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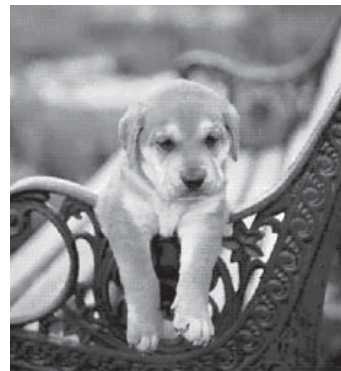
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UNLEASHED

The Portsmouth Community Foundation serves as the fiscal sponsor for a community project working to establish the first dog park in our city. Calling itself *Portsmouth Dog Owners Unleashed*, a group of dog enthusiasts, has been working with Portsmouth's Department of Parks, Recreation, and Leisure Services to create this park. With a goal of \$25,000, the group has launched its campaign to raise the money for the park planned for the old Port Norfolk Elementary School site.

The City has agreed to maintain the park, which needs fencing, sheltered benches, tree plantings, signs, and a water supply. A



Portsmouth veterinarian, Dr. Jane Casey, is heading up the project. After dog owners complained to her about no place for dogs to play and exercise, she decided to do something to remedy this situation. If successful, Casey hopes for more such parks throughout the City. A truly grassroots effort in our community, you'll see collection jars and flyers at dog-friendly establishments, and you may even see a dog enthusiast asking for your support.

This "special project fund", as a component fund of The Portsmouth Community Foundation, enjoys the same tax benefits as a 501(c)(3) charity. "This kind of partnership is what makes Portsmouth great", says

J u d i Luffman, e x e c u t i v e d i r e c t o r o f t h e F o u n d a t i o n . Community foundations across America serve as the repository for short-term grassroots fund-raising projects such as the dog park.

If you're interested in supporting this exciting project, send your donation to: *The Portsmouth Community Foundation, Dog Park Fund, 360 Crawford Street, Portsmouth, VA 23704.* For your convenience, you may give online through the Foundation's website – visit www.thepcf.org and click on "Donate Now" in the main menu.



THE PORTSMOUTH COMMUNITY FOUNDATION
 Audited Financial Statements – Are available from the State Division of Consumer Affairs, P.O. Box 1163, Richmond, VA 23218 IRS Tax Return-990 is available at www.guidestar.org

Spring2006

COMMUNITY MATTERS

THE PORTSMOUTH COMMUNITY FOUNDATION



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Portsmouth Students Recognized

Jaylah Stephenson, a first grader at Olive Branch Elementary School, represented Portsmouth Public Schools and was recognized for the students' generosity during the Hurricane Katrina Relief Efforts in Portsmouth in September. Jaylah was introduced at the 2005 Chamber of Commerce Armed Forces Military Appreciation Luncheon.

At the Foundation's November Board of Directors meeting Emily Roots and Bradford Andrews reported on Portsmouth public school Hurricane Katrina fund raising efforts. They were afforded a round of applause from Board members for their unselfish efforts.

Gulf Coast Area - Online Reports

www.mississippirenewal.com
www.governorscommission.com
www.braf.org – Baton Rouge Area Foundation



>>>>>
 Jaylah Stephenson represented Portsmouth Public Schools' generosity for Hurricane Katrina victims

NEW FUND — Preserving Portsmouth's History

Portsmouth Cedar Grove Cemetery Fund

A Component Fund of The Portsmouth Community Foundation

We all know that Portsmouth is rich with historical sites. What you may not know is that 359 graves have been identified at Cedar Grove Cemetery as being the grave of a veteran of a war - Revolutionary War, Civil War, War of 1812, Spanish American War, World War I, or World War II. The newly formed non-profit, Portsmouth Cedar Grove Cemetery Foundation

and the Park View Garden Club have combined forces for the restoration and beautification of this historical and cultural site.

Current plans call for restoring, preserving, and improving the historical significance of Cedar Grove Cemetery, a public awareness campaign regarding the cemetery's cultural and historic values, and scatter gardens for beautification.



Donations for this effort are being accepted by The Portsmouth Community Foundation and should be mailed to: The Portsmouth Community Foundation, Portsmouth Cedar Grove Cemetery Fund, 360 Crawford Street, Portsmouth, VA 23704. You may also donate online through our website. Click on "Donate Now" in the main menu.

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Studies show that more than 93% of the nation's nursing homes have serious deficiencies in the quality of care that jeopardize residents' health and safety, and nearly 60% of all residents in long-term care facilities have no family members to insure they receive basic care.

**Citizens Committee
to Protect the Elderly**

It is often hard to find the time to regularly check on a loved one living in a nursing home or assisted living facility. It is difficult enough to make the decision to place them there, but there are times when we just don't have time to check on them every day.

Ponder this story: On a routine weekly visit by a CCPE volunteer an 80-year-old woman was found lying in her nursing home bed crying and in pain. Her cries for help were ignored. Upon inquiry the volunteer discovered that the woman had been in this state for four days. Thanks to the volunteer's insistence that the elderly woman's complaint be investigated and a request for an x-ray, it was discovered that the woman's leg had been broken and she had received no medical attention for the four

days, except for an aspirin.

Unfortunately, situations like this are all too common. It is the mission of Citizens Committee to Protect the Elderly to provide guid-

ance, support, and protection to the elderly and to those entrusted with the care of the elderly. The more than 1,200 CCPE volunteers have often been the first to arrive when someone was in need of emergency medical attention, and they were instrumental in coordinating the help needed.

More about Citizens Committee to Protect the Elderly:

Volunteers serve seven Hampton Roads cities: Chesapeake, Hampton Newport News, Norfolk, Portsmouth, Suffolk, Virginia Beach.

CCPE:

- Provides a list of facilities in Hampton Roads.
- Is available to answer questions about nursing home and assisted living facility care.
- Is available to serve as a liaison for resolving problems regarding care for our elderly.

Humanitarian Visitor Program

- Regular visits have proved to reduce the stress, loneliness and isolation experienced by many elderly people living in long-term care settings.
- Weekly visits to provide companionship for them and reassurance for you.
- Regular visits with residents who do not have regular visitors, in both nursing homes and assisted living facilities.

Information and Guidance Program

- Provide guidance for those considering placing a loved one in a nursing home or assisted living facility.
- Provide education and suggestions for those having problems with nursing home care.

Community Service Projects

- Coordinate events and activities in nursing homes and assisted living facilities to stimulate and enhance the lives of residents.



(Unearthing: continued from page 5)

Planned Giving Strategies

By using sophisticated giving strategies, clients can remain more involved with donations, retain the right to use a residential property that has been gifted, or even receive lifetime income, in addition to the benefits mentioned above.

Smart planned giving techniques include:

Donor Advised Funds. A client might gift real estate to a donor advised fund at a community foundation and receive an immediate tax deduction. After the property is sold, the proceeds are held in the donor advised fund. The donor can then suggest specific charitable gifts, which may be spread over a period of years, to local organizations from this fund. This strategy gives clients ongoing participation in philanthropic efforts.

Retained Life Estates. Some clients would like to give their homes or farms to charity, while continuing to live in or use the property. If such rights are preserved, the client's upfront tax deduction will be reduced to a percentage of the property's value; the longer the charity is expected to wait, the smaller the immediate tax benefit. In addition, a donor who retains a life estate also retains the responsibility to maintain the property and pay necessary expenses.

Charitable Remainder Trusts. Another strategy is to donate real estate to a trust that will sell the property and pay the donor (or perhaps a donor and spouse) a lifetime income stream. That income might be a fixed amount or a fixed percentage of trust assets. Eventually, assets left in the trust will be donated to charity. This is usually an option only if the property to be donated is free from debt.

Although there are minimum charitable requirements, it is possible for clients to retain a relatively large income stream and receive a relatively small (as little as 10 percent) upfront tax deduction. Conversely, clients with substantial charitable intent can specify a smaller income stream and receive a larger tax deduction. Charitable remainder trusts must be created and administered carefully so many charities, including community foundations, will need to work closely with donors' advisors to see that the proper steps are taken.

If executed carefully as part of a comprehensive estate plan, gifts of real estate offer many benefits to clients and their favorite charities. Advisors who understand the intricacies of real estate donations will be in a better position to help their clients achieve their giving goals in a way that's consistent with their overall financial plan.

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Learn more at www.thepcf.org


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"Goodness is the only investment that never fails."
- Henry David Thoreau

DID YOU KNOW

According to *The National of Securities Dealers*, baby boomers will need between \$1 million and \$2 million at retirement to maintain their middle-class lifestyle.

January can be a busy month for domestic violence shelters. Often times women as victims of domestic violence return to their home for the holidays to try and make things work and to give the children a sense of family. But, January brings mounting credit card debt and return to the shelter.

Young adults who age out of foster care often end up homeless.

33% of baby boomers (born between 1946 and 1964) volunteered at an organization at least once in the past year – according to Corporation for National and Community Service's analysis of Bureau of Labor Statistics data. The corporation was created by President Bill Clinton in 1993 and runs programs such as Senior Corps and AmeriCorps, and aims to increase this percentage as boomers retire.

A high school dropout survey, commissioned by the Bill & Melinda Gates Foundation, released by Civic Enterprises, a Washington-based research firm, just released its findings.

The survey polled 467 geographically, racially, and economically diverse people ages 16 to 24. Survey results showed the top five reasons students quit:

47% - classes were not interesting

43% - missed too many days and could not catch up

42% - spent time with people who were not interested in school

38% - had too much freedom and not enough rules

35% - failing in school

The study recommended that states consider a system of identifying kids at risk of dropping out; look into raising the age at which students can legally leave school to 17 or 18 from 16 in most states; and schools also need to work on getting parents involved before dropout is inevitable.

"Keep hope alive"
- Dr. Martin Luther King, Jr

**SOCIAL CHANGE
Portsmouth Weed and Seed Initiative**

This five-year initiative is a federally funded program administered by the Department of Justice. Purposefully designed as a multi-agency strategy this program WEEDS out violent crime, gang activity, and drug activity within the community and then SEEDS the community through social and economic revitalization. Resident participation is vital to the programs success.

Neighborhoods within the Portsmouth Weed and Seed area are Brighton, Dale Homes, Ebenezer Plaza, Effingham Plaza, Hope Village, Lincoln Park, Piedmont Heights, PortCentre Commerce Park, Portside Manor, Prentis Park, Prentis Place, Rosedale, Southside, Southside Gardens, and Swanson Homes.

"Weeding" goals include increased police patrols to address truancy and curfew violations, conducting special operations to target high crime areas, and strengthening relationships between residents and the police. "Seeding" goals include increasing access to educational opportunities, improving access to health care, reducing incidents of domestic violence and drug abuse, increasing opportunities for homeownership, and improving the physical condition of the Weed and Seed neighborhoods.

In place since 2003 Weed & Seed success depends on the active participation of residents, community and faith based organizations, and local government. Collaborations are a key component of the Weed and Seed initiative and The Portsmouth Com-



munity Foundation has been a collaborator since the beginning. The Foundation has established a Special Project Fund for Weed and Seed that aids in initiative's programming and sustainability. The Foundation has also donated computers for computer learning centers in the Weed & Seed neighborhoods.

Upcoming projects include the opening of four computer centers at Weed and Seed Safe Havens, an intergenerational summer mentoring program, participation in the Habitat for Humanity Building Blitz in June of this year, Effingham YMCA Summer Swim program, and the return of the Yard of the Month contest.

To volunteer or to learn more about the Portsmouth Weed and Seed Initiative, please call Zosia Wadoski, Program Coordinator, at 398-1005 or 235-0494.

Donations in support of Weed & Seed's continued work can be made to The Portsmouth Community Foundation. Interested? - Visit us on the web at www.thepcf.org and click on "Donate Now".

Don't wait, they are counting on you.



Non Profit Corner

DO YOU KNOW WHERE INFORMATION ABOUT YOUR ORGANIZATION IS ON THE INTERNET AND AVAILABLE TO DONORS AND POTENTIAL DONORS?

Small charities are often not ranked by some of the national charity watchdogs, but that doesn't mean donors aren't ranking organizations by doing their own investigating. With so much information now available on the internet, you should know the information that your donors and potential donors have access to with the stroke of a few letters on a keyboard.

With the rise in strategic giving, you might want to consider calculating ratios just like investors would when considering an investment. More donors want results and they want outcomes.

Remember, outcomes are changes in knowledge, behavior, or skills.

According to The Wise Giving Alliance's 2001 Donor Expectations Survey, 80 percent of adults think that no more than 30 percent of their donation should go toward fund raising.

You should also visit some websites to see the information that's reported about your organization and available to anyone with access to the internet.

You should at least visit www.guidestar.org and www.give.org.

Three popular ratios are used to evaluate non-profit organizations are:

Fundraising Ratio - how much of your revenue is spent on fundraising

Program Expense Ratio - how much of your expenses are spent on program service, as opposed to that spent on administrative overhead or fund raising

Contributions Ratio - how much of your total revenue is contributions, as opposed to grants.

Calculate, visit, and discuss your picture.

Give what is convenient for you and when it is convenient for you

Scenario: A charity has approached you for a donation, as have many charities. You would like to support the organization, and you have an amount in mind, but you don't want to donate the entire amount this year. You don't want to have to remember or have them call you to send a gift annually, and donating some appreciated assets would be beneficial to you right now and the rest you want to do with cash.



A possible solution: Establish a donor advised fund at The Portsmouth Community Foundation. Donate cash when it is convenient for you, and donate stock when it is convenient for you. You now have a pot of money from which to make the gifts you want to make and when you want to make them. With a donor advised fund, your recommendations to The Portsmouth Community Foundation Board of Directors are valid and valuable. Donor advised funds may not be used to satisfy a legal obli-

gation made by a donor. At your recommendation, The Foundation could make the pledge to the charity, not you.

You could add to your donor advised fund at your convenience, donate the assets that make philanthropy easy for you, and continue to support your favorite charities.

An added benefit is that when our fund advisors make recommendations for grants to charities, they often times are combined with grant recommendations from other donor advised funds, and the impact of the gifts to the Foundation and in turn the grant to the charity were just multiplied - social change is now much more achievable thanks to the generosity of people like you.



**REFLECTION
WALK PARK**

Port Norfolk Civic League is busy working on its next project to enhance this quaint community along side the Elizabeth River. This planned public park will provide a calming place for reflection and to raise awareness of cancer. Debbie Foytik, parks chair for the Civic League, is leading the effort on this project and has worked with City staff and VDOT officials to set this project in motion. Tucked in the quaint, community-oriented neighborhood of Port Norfolk, Reflection Walk Park is the perfect place.

Phase 1 of this project (at the end of Florida Avenue) includes benches surrounding a 30 foot in diameter brick surface with a bell in the center and Victorian-style lighting. A stamped walkway running from Florida Avenue to Chautauqua Avenue is planned for Phase 2, and Phase 3 calls for another 30 foot in diameter brick area at the end of Chautauqua Avenue.

Imagine a quiet place for cancer survivors to reflect and enjoy the calming and rhythmic waters of our Elizabeth River. Three rings of the bell will celebrate a cancer victim's remission from the disease or celebrate the memory of a loved one having lost the courageous battle. For the loved ones of those that lost their battle with cancer, this park will give them a place to celebrate their life and to quietly recall memories. Bricks, benches, and a bell will adorn this park, and donations to publicly honor loved ones are available with bricks and benches.

To learn more about this exciting project, call Debbie Foytik at 397-7164.

"No person has ever been honored for what he received. Honor is our reward when we give."
- Calvin Coolidge

DID YOU KNOW

According to the Corporation for National and Community Service's analysis of Bureau of Labor Statistics data:

78 million baby boomers (born between 1946 and 1964) will start to turn 60 in January. About 33% of them volunteered at an organization at least once in the past year, compared to 29% for the total adult population.

22.9% of women surveyed were working in fall 1997 and had not received welfare in the month prior to the survey interview. By 2003, 64.2 percent of the women surveyed had jobs and had not received welfare the previous month.

The proportion of women in the study who received some welfare, or totally relied on welfare, declined from 72 percent in 1997 to 18 percent in 2003; and

More than 18% of the study's respondents in 2003 were "disconnected from both the labor market and from welfare and received no wages or welfare during the month prior to the survey interview, up from 5.1% in 1997.

TIPS for careful financial planning

Discuss, document, and review your investment objectives with your adviser or broker (i.e. financial needs such as college tuition; retirement plans; charitable desires; and other financial needs).

Discuss your acceptable investment risk with your adviser or broker.

Check to make sure your account information is correct (account number, name, address, etc.)

Take notes when you meet with your adviser or broker and review them with him or her at the end of your meeting.

Read all documents from your adviser or broker, and ask questions if you are unsure of something.

Arrange for all documents to be sent directly to you, even if your adviser or broker gets a copy. You may want your attorney or accountant to receive copies as well.

Keep all documents that you receive from your adviser or broker.

If you don't receive a confirmation or statement, find out why?

Consider getting access to your account online. You may want to have someone you trust do that for you (a relative, friend, your attorney, or your accountant).

Never make checks payable to your broker, adviser, or anyone else for an investment. It should be payable to and sent to the financial institution, brokerage firm, or clearing firm.

Meet with your broker or adviser at least once per year.

Consider doing some research yourself. That may be as simple as reading the prospectus, annual or quarterly reports, other published reports; or speaking with investor-savvy friends or colleagues.

Review ownership and beneficiary information.



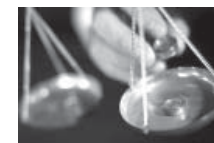
TOUCH THE FUTURE

WITH A BEQUEST OR DEFERRED (ENDOWED) GIFT TO THE PORTSMOUTH COMMUNITY FOUNDATION

Your careful planning will benefit generations to come. Funding for your favorite organizations – the arts, environment, education, university, shelter, health program, or your house of worship – it's all possible with an endowed fund at The Portsmouth Community Foundation.

A legacy gift is more than a donation: you hope it will respond to changing needs, while providing a steady stream of support. It reflects your values. It is a gift made with trust.

Working with The Portsmouth Community Foundation takes the worry out of giving. We'll be here to manage your gift, ensuring it remains a source of joy, opportunity, and support for generations to come.



Professional Advisors Corner

Unearthing Charitable Dreams: Donating Property

Giving property can allow you to make a substantial gift to your favorite cause while reducing taxes on your estate and possibly giving you a lifetime income stream. The Portsmouth Community Foundation has accepted gifts of real estate for several years. Contact Judi Luffman, The Foundation executive director for more information about giving real estate.

With real estate values skyrocketing amid historically low mortgage rates, many wealthy donors find themselves with a large percentage of their net worth tied up in real estate. Financial advisors who are called upon to develop tax planning and diversification strategies for clients should consider the benefits of real estate donations. Donors receive an immediate tax deduction and reduce the value of their taxable estate, while nonprofits benefit from a generous gift.

Increasingly, donors around the country are calling on their advisors to help them use the appreciated value of their property to benefit their favorite charities. For example, residents of Baton Rouge, Louisiana, who drive due north, will encounter a prosperous real estate development with an unlikely owner: the local community foundation.

Late last year, a charitably inclined property developer donated 16 acres of raw land that make up a critical piece of the development, which now includes homes, a hotel, and commercial buildings. The property donation netted the benefactor a healthy tax deduction. And when the property is sold, the expected windfall will enable the donor and his spouse to recommend grants to local organizations and thus fulfill their charitable goals.

Flexible Philanthropy

One of the immediate benefits of donating property is the ability to provide a large gift without disrupting a client's investment portfolio or cash position. When wealthy donors gift real estate, they don't have to sacrifice liquidity by laying out cash, nor must they give up potential investment appreciation by selling securities from their portfolios.

Clients also reap important tax benefits. Donors who contribute real property to a private foundation generally can deduct only the cost basis of the property up to 20% of the donor's adjusted gross income. However, clients who contribute long-term capital gain property – real estate they have held more than one year as an investment – to a public charity, such as a community foundation, can deduct the property's fair market value up to 30% of the donor's adjusted gross income.

In both scenarios, excess deductions may be carried forward and deducted over the next five years.

An equally important benefit: unrealized capital gains won't be taxed if a property is given to charity. In addition, property that is donated – along with any future appreciation – is excluded from the client's taxable estate.

Issues to Consider

Donating real estate to charity is not a simple procedure, and advisors must consider a number of important issues. For example, clients will likely be better off donating real estate to a public charity, such as community foundation, given the likelihood of a more favorable income-tax deduction.

In addition, a signed appraisal by a qualified third party will be required to support the tax deduction. Donors are generally responsible for getting, and paying for, a fair appraisal. "If a charity sells the real estate within two years, which usually will be the case, Form 8282 will be filed with the IRS. If there is a significant discrepancy between the sale price on this 'tattle-tale' form and the valuation claimed for tax purposes, the IRS may question the deduction," says Gid Smith, president of The Community Foundation of Greater Memphis, which has been handling charitable property transactions through its real estate division since the early 1990s.

Further complications arise if clients donate mortgaged property. "The transaction will be treated as a bargain sale if the property is encumbered," says Harvey Berger, national director of Not for Profit Tax Services at Grant Thornton LLP. "Under the bargain sale rules, a contribution of such property is treated as part-sale and part-gift, reducing the tax deduction."

Donating real estate for which the donor has claimed depreciation deductions on prior tax returns also raises important tax considerations. "You have to reduce the contribution by any amount that would be taxed as ordinary income on a sale," says Berger. "This includes depreciation recapture. While you technically don't pay tax on the recapture, reducing the contribution amounts to the same result."

(continued on page 7)