



Jewish Communal Fund

LEGACY GUIDE

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ABOUT JCF

Jewish Communal Fund (JCF) is the largest Jewish donor advised fund (DAF), and one of the longest running DAFs with a 50-year track record of making charitable giving simple and efficient. Highly regarded for its prudent management, transparency and personal service, JCF takes pride in being a resource for the Jewish community.

The tremendous generosity of our Fundholders makes JCF stand out among other donor advised funds. For the past five years, JCF's annual rate of distributing assets to charities has been above the national average. Nearly \$600 million goes out to thousands of charities annually. Since 2000, JCF Fundholders made more than 300,000 grants to Jewish organizations, totaling \$2 billion, and 100,000 grants to Israeli charities, totaling more than \$700 million. However, what really makes JCF unique is the support we give to the Jewish community as a network of funders. At year-end, the JCF Board of Trustees awards a **\$2 million grant** from our fees and endowment income to UJA-Federation of New York's annual campaign.

In addition, the trustees make grants from the JCF Special Gifts Fund, our endowment, to causes that promote the welfare and security of the Jewish community at home and overseas. Since 1999, more than \$23 million has been awarded from the Special Gifts Fund to over a dozen worthy causes selected with the assistance of UJA-Federation of NY. In addition, JCF Fundholders support Israel through the ability to invest in Israel Bonds and an Israeli ETF on the JCF platform, and have the ability to make loans through the Hebrew Free Loan Society.

These significant grants and investments clearly demonstrate JCF's unique impact and role in strengthening the Jewish community. We look forward to partnering with you to help shape your charitable legacy with lasting and meaningful impact.

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Now is the time to plan for the future.

The steps you take now will have a lasting impact on your family, your community and your charities for years to come. Since 1972, Jewish Communal Fund has worked with many individuals and families to create meaningful charitable legacies.

We have called upon our years of experience to develop this guide, outlining the ways that JCF can help you create a lasting charitable legacy.

The first portion of the Legacy Guide explains how to create your JCF Succession Plan, an important first step. The second half of the guide outlines the various types of gifts you can make to fund your legacy and qualify for a charitable estate-tax deduction. Throughout the guide, we have included helpful examples of how others in the JCF community have accomplished this goal of crafting their charitable legacies, as well as ways to successfully transmit one's values for generations to come.

Working together with JCF—an organization known for helping three generations of philanthropic families with their charitable giving—ensures that your legacy will endure for years to come.

What does it mean to “leave a legacy”?

Leaving a legacy is about transferring your core values—alongside your assets—to benefit family members and the broader society. It's about answering the question, **“How do you want to be remembered?”**



Creating Your JCF Succession Plan

**A Legacy Gift Continues Your Traditions
and Passes on Your Values**

Planning your legacy requires thoughtfulness, conversations with loved ones, and the guidance of professional advisors. Once you have provided for your family, you can consider the ways you would like to shape your broader impact, and Jewish Communal Fund can play an important role.

Succession Planning Is the First Step in Creating Your JCF Legacy

JCF affords you the opportunity to create a long-lasting legacy of charitable giving. There is no limit to succession on JCF donor advised funds, as long as there are still assets in the fund. Each subsequent generation may name their own Successor(s). Successor election(s) can be changed by Fundholders at any time prior to the death of the last remaining Fundholder. You may leave assets to JCF through your will; however, you should not establish a Succession Plan for an existing donor advised fund through your will. **All Succession Plans must be submitted in writing using JCF's Succession Plan form or in a signed letter that is approved by JCF during your lifetime.**

JCF has created three basic options for your Succession Plan, which are detailed on the following pages:

Option 1: Designate Individuals as Successors

Option 2: Name Successor Charities

Option 3: Divide Assets Between Successors and Charities

Our staff is happy to meet with you to discuss legacy planning and tailor these options to meet your needs.

What is a successor?

Successors are individuals and/or charities named by JCF Fundholders to succeed them on their fund.

OPTION 1

Designate Individuals as Successors

The majority of our Fundholders choose to name heirs or relatives as their Successors.

After the death of all Fundholders, individual Successors assume all privileges held by the Fundholders, including making grant and investment recommendations, and naming their own Successors. A Successor does not have to be of majority age (18) when appointed; a temporary Successor may be named to act until the primary Successor is of majority age.

You may indicate in your Succession Plan your intention to have Successors act independently on one donor advised fund, or have the assets divided equally to establish separate funds for each Successor (a minimum balance of \$5,000 is required per Successor to establish new funds). JCF reserves the right to limit the number of Successors who will participate on a single fund.

In order to assume the privileges of the original Fundholder, Successors must complete and submit a Successor Transition Form within one year of receiving the request. Our staff makes every effort to reach out to your Successors; ensuring that JCF has updated contact information for your Successors is very helpful. However, if JCF does not receive the form within the year, we reserve the right to transfer the fund balance to the JCF Special Gifts Fund to make grants to projects in the Jewish community of New York in your memory. Once Successors complete the form, they will have all the privileges of Fundholders and may make changes to the JCF fund.

Option 1: Designate Individuals as Successors (cont.)

Tip: We recommend reviewing and/or updating your Succession Plan every few years to ensure we have updated contact information for your Successors and that your plan still accurately reflects your wishes.



Give your heirs the flexibility to support their own philanthropic interests by terminating your private foundation.

Jack and Karla

...initially set up a JCF fund alongside their private foundation to facilitate giving that was outside the mission of the foundation. Their three children were never involved with the foundation. In order to engage them in charitable giving, Jack and Karla established JCF funds for each child so they could support charities that aligned with their varied interests. As part of their Succession Plan, Jack and Karla decided to terminate the family foundation upon their passing and divide the remaining funds evenly between their three children's JCF funds. They involved their trust and estate attorney in creating their JCF Succession Plan and realized that it was tax efficient to have assets from their IRAs go to their heirs' JCF funds as well. This plan significantly enhanced their children's capacity to give without the burdens of overseeing a foundation, gave them the freedom to support the charities they each cared about, and brought their philanthropy to the next level.

Option 1: Designate Individuals as Successors (cont.)



Create opportunities for family to give together.

David and Sara

...were longtime supporters and board members of their synagogue, UJA-Federation and the local day school. Supporting these institutions after they were gone was very important to them. They therefore appointed their son and daughter as Successors on their JCF fund, and shared their desire for their children to continue supporting these communal institutions. After David and Sara passed away, their son and daughter renamed the fund in their parents' memory and made annual grants to the charities their parents held dear in order to honor their memory and carry on their legacy. The children worked together to identify additional charities that reflected their parents' interests and values.

“

What you leave behind is not what is engraved in stone monuments, but what is woven into the lives of others.

Pericles

”

OPTION 2:

Name Successor Charities

Some Fundholders prefer to make impactful legacy gifts directly to their charities, and therefore name charities in lieu of individuals as Successors.

Distribute assets to charity immediately upon your death.

You may recommend that the remaining assets in the donor advised fund be distributed upon your death to IRS-qualified public charities ("Successor Charities").

As is standard, the named organizations are subject to JCF's review and approval. In the unusual instance that the charity you designated no longer exists or has lost its tax-exempt status, the distribution can be made among the remaining qualified Successor Charities, or you may leave instructions for alternative Successor Charities. In the event there are no qualified IRS Successor Charities listed in your Succession Plan, JCF will transfer the income and principal remaining in the fund to the JCF Special Gifts Fund and issue grants to projects in the Jewish community of New York in your memory. JCF reserves the right to limit the number of Successor Charities based on fund balance, and to set a minimum grant amount (typically \$1,000) for Successor Charities.

If funds are received as a bequest to JCF to be distributed immediately to one or more charities, JCF will take the customary annual fee.

Option 2: Name Successor Charities (cont.)

Distribute fund assets over a set period of time.

Some Fundholders prefer not to grant out the entire fund balance immediately, instead choosing to support their favorite charities for a period of time after their death, typically a maximum of 10 years, depending on fund balance. In addition to the list of charities, you must indicate the amount or percentage for each charity, and recommendations for the fund asset allocation. JCF can act as the fund's administrator, or you may name an Authorized Party with the authority to make recommendations for investment allocations and sign grant recommendations following the guidance provided in the Succession Plan. Authorized Parties may not change the Succession Plan.



Support your favorite charities until your fund balance depletes.

Harry and Eve's

...children have all been successful and funded their own donor advised funds, so Harry and Eve decided to name their three favorite charities as Successors: their alma mater, a community day care center, and a university in Israel. Their fund has a balance of \$240,000 and they are leaving an IRA worth \$500,000 to JCF. Their IRA is the asset that will be most highly taxed, so it made sense to use this for charitable purposes and gift their children other, more tax-efficient assets. Instead of distributing the entire balance immediately upon their deaths to the Successor Charities listed, Harry and Eve have asked JCF to distribute grants in equal amounts to all three charities over a period of five years. These grants will continue until the fund balance depletes, at which time the fund will be closed. This way, the charities will continue to benefit from their support for several years after their passing, and their memories will be preserved.

OPTION 3:

Divide Assets Between Successors and Charities

Fundholders who wish to ensure support for their favorite charity—while also empowering their heirs to pursue their own interests—choose to list both individuals and a charity as Successors.

You may leave instructions to divide the assets in your donor advised fund and indicate what percentage will remain in your account for your Successors to advise, and what percentage will go to IRS-qualified public charities you have designated. As previously stated, the named organizations are subject to JCF's review and approval. This is an effective way to ensure that specific charities you supported in your lifetime will receive grants, while also empowering your heirs to support the charities about which they are passionate. We encourage you to leave a legacy letter or ethical will to help guide your Successors; however, these tools are meant as guidance and JCF cannot enforce your wishes once your Successors take over the fund. Therefore, if you have specific instructions about the charities and amounts to be granted, option 2 is probably your best choice.

“

The great use of life is to spend it for something that will outlast it.

William James

”

Option 3: Divide Assets Between Successors and Charities (cont.)



Support your favorite charities while also empowering your heirs to forge their own love of charitable giving.

Miriam

...was active at her JCC, serving on the board and making full use of the programs and facilities. Her grandchildren attended the nursery school and summer camp. She and her husband, Abe, were active members of their synagogue, where they volunteered on several committees. Miriam and Abe also supported a Jewish charity whose mission was to alleviate poverty and homelessness. After Abe died, Miriam created a JCF fund in his memory to support these charities. She named her children as Successors, but realized that they had different passions and no longer lived in NYC. So Miriam created a Succession Plan to continue her legacy of supporting the charities that were dear to her and to her late husband, but also to give her children the opportunity to support the charities they cared about. The assets that remained in her original fund were divided between the JCC, her synagogue and the social services organization. Additional assets that came from her IRA to JCF were evenly divided to create new individual funds for her children, empowering them to forge their own philanthropic journeys.

Best Practices for Continuing Your Legacy with JCF

Based on decades of experience, we suggest these best practices for continuing your legacy with JCF:

- 1** If you are naming Successors and want them to act jointly, choose no more than three Successors to ensure ease and efficiency in using the fund.
- 2** If your Successors have different funding interests, divide assets equally to establish separate donor advised funds for each Successor (\$5,000 minimum per fund). This empowers each Successor to be fully engaged with the charities that are meaningful in their lives.
- 3** Consult with your attorney and accountant to determine the most advantageous way to leave assets to your JCF fund. Consider naming JCF as a beneficiary of your IRA or insurance policy.
- 4** Notify JCF of your nonbinding intent to leave money to fund your legacy, and include the name of your attorney.
- 5** Create an ethical will and have conversations now with your heirs about your legacy and values.
- 6** Arrange a call or in-person meeting with a JCF representative to discuss your Succession Plan. We are happy to speak with you and your trusted advisors to help you craft a meaningful charitable legacy.



Ways to Fund Your Legacy

Now that you have carefully created a Succession Plan for your JCF donor advised fund, it is time to consider how you can put this plan into action and bring your vision to fruition.

Your JCF Succession Plan is the first step in creating your charitable legacy, but in order to implement your strategy, it is critical that you engage in estate planning. Please note that whatever form of bequest you choose, the assets you gift to JCF are not subject to federal estate taxes and may significantly reduce the tax burden of your estate.

Assets Accepted by Jewish Communal Fund

JCF accepts the following assets:

CASH

SECURITIES

MUTUAL FUNDS

BONDS

PRIVATE STOCK

REAL ESTATE AND OTHER REAL PROPERTY

LIFE INSURANCE

IRAS, PENSIONS AND OTHER RETIREMENT ACCOUNTS AFTER YOUR LIFETIME

REMAINDERMEN OF A PRIVATE FOUNDATION

TRUSTS

We encourage you to consult with your attorney and/or personal tax advisor to determine which are the most advantageous assets to gift to JCF.

Ways to Gift

You can leave money to an existing fund at JCF, or request that we establish a new fund with your legacy gift.

Giving Through Your Will

The easiest and most common way to leave a bequest is through your will. With the help of an attorney, you can include language in your will specifying a gift be made to your JCF fund as part of your estate plan. You may specify a percentage of the estate, a specific dollar amount or the residue of your estate.

Benefits of a Bequest

- Transmits your charitable values to the next generation
- Continues to support the charities you cared about
- Reduces the burden of taxes on your family

General Purpose Bequests allow your heirs to take over your JCF fund without restrictions. This empowers your Successors and permits them to recommend grants to the charities of their choice.

Restricted Bequests allow you to support a particular charity or charities, or a project of an IRS-qualified public charity. You should specify these restrictions in your **JCF Succession Plan** in lieu of, or in addition to, including this language in your will.

Example

Here is sample bequest language for you to discuss with your attorney:

*I give and bequeath [\$ / percent] of my residual estate to **Jewish Communal Fund, EIN 23-7174183**, for [name of fund and fund number]. Upon receipt of the bequest, Jewish Communal Fund will follow the instructions on my Succession Plan.*

Ways to Gift (cont.)

IRA – The most tax-efficient option

Naming JCF as the beneficiary of your IRA is one of the easiest and most tax-efficient ways to fund your legacy. Simply designate JCF to receive all or a portion of the balance of your IRA or pension plan through your plan administrator. You will continue to take lifetime withdrawals, and the balance in your plan will be added to your JCF fund after your passing. This is not an irrevocable designation; if your family's needs change, you may amend the designation at any time.

Additional Information: Disclaiming an IRA

If an IRA owner has not named JCF as the primary beneficiary but instead made JCF the successor beneficiary, there is still a way to direct these assets to JCF. If the IRA owner named, for instance, a child or another individual as primary beneficiary and JCF as successor beneficiary under his/her IRA, the primary beneficiary could disclaim his/her interests so that JCF instead receives the IRA. To accomplish this, the primary beneficiary must make a qualified disclaimer within 9 months of the IRA owner's death, which requires a notice from the primary beneficiary to the IRA custodian that is written, irrevocable, and unconditional. The primary beneficiary must not have received a "benefit" from the IRA prior to disclaiming it (but if the IRA owner had not taken any required minimum distribution for the year of his/her death, that required minimum distribution can be distributed to the primary beneficiary without being counted as a "benefit"). The primary beneficiary cannot personally dictate to whom the IRA will pass; instead, it will pass to the next successor in line under the IRA owner's original beneficiary designation (as if the primary beneficiary had predeceased the IRA owner). The disclaimer also must comply with any state law and IRA/plan requirements. If you are considering disclaiming an IRA, please consult an attorney.

Ways to Gift (cont.)

Life Insurance

If you would like to make a future gift to your JCF fund while retaining ownership of your life insurance policy, you can name JCF as the beneficiary of all or part of the death benefits and maintain the right to change the beneficiary designation.

You may have taken out a policy years ago to provide for your family should something happen to you or your spouse, but the original purpose for your policy no longer applies. If you transfer ownership of the policy to JCF and name JCF as the beneficiary, you may receive an immediate charitable tax deduction and reduce your future estate tax liability.*

Remainder Trusts

A **Charitable Remainder Annuity Trust** or **Charitable Remainder Unitrust** may be established by your attorney to allow you to transfer assets into a separately managed trust that will provide beneficiaries with payments for life or for a period of years. At the end of this period, any remaining assets will go to the Jewish Communal Fund.

*Please consult with your personal tax advisor.

There are many different ways to gift:



**Bequest from
Your Will**



IRA
*and other
retirement assets*



**Life
Insurance**



**Charitable
Remainder
Trusts**



Communicating Your Legacy

Conversation Starters

The importance of discussing your wishes with your Successors during your lifetime cannot be overstated. These conversations, while difficult at first, can strengthen family bonds and provide comfort, reassurance and clarity for both you and your heirs. The more you involve your heirs in estate planning conversations, the more likely they are to take actions after your passing to continue your legacy for generations to come.

In addition to documenting your values and life lessons in the form of an ethical will or legacy letter (*see pages 20–22*), try these helpful conversation starters the next time your family is all together, whether for the holidays or another occasion:

- 1 What key childhood memories would I like to share—ones where I learned an important life lesson?
- 2 What do I value most in life?
- 3 Which family heirloom(s) do I want to pass on to future generations? Why?
- 4 What words of wisdom did my parents or another significant person share with me?
- 5 Which family stories do I hope future generations continue to tell one another?
- 6 What relationships, opportunities and experiences am I most grateful to have had?

Conversation Starters (cont.)

- 7 What am I passionate about? What gives me a sense of purpose?
- 8 What principles guide my decisions?
- 9 What was the happiest moment of my life? What am I most proud of?
- 10 Who are my heroes? Who inspired my charitable giving journey?

Once all the mechanics are in place, the most interesting and thought-provoking part of the succession planning process begins. Communicating the “why” behind this planning and transmitting your deeply held values to your family is the culminating step. This can be done in several ways.

Legacy Letters and Ethical Wills

Many people find it meaningful to prepare a message for family members that offers insight into their values and the charitable causes they were passionate about, as well as guidance on the central role philanthropy can play in living out those values.

Writing a legacy letter is an ongoing process. You will likely revise this several times before finalizing a version for your heirs.



► STEP 1: Decide whom you wish to address.

Typically, you will address a legacy letter to your entire family; however, you can also tailor versions of your letter to specific people.

► STEP 2: Select a format.

There are three main formats you can use:

- 1. Essay.** Essay-style ethical wills have an introduction, a body and a conclusion. They tend to be two or more pages in length.
- 2. Letter.** This style is formatted just like a personal letter. It is addressed to a person or group of people, and it has a greeting, a body of text and a signature.
- 3. Creative.** A creative approach to an ethical will may consist of a poem, video or scrapbook.

► STEP 3: Develop your key messages and describe your hopes for the future.

Begin your legacy letter with a heartfelt message to family members about your values, what you stand for and what is important to you. You may wish to:

- Describe important influences, such as family, friends, teachers, mentors, organizations and others who have shaped your life.
- Review significant events in history and in your life that have shaped your worldview.
- List key values that you live by.
- Articulate what drives your charitable giving now, and reflect on how it may have changed or evolved over time.
- List the organizations you support and share why you have chosen to fund their work.
- Describe the impact of this legacy.

Questions to consider as you draft your legacy letter:

- What is the most important message you want to leave for your family?
- What wisdom did you gain from your grandparents and parents that you wish to pass on?
- What are you grateful for?
- What are some of your most treasured memories? Favorite family traditions? Accomplishments? Mistakes you want others to learn from?
- What are your wishes for your family and loved ones' future?

Take notes on these reflections.

■ **STEP 4: Start writing.**

Carve out undisturbed time to sit and write the first draft of your legacy letter.

During this first round, don't worry about format or flow; just getting your thoughts on paper is the goal. Then you will have a basic document from which to work.

■ **STEP 5: Reflect and revise.**

Take time to reflect on what you have created, and revise it several times until you feel comfortable with the final product.

Let your family hear your character come through in your words.

Frequently Asked Questions

1 What happens if I do not have a Succession Plan?

If there are no Successors or Successor Charities on file, then upon receiving notification of the death of the last Fundholder, JCF will transfer any remaining assets in your fund to the JCF Special Gifts Fund. We highly recommend having a Succession Plan on file, and reviewing it every few years to ensure it still meets your objectives. If you would like assistance developing a Succession Plan for your JCF donor advised fund that meets your long-term philanthropic objectives, please call us at 212-752-8277 for a consultation.

2 If I do not have a JCF donor advised fund during my lifetime, can one be established with a legacy gift?

Yes, a JCF donor advised fund can be established through your will or by making JCF the beneficiary of an IRA or pension fund. A deferred fund application should be completed with the instructions for setting up your JCF fund.

3 Can I make changes to my Succession Plan?

Yes, you can update your Succession Plan at any time. Just fill out a new Succession Plan form and submit it to JCF.

4 Will JCF speak with my attorney or advisor?

Yes, we encourage coordination and communication with any advisors with whom you are working, especially estate attorneys. This enables Fundholders to ensure that their JCF Succession Plan fits with their overall holistic planning.

5 How do I know which Succession Plan option is right for me?

JCF offers three ways to create a Succession Plan that meets your needs: 1) Designate Individuals as Successors; 2) Name Successor Charities; and 3) Divide Assets Between Successors and Charities. Whichever option you select, all Succession Plans must be submitted in writing during your lifetime. For more detailed information and illustrations of these options, please review the "Creating Your JCF Succession Plan" section of this guide.

6 What are the best ways to gift to JCF to fund my legacy plan?

There are several ways to contribute to a new or existing JCF fund, including a bequest from your will, or naming JCF as the beneficiary of your IRA, pension plan or life insurance policy. We recommend that you consult with your attorney and/or personal tax advisor to determine which are the most advantageous assets to gift to JCF.

7 Can a minor be a Successor on my fund?

Yes, a Successor does not have to be of majority age (18) when appointed. A temporary Successor may be named to act until the primary Successor is of majority age.

8 Whom may I contact for advice on which Succession Plan is best for me?

Our donor representative team is available to speak with you and provide guidance based on your individual needs and wishes. Please contact us at 212-752-8277 or email rep@jcfny.org.

Resources/Tools

► The Jewish Ethical Wills Project at the Marlene Meyerson JCC

Manhattan: <https://jccmanhattan.org/jewish-living/ethical-wills/>

► 21/64's tools, including the Family Diagram, The Grandparent Legacy Project, and What Am I Inheriting? <https://2164.net>

► JCF can match Fundholders with **philanthropic advisors** specializing in legacy gifts.

► JCF's Legacy and Succession Plan resources on our website: jcfny.org/legacy

Holocaust Survivor's Charitable Legacy Lives On in Israel



JCF can help you achieve the impact you want to have on the world with your philanthropy.

Henry Neufeld, born in Austria at the turn of the 20th century, was the only one of his family to survive the Holocaust. In 1950, he immigrated to the United States, where he established a very successful chemical company. Mr. Neufeld used his success in business to support charitable projects in Israel, including a nursery and kindergarten in Herzliya, Israel, in memory of his parents and brothers. To ensure that his family would be remembered, he left a generous bequest to fund an account at JCF. He left instructions that for fifteen years, the interest earned on the fund be distributed in equal parts to four universities in Israel. After that, the principal of the fund was to be contributed to one of those institutions in his memory and in memory of his family who perished during the Holocaust. With the assistance of an external philanthropic consultant, requests for proposals were sent to the Israeli universities and, ultimately, the Social Hub at Hebrew University's Edmond and Lily Safra Center for Brain Sciences was selected. The atrium of this center acknowledges Henry Neufeld's generosity and commemorates his dear father, Shlomo, his beloved mother, Esther, and his cherished brothers, Baruch and Menachem, so that their names shall be remembered in Israel for decades to come.

Pictured above: The Suzanne and Charles Goodman Brain Sciences Building; photo by Yoram Aschheim







JCF is the donor advised fund of the Jewish community.

Since 1972, the Jewish Communal Fund (JCF) has been helping people achieve their philanthropic and tax-saving goals simply and efficiently, with flexibility, full confidentiality, convenience, and personal service from a dedicated professional staff. JCF has grown to be one of the largest and most generous networks of Jewish philanthropists in the world.

 **JCFNY.ORG**