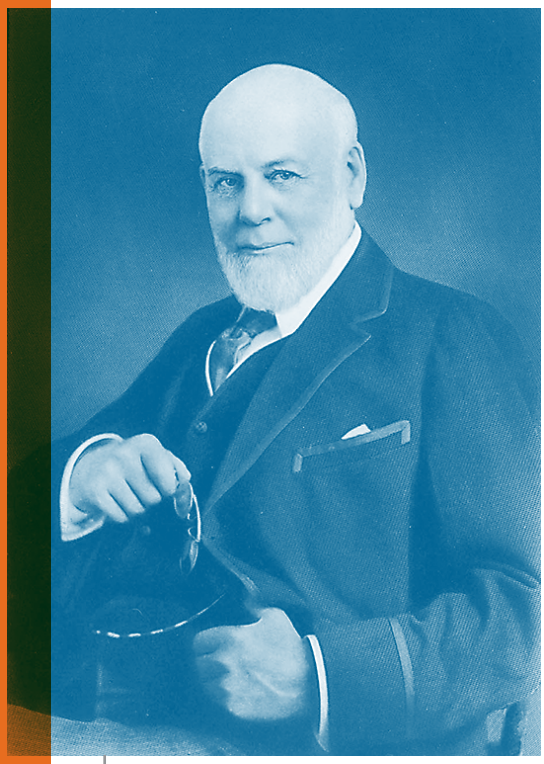
## CASE STUDY: *DISCRETIONARY FUND*

### THE HARRIS GENERAL FUND

The Chicago Community Trust traces its roots to a discretionary fund established by its founder. In 1915, banker Norman Wait Harris—the founder of Harris Trust and Savings Bank—discussed the idea of founding a community foundation in Chicago with his eldest son, Albert W. Harris. Together they studied the creation of the recently established Cleveland Foundation and assembled a team of supporters. On May 12, 1915, the Board of Directors of the Harris Bank voted The Chicago Community Trust into being. The Harris family provided the earliest money to establish the Trust and initiate its operations: $200,000, primarily for administrative purposes. When Norman Wait Harris passed away in 1916, he left instructions to start a fund designated for seven charities with the remainder to support the Trust's general charitable purposes. The Harrises donated $400,000 to the Trust as a special memorial fund.

The legacy of the Harris General Fund lives on in the Trust's work today. In recent years, the Harris General Fund has supported high-impact organizations like AIDS Foundation of Chicago, Ladder Up and Chicago Cultural Alliance.

**LEARN MORE** The Man Behind the Bank Behind the Trust



**The Harris General Fund**, focusing its philanthropy on supporting organizations that benefit the Chicago metro region, **with The Chicago Community Trust since 1916.**

KNOW YOUR OPTIONS

# *FIELD OF INTEREST FUND*

## NARROWING YOUR FOCUS

A Field of Interest fund equips a donor to support a particular cause, as opposed to an institution. **The donor specifies the area of interest to receive annual support** while allowing the Trust's community impact team to select qualified recipient organizations.

The Trust, as your philanthropic fiduciary, will continue to support the issues you care about now into the future through your Field of Interest fund. Any philanthropic field of interest can be used to structure your fund. Popular fields of interest include:

- **Education**
- **Arts**
- **Racial justice**
- **Economic development**
- **Workforce development**
- **Basic human needs**

## CASE STUDY: *FIELD OF INTEREST FUND*

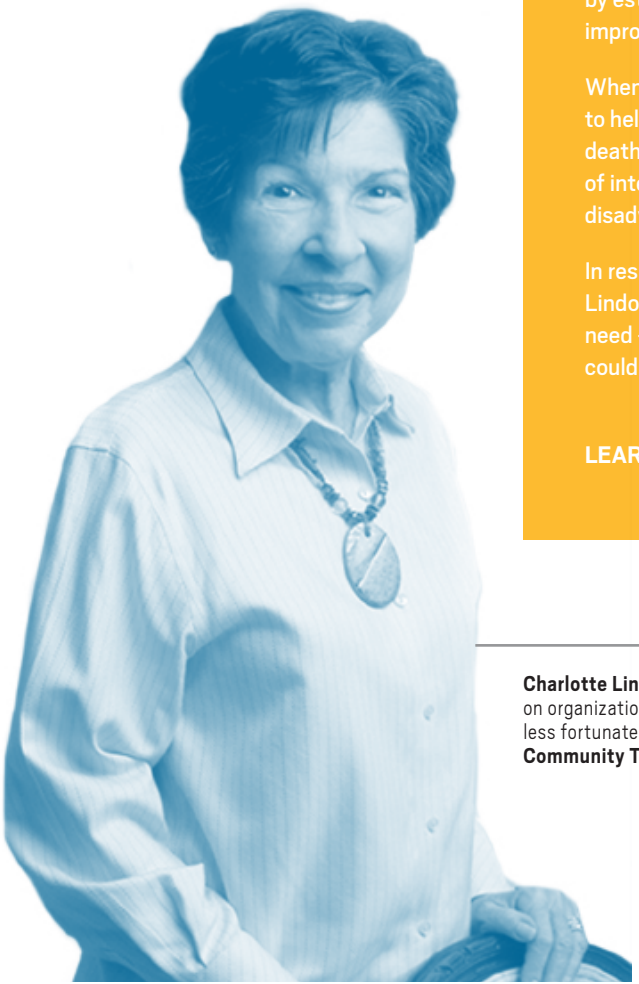
### THE ELICK AND CHARLOTTE LINDON FUND

Charlotte Lindon and her husband, Elick, partnered with the Trust during their lifetimes by establishing a donor advised fund that the couple used to support organizations that improved the lives of the less fortunate in Chicago.

When Mrs. Lindon passed away in 2017, her estate plan ensured that her commitment to helping disadvantaged and disabled individuals would carry on in perpetuity. Upon her death, the Elick and Charlotte Lindon Fund converted from a donor advised fund to a field of interest endowment fund that will forever "be devoted to improving the quality of life for disadvantaged and/or disabled persons throughout the Chicago area."

In response to the COVID-19 pandemic, the Trust made grants from the Elick and Charlotte Lindon Fund to organizations providing food, social services and health care to residents in need — significantly helping vulnerable people face obstacles in the Chicago region that could not have been foreseen in 2017.

**LEARN MORE** In Memoriam Charlotte Lindon



**Charlotte Lindon**, focused her philanthropy on organizations that improve the lives of the less fortunate in Chicago, **with The Chicago Community Trust since 2001.**

KNOW YOUR OPTIONS

# *DESIGNATED FUND*

## CHOOSING SPECIAL RECIPIENTS

A designated fund provides **one or more specifically named charities** with annual support. Many donors make consistent annual gifts to a set of organizations that they feel strongly about — organizations that may operate in completely different areas of charitable focus.

A designated endowment fund allows for continuous support to one or more named organizations in perpetuity.

Designated funds are an effective tool for donors who wish to continue to provide annual grants to specific organizations, but who prefer not giving a large outright gift during life or through their estate. The annual distributions from a designated fund may be for general operating support, or for a specific project or program.

## CASE STUDY: *DESIGNATED FUND*

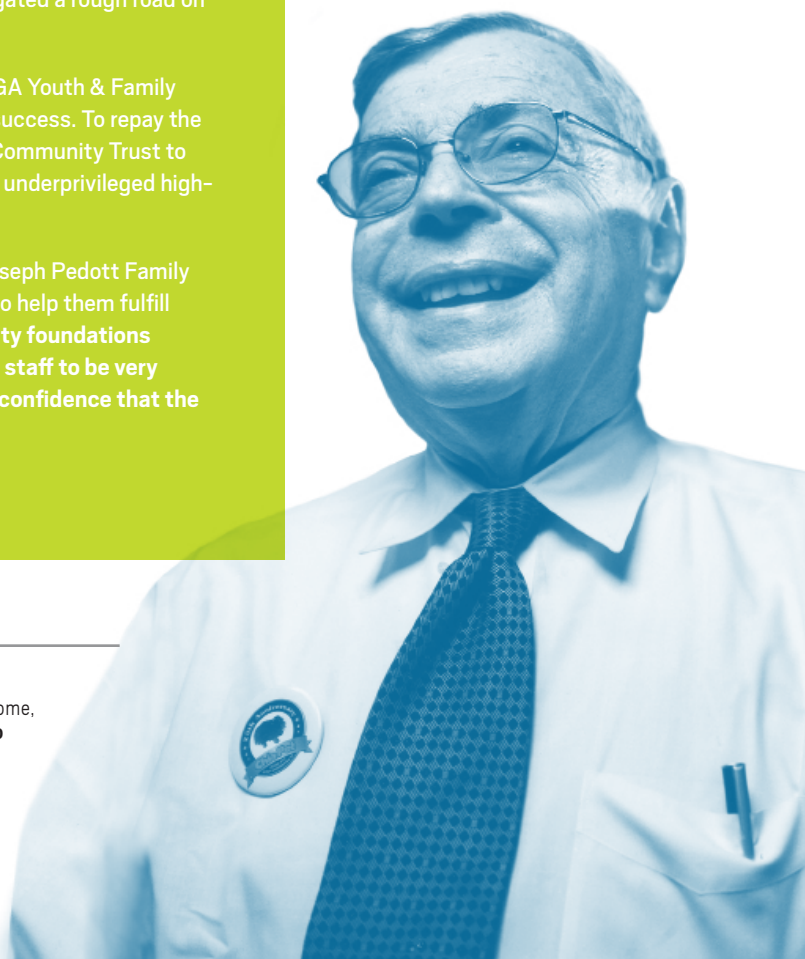
### THE JOSEPH PEDOTT FAMILY FUND

Joseph Pedott was the advertising legend behind the Chia Pet and the Clapper — two of the most iconic products in American pop culture. But he navigated a rough road on his way to remarkable success.

On his own as a teenager, Pedott received a helping hand from SGA Youth & Family Services, a Chicago nonprofit that helped set him on his path to success. To repay the favor, in 2012 Pedott opened a designated fund at The Chicago Community Trust to support SGA's scholarship and educational programs, which help underprivileged high-school students attend and succeed in college.

Since his passing in 2023, the Trust continues to steward the Joseph Pedott Family Fund and work with the next two generations of Pedott's family to help them fulfill his philanthropic goals. **"The Trust is one of the oldest community foundations in the country and highly respected,"** he said. **"I find the Trust's staff to be very professional and, most important, when I'm not around, I have confidence that the Trust will follow my directions."**

**LEARN MORE** **The Man Who Made the Chia Pet Gives Back**



**Joe Pedott**, focused his philanthropy on College Access and Completion for Low Income, 1st Generation Students, **with The Chicago Community Trust since 2011.**

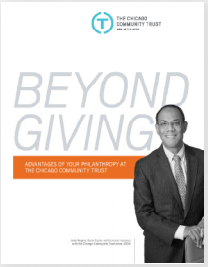
KNOW YOUR OPTIONS

# DONOR ADVISED FUND

## GIVING FOR NOW, LATER, OR BOTH

A donor advised fund at the Trust enables donors to **support the next generation's interest in philanthropy** by offering flexibility in the ways they achieve their legacy goals. It is the advice of the individuals named to advise the fund — the donor, their heirs, or any others — that will be followed to distribute the funds during or after the donor's lifetime.

A donor advised fund succession plan engages family members and subsequent generations within the philanthropic aims set by the donor. You can create your donor advised fund during your lifetime or from your estate later on. Donor advised funds are the most popular philanthropic option at The Chicago Community Trust.




Please see our companion guide: *BEYOND GIVING: Advantages of your donor advised fund at The Chicago Community Trust*

Note: Your gift to a donor advised fund at the Trust will be made to The Chicago Community Foundation, our corporate affiliate.

**Nate and Mallory Sutton**, focusing their philanthropy on Christian organizations, after school and creative arts programs, shelter assistance for the homeless, and academic scholarships for regional African-American students, **with The Chicago Community Trust since 2004.**

## CASE STUDY: *DONOR ADVISED FUND*

### THE NATE AND MALLORY SUTTON FUND

Successful entrepreneurs and community leaders in south suburban Chicago, Nate and Mallory Sutton launched their donor advised fund in 2004 after being introduced by Frank Clark, the former chairman of the Trust's Executive Committee. Since establishing their donor advised fund, Nate and Mallory have given generously to support Christian organizations, after school and creative arts programs, shelter assistance for the homeless, and academic scholarships for regional African-American students.

The Suttons' estate will continue to provide for their donor advised fund beyond their lifetimes, when their daughters will assume the responsibility of advising the fund. Involving their daughters as advisors to the fund will allow Nate and Mallory to continue their tradition and legacy of giving back into the next generation.

Nate's advice to those new to philanthropy: "First suggestion is get in the game. It's not about how much, just get in the game. And then second suggestion is start with something you're passionate about."

**LEARN MORE** Nate Sutton On Faith, Philanthropy and Getting in the Game

KNOW YOUR OPTIONS

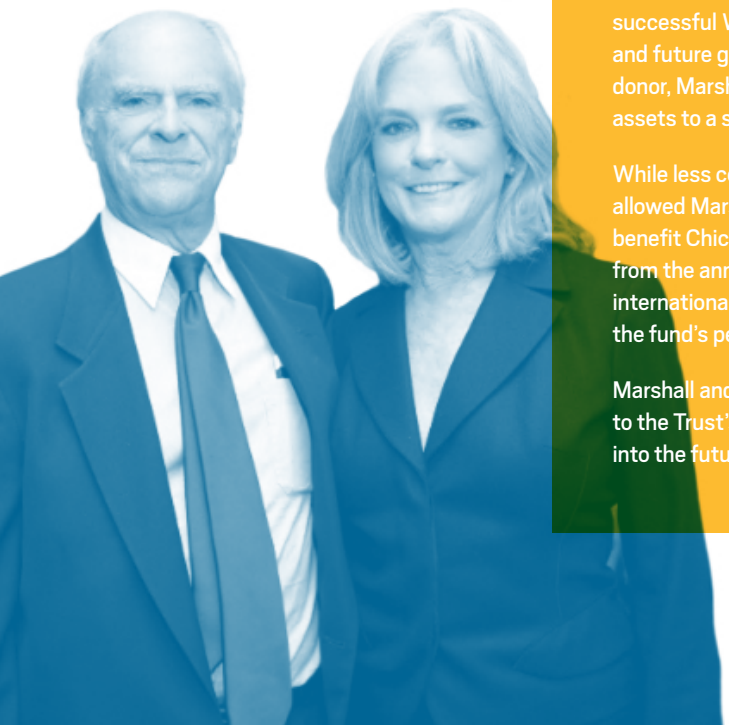
# *DONOR ADVISED ENDOWMENT FUND*

## CONTROL ACROSS GENERATIONS

A donor advised endowment fund at the Trust offers a unique level of **control across generations for the donor**. Much like a traditional donor advised fund, future generations have the flexibility to annually recommend organizations to receive grants. Unlike traditional donor advised funds, however, only a percentage of the fund balance is available for grantmaking each year. The principal remains intact and ultimately becomes an endowment that supports the charitable goals and causes selected by the original donor.

The donor advised endowment fund is a best-of-both-worlds fund: providing the flexibility and family engagement of a donor advised fund, combined with more control to achieve a long-term vision for impact. This may be especially beneficial for families when the charitable interests of different generations vary widely.

**Marshall and Jamee Field**, focusing their philanthropy on the environment, healthcare, animals and wildlife, education and the arts, **with The Chicago Community Trust since 1999.**



## CASE STUDY: *DONOR ADVISED ENDOWMENT FUND*

### THE MARSHALL AND JAMEE FIELD ENDOWMENT FUND

Marshall Field V was instrumental in crafting the vision for the Trust's highly successful We Are Chicago campaign, which raised more than $1.6 billion in current and future gifts on the occasion of the Trust's centennial celebration. As a campaign donor, Marshall and his wife Jamee closed their family foundation and transferred its assets to a special fund at the Trust, a donor advised endowment fund.

While less commonplace than a traditional donor advised fund, the endowment fund allowed Marshall and Jamee to ensure that their charitable resources will forever benefit Chicago, while allowing their children and grandchildren to recommend grants from the annual distribution amount to any qualified charity locally, nationally or internationally. Only the annual calculated amount can be distributed, thus, ensuring the fund's perpetual commitment to charity.

Marshall and Jamee also included the fund in their estate plans, allowing them access to the Trust's 1915 Society, and enabling their family to secure its legacy of giving long into the future.

KNOW YOUR PURPOSE KNOW YOUR OPTIONS KNOW THE TRUST

# FROM PURPOSE TO REALITY

## **TRANSFORM YOUR CHARITABLE GOALS** AND YOUR PHILANTHROPIC LEGACY INTO A POSITIVE REALITY AT THE CHICAGO COMMUNITY TRUST.

**Begin with a conversation.** Creating your lasting legacy is a collaboration between you, your advisors, and the Trust's philanthropic experts — one that ensures your values will live on through thoughtful giving and expert stewardship.

**Consult with your advisors.** Your professional advisors can help determine what assets could be most advantageous for funding your legacy and the best vehicle for achieving your charitable, income tax and estate tax goals. You may benefit from having multiple funds to achieve those purposes and goals.

As a final step, we recommend consulting with a member of our Gift Planning team to ensure the successful administration of your generous gift.

***Sample Language for a Gift from a Will or Trust***

*I give/The trustee shall distribute $_____ (dollars) [__% of the balance of my trust or the following described property] to The Chicago Community Foundation (EIN 36-3432023), an Illinois tax-exempt organization with its main offices located at 33 S. State Street, Suite 750 Chicago, IL 60603. All assets received shall be held, administered and used for its general charitable purposes of the Foundation [or to establish or as an addition to the _____ Fund (the "Fund"). It is intended that the Fund shall be a component fund of the Foundation and shall be used to support the charitable purposes of the Foundation. The Fund may be charged regularly for direct and indirect expenses attributable to the maintenance of funds of this type and in accordance with the policies of the Foundation from time-to-time in effect].*

***Sample Language for a Designation on Retirement Accounts***

*____% to The Chicago Community Foundation (EIN 36-3432023), an Illinois tax-exempt organization, for its general charitable purposes [or to establish or as an addition to the _____Fund, a donor advised fund].*

**IMPORTANT LEGAL DISCLOSURE:**

The information provided herein is general and educational in nature. It is not intended to be, and should not be construed as, legal or tax advice. The Chicago Community Trust does not provide legal or tax advice. You should consult your tax advisor to properly determine the tax consequences of making a charitable gift to The Chicago Community Trust. Contributions to The Chicago Community Trust and The Chicago Community Foundation represent irrevocable gifts subject to the legal and fiduciary control of the Trust's executive committee.

**Let the philanthropic professionals of the Trust show you how your giving can be made easier, more effective and more gratifying. Your advisors are welcome to join you in a no-obligation conversation with us.**

**Contact Our Gift Planning Team**
**giftplanning@cct.org**

ESTABLISH YOUR PHILANTHROPIC LEGACY

# WELCOME

## YOU ARE INVITED TO JOIN THE 1915 SOCIETY: A MEMBERSHIP IN THE REGION'S FUTURE

**Named for the year that The Chicago Community Trust was founded**, the 1915 Society welcomes local philanthropists who have included the Trust in their estate plans.

Members of the 1915 Society are invited to exclusive special events, informational seminars and the annual 1915 Society luncheon.

The 1915 Society is the Trust's way of expressing our heartfelt gratitude to the region's most generous and visionary donors.

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