

# NORTHERN TRUST CHARITABLE GIVING PROGRAM

## A FLEXIBLE WAY TO ENHANCE YOUR CHARITABLE GIVING POWER

Make a difference in your community while streamlining your charitable giving simply and flexibly. By establishing a donor advised fund through the Northern Trust Charitable Giving Program, you can enjoy the personal and financial benefits of actively contributing to charitable causes of interest to you and your family.

### ESTABLISHING A FUND

As a donor to the Northern Trust Charitable Giving Program, you will, for tax purposes, be making a charitable contribution to charity in the year that assets are transferred to your donor advised fund account. Although the assets you transfer belong to charity, you will serve as the “donor advisor,” recommending grants to charities from the account balance for this year and for years to come.

- Initial irrevocable contribution: \$50,000
- Minimum fund balance: \$2,500
- Additional contributions: \$10,000
- Grant minimum: \$250

You can begin making grant recommendations as soon as your contribution is received and invested in the Northern Trust Charitable Giving Program.

### DECIDING WHAT TO CONTRIBUTE

Choosing what to contribute to the program involves many tax-planning considerations. The Northern Trust Charitable Giving Program accepts the following.

- Cash and checks
- Publicly traded stocks and bonds\*
- Closely held securities\* (privately held interests)
- Mutual fund shares
- Permitted assets held in a family foundation, another donor advised fund or other qualified giving vehicles

In addition to donating cash or publicly traded securities, your family foundation or current donor advised fund also may contribute cash or publicly traded securities.

*\*All donations of restricted publicly traded securities and closely held securities will be reviewed on a case-by-case basis.*

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As sponsor of the Northern Trust Charitable Giving Program, The Chicago Community Foundation (CCF) facilitates the grantmaking process and helps ensure all grant recipients are Internal Revenue Code Section 501(c)(3) public charities that will use your contributions for charitable purposes. And because we offer the Northern Trust Charitable Giving Program through our national network of offices, you can choose to work with CCF or a local community foundation to research and select charitable organizations that meet your giving goals

## HOW THE NORTHERN TRUST CHARITABLE GIVING PROGRAM CAN ADD VALUE

These examples are intended to illustrate services included in the Northern Trust Charitable Giving Program. They do not necessarily represent the experiences of other clients. Individual results may vary.

| SCENARIO                                                                                                                                                                                                                | SOLUTION                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A family member wishes to pursue personal philanthropic interests that do not fit within the mission guidelines of her family's \$2 million family foundation.                                                          | After an initial \$100,000 contribution to the Northern Trust Charitable Giving Program, the family member was able to recommend grants over the next several years to reflect her particular humanitarian interests.                                                                                                                                           |
| A busy executive hopes to focus her charitable giving efforts on granting money rather than spending time in meetings with legal and tax counsel.                                                                       | Tax deductions and the executive's desire to remain anonymous made the Northern Trust Charitable Giving Program a good fit as an alternative to a private foundation. The program's flexibility also allows her to recommend grants from as little as \$250 to as large as \$4 million.                                                                         |
| Experiencing a large capital gain, an entrepreneur wants to reduce the tax implications with an immediate charitable donation. However, the entrepreneur has not yet identified a specific charity he wants to support. | The entrepreneur contributed stock worth \$60,000 to the Northern Trust Charitable Giving Program and took a charitable deduction in the year the stock was donated. He plans to recommend grants the following year when he has more time to determine how and where he wants to make his charitable donations.                                                |
| The matriarch of a family with a private foundation desires a simpler process for making her annual year-end charitable gifts instead of writing numerous individual checks.                                            | As a supplement to her foundation, the Northern Trust Charitable Giving Program makes it possible for this matriarch to easily make year-end annual grant recommendations ranging in size from \$250 to \$10,000. Additionally, she can make the grant recommendations anonymously, lessening the likelihood a grantee will learn about her private foundation. |

## TAX ADVANTAGES

Tax laws confer a more generous income tax charitable deduction on gifts to donor advised funds, which can make them preferable to private foundations. We can work with your tax advisors to help you determine the path that meets your needs.

## INVESTMENT POOLS

You may recommend that your contributions to the Northern Trust Charitable Giving Program are invested in one of six investment pools managed by Northern Trust:

- Maximum Growth Pool
- Growth with Income Pool
- Environmental, Social and Governance Growth with Income Pool
- Growth with Moderate Income Pool
- Income with Moderate Growth Pool
- Income Pool
- Money Market Pool

To learn more about how you can enjoy the benefits of philanthropic giving through the Northern Trust Charitable Giving Program, please contact your relationship manager or phone a Northern Trust representative at 1-866-494-4273.

Accounts with balances of \$1 million or greater may be placed in an individually managed account. The investment pools pursue the stated investment objectives by investing in a mix of mutual funds that are also managed and reviewed by Northern Trust.

## PROMOTE GENERATIONS OF GIVING

If you wish, you may name additional advisors allowed to make independent grant recommendations during your lifetime. You may also name successor advisors – family members or trusted friends – to continue to make grant recommendations after your death. Or you may recommend a portion or the entire fund be distributed to designated charities after your death.

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ARCL-DAFOVERVIEW-082620