



# Pass Through Funds

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## What are they?

A Pass Through Fund is like a charitable checking account. You make a lump sum contribution to your pass through fund at the MHCF and recommend multiple distributions over time or to the full balance of the fund.

Rather than a permanent endowment fund where assets are pooled and invested, Pass Through Fund assets are placed in a temporary money market account so they can be distributed in full as advised by the fundholder.

Individuals can use Pass Through Funds as the solution to your year-end need for additional tax deductions. Let the MHCF serve as the back-office for you immediate charitable giving needs. You tell us where you'd like charitable distributions directed, and we handle all the administration.

Charitable organizations can use Pass Through Funds to maximize donations for capital campaigns.

A minimum of \$1000 in donated assets (including Securities and mutual fund shares) is required to establish this type of fund.

Fees: Interest on the fund is retained by the MHCF and used to give back to the community in the form of grants each year.

## Highlights

- **You receive a full tax deduction for your original and any subsequent gifts**, which are invested in a tax-free environment and then used for charitable purposes. The tax benefit is realized while the distribution can be deferred over time.
- **Donors are not required to file 990 forms; their privacy is protected.** All funds within the Community Foundation are covered under a single 990 form and a single audit. That minimizes the administrative burden and also allows donors to disclose what they give, when they choose to disclose it.
- **Funds at the Community Foundation are not subject to annual taxes or minimum payout requirements** so they can accumulate for future charitable purposes.
- **The process for creating a named fund is simple and we do not charge for our time.**
- **A donor can establish a gift using non-cash assets** including closely-held or publicly traded stock, real or personal property, insurance, appreciated securities and mutual fund shares.
- **We offer opportunities for donors with children to share their values and beliefs about giving with their heirs.**