

# Immediate Impact Funds

Leverage a charitable distribution from your traditional IRA to make an impact today.

If you are a philanthropist over the age of 70.5\*, Seattle Foundation is now offering a special giving vehicle to help bring your philanthropic vision to life. Fueled by a distribution from your traditional IRA, known as a Qualified Charitable Distribution (QCD), an Immediate Impact Fund is a simple yet powerful way to provide annual gifts to the causes that matter to you.

## Did you know...?

A QCD cannot be donated to a Donor Advised Fund (DAF)! Seattle Foundation's **Immediate Impact Fund** is a targeted solution to start or expand your philanthropy, while potentially avoiding tax liability on income from your traditional IRA.

*\* Philanthropists ages 70.5 or older may take a qualified charitable distribution (QCD), but are not required to take a minimum distribution from their retirement account (RMD) until age 73. Please consult your CPA or wealth advisor for more information about how these IRS distinctions apply in your case.*

## WHY CHOOSE AN IMMEDIATE IMPACT FUND?

- Avoid declaring your qualified charitable distribution (QCD) from your traditional IRA as taxable income.
- If desired, preserve anonymity, when giving to the charities of your choosing.
- Simplify your giving: control both the timing and amounts that nonprofits receive through your customized fund.
- Build community with fellow philanthropists & changemakers in the Seattle area through special events and offerings from the Foundation.
- Invest in short-term impact that infuses funds into important causes of your choosing, without any administrative burden.



## HOW WE WORK WITH YOU

Whether you are already in partnership with Seattle Foundation, or are considering opening a fund for the first time, an Immediate Impact Fund can support your goals by donating this special type of asset (your unneeded money from your traditional IRA) to nonprofits.

## IMMEDIATE IMPACT FUNDS: OFFERINGS & FEES

Learn more about how we will work together on your Immediate Impact Fund.

FUND MINIMUM	REPLENISHMENT	MAKING GIFTS	FEES
\$50,000	<ul style="list-style-type: none"> <li>• Replenishment is possible with an additional Qualified Charitable Distribution.</li> <li>• Funds must be fully spent prior to replenishment.</li> <li>• Please consult the Gift Planning team for illustrations of possible grantmaking and replenishment models that could work for your fund.</li> </ul>	<ul style="list-style-type: none"> <li>• Designate up to 5 (five) nonprofit organizations, + the option of including Seattle Foundation's Core Programs.</li> <li>• The organizations must be determined in advance and cannot be changed during the lifetime of the fund.</li> </ul>	<ul style="list-style-type: none"> <li>• A fee of 2% is charged.</li> </ul>

### A SIMPLE, IMPACTFUL OPTION: SUPPORT CORE PROGRAMS

A simple way to make a meaningful impact is to donate your Immediate Impact Fund to Seattle Foundation's Core Programs. An unrestricted gift to Seattle Foundation allows you to invest in meeting the changing needs of the greater Seattle region. You can learn more about our Core Programs at [seattlefoundation.org/what-we-do/core-programs](http://seattlefoundation.org/what-we-do/core-programs).

### FOR PROFESSIONAL ADVISORS

If your clients are considering how best to use their QCD this year, our gift planning experts are available to consult with you on strategies that will work well for their situation.

**Immediate Impact Funds must comply with specific IRS requirements. The information in this flyer is not intended to serve as legal or tax advice. Please consult a professional advisor for guidance with respect to your specific circumstances. To open your Immediate Impact Fund, please contact Cindy Sharek at 206.957.7712 or email [c.sharek@seattlefoundation.org](mailto:c.sharek@seattlefoundation.org).**

## FREQUENTLY ASKED QUESTIONS

### ***At what age can I start an Immediate Impact Fund?***

You are eligible to take a distribution from your retirement account that is directed to charity (a Qualified Charitable Distribution) at age 70.5. You are not **required** to take any distribution from your retirement account until age 73 (your required minimum distribution, or RMD). For more information about how these specific IRS provisions impact your specific situation, consult your CPA or wealth manager.

### ***Can I grant to any nonprofit of my choosing?***

At the time you establish your Immediate Impact Fund, you may select up to 5 qualified charities to receive funding. In addition, you may add a percentage or amount to benefit Seattle Foundation's Core Programs. The charities you select must remain the same for the lifetime of the fund. ADD SENTENCE AROUND %s OR MULTI YEAR. Once funds are exhausted, you may replenish the fund with an additional Qualified Charitable Distribution made from your traditional IRA.

### ***Why would I open an Immediate Impact Fund, as opposed to a Donor Advised Fund?***

An Immediate Impact Fund is a powerful and potentially tax-advantaged way to use a specific asset - your QCD. It is also a more straightforward giving tool than a DAF: you designate your list of charities, and what percentage they should receive, and from there the gifts are made per your schedule. A DAF is much more customizable - you can grant as often as you would like, as much as you would like. DAFs can be funded by many other assets (appreciated stock, real estate, etc) - but not by a Qualified Charitable Distribution (QCD). In many cases, philanthropists choose to use both vehicles to achieve the greatest impact. Seattle Foundation's gift planning team is happy to work with you and your advisory team (CPA, wealth manager) to determine which option(s) will work best for you.

### ***How do I start an Immediate Impact Fund?***

Immediate Impact Funds are a great tool, but they must comply with specific IRS requirements.

***Funds must be established with Seattle Foundation before initiating a charitable distribution from your traditional IRA custodian to ensure compliance.*** Please Cindy Sharek, Director of Gift Planning, at 206-957-7712 or by emailing [c.sharek@seattlefoundation.org](mailto:c.sharek@seattlefoundation.org) to get started with your fund today.