

# the Foundation

*for Enhancing Communities*

## THE INSIDER

### QUARTERLY UPDATE FROM THE INVESTMENT ADVISORY COMMITTEE (IAC)

List of Committee Members .....	2
Meeting Dates .....	2
Message from Robert Dolan, IAC Chair .....	2
Investment Performance .....	2
Chart of Portfolio Percentages.....	3

### DONOR INSIDER

Bunching to Beat the Deduction.....	4
Perry County Students Receive Four-Year Scholarship .....	5
Save the Date: Power of the Purse .....	5
Solutions for Your Clients .....	5
Pay it Forward.....	5
Franklin County Foundation Update .....	5
Mechanicsburg Area Foundation Update .....	5
Perry County Community Foundation Update .....	5
2017 TFEC Annual Report .....	5

### COMMUNITY INSIDER

Planning for the Future.....	6
Are you Ready to #CompeteForACause?.....	7
Round4's Better PA Website Giveaway.....	7
Seven Grant Opportunities Available Now.....	7

### TFEC'S EARLY EDUCATION INITIATIVE

TFEC's Early Education Specialists	
Work with Teen Moms .....	8



## SPRING 2018

Dream **CREATE** Sustain

# INVESTMENT ADVISORY COMMITTEE

## COMMITTEE MEMBERS

Robert J. Dolan, Chair  
*Conrad Siegel Actuaries*

Robert E. Caplan, CFA  
*River Wealth Advisors*

Frederick D. Fischer  
*Fischer Financial Services, Inc.*

Howard Hamann  
*Hershey Corporation (Retired)*

Kenneth E. Lehman  
*Lehman Volvo (Retired)*

William Lehr, Jr.  
*Capital Blue Cross (Retired)*

Conrad M. Siegel  
*Conrad Siegel Actuaries*

Richard D. Spiegelman  
*Community Volunteer*

Jonathan Vipond, III, Esq.  
*Buchanan, Ingersoll & Rooney, P.C.*

## MEETING DATES

January 16, 2018

April 17, 2018

July 17, 2018

October 16, 2018

All meetings take place at TREC's offices located at 200 N. 3rd Street, 8th Floor, Harrisburg, PA 17101 beginning at 9:30am.

While volatility had been out of the market for several months throughout 2017, it came back dramatically in the first quarter of 2018. However, if you take away the short term moves, the DJIA started the quarter at 24,719 and ended at 24,103 for a decrease of 2.5%. Not really very significant, however the market is considered to be in "correction territory", down more than 10% from its highest point. As I write this the market is around 24,300 so it remains in that first quarter range.

So we continue with our disciplined approach and your Investment Advisory Committee continues to adhere to the long standing discipline of long term investing. At our last meeting we made two small adjustments, introducing two new funds to better cover the asset classes. The first adjustment added a Vanguard Index Fund (VSMAX) in the small cap area, slightly reducing our DFA Micro Cap (DISVX) allocation. The second adjustment introduced another Vanguard Index fund (VTMGX) covering growth and blend equities, slightly reducing our DFA International Value (DFIVX) allocation.

Both small changes resulted in slightly lowering the standard deviation expected for the long term, while keeping expected long term returns the same or slightly better. I want to extend my sincere thanks to our all-volunteer Investment Advisory Committee as they continue to do a terrific job on behalf of our your community foundation.

Have a great start to your spring season. Bob

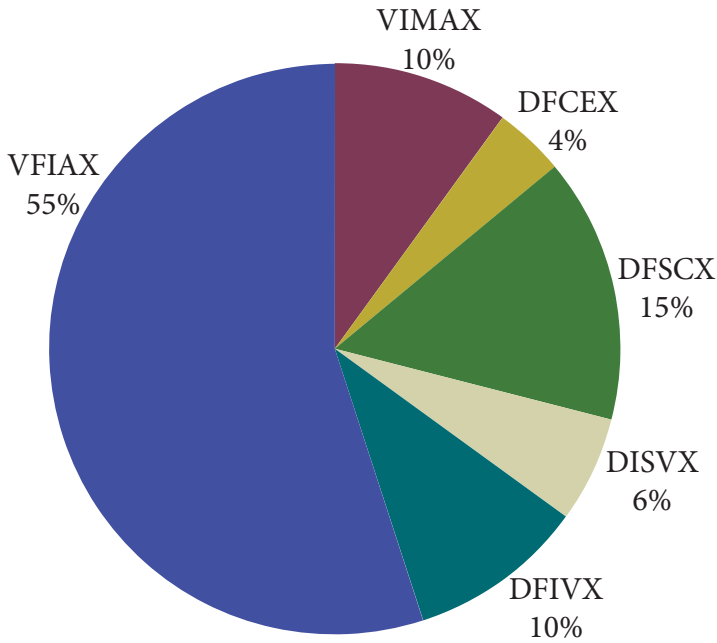


## INVESTMENT PERFORMANCE

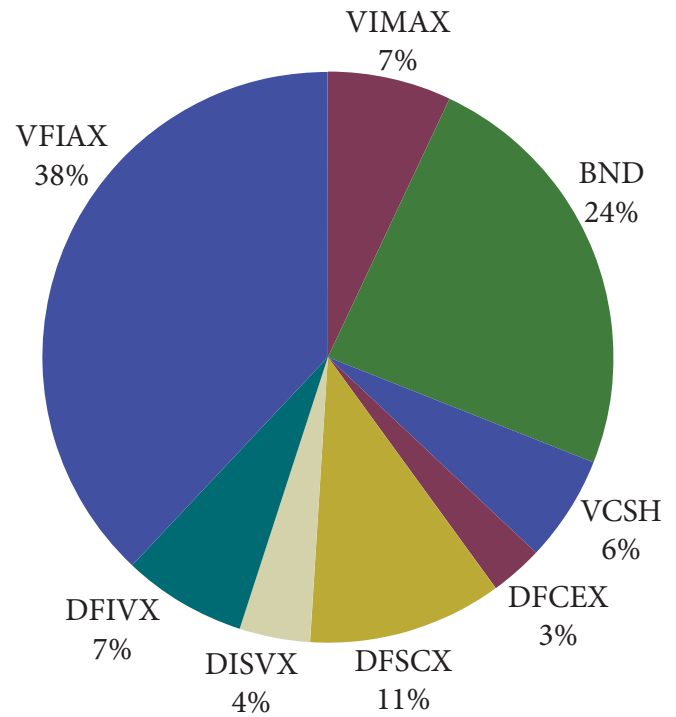
03/31/18 Returns are YTD & 1-3-5-10-13-22 Returns are as of 12/31						
	03/31/18	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	22 Yrs. Since Inception
Model E	-0.72%	21.1%	10.8%	11.5%	7.7%	8.9%
Benchmark*	-0.44%	20.1%	10.5%	10.9%	7.2%	8.6%
*55% S&P 500, 25% Russell 2000, 20% MSCI-EAFE						
Model A	-0.93%	15.6%	8.1%	8.7%	6.6%	7.9%
Benchmark*	-0.71%	15.0%	7.9%	8.5%	6.6%	7.9%
*34% S&P 500, 19% Russell 2000, 17% MSCI-EAFE, 30% BARCAP U.S. Aggregate Bond						
	03/31/18	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.	14 Yrs. Since Inception
Model F	-1.38%	3.2%	1.9%	2.8%	3.0%	3.1%
Benchmark*	-1.46%	3.5%	2.2%	3.4%	4.0%	4.1%
*100% BARCAP U.S. Aggregate Bond						

# INVESTMENT ADVISORY COMMITTEE

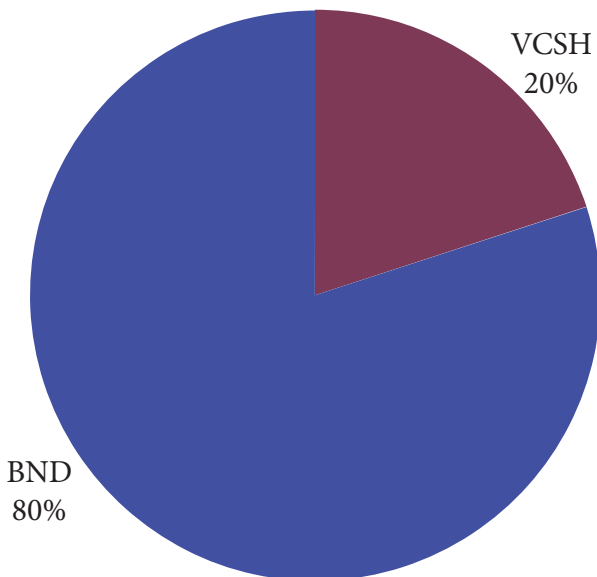
**MODEL E PORTFOLIO PERCENTAGE**  
ASSET VALUE \$45,422,631



**MODEL A PORTFOLIO PERCENTAGES**  
ASSET VALUE \$19,605,648



**MODEL F PORTFOLIO PERCENTAGE**  
MODEL F ASSETS \$1,009,790



## FUND LEGEND

DFA Emerging Markets	DFCEX
DFA International Value	DFIVX
DFA Micro-Cap	DFSCX
DFA International Small Cap Value	DISVX
Vanguard 500 Index	VFIAX
Vanguard Mid Capitalization Index	VIMAX
Vanguard Short Term Corporate Bond	VCSH
Vanguard Total Bond Market	BND



# DONOR INSIDER

## BUNCHING TO BEAT THE DEDUCTION

By now it's no longer news – there's a new tax law, and it's here to stay. For some, it may impact the amount you give charitably each year. With these changes, there are things to consider, and routes to take to enable you to fulfill your philanthropic goals.

The Tax Cuts and Jobs Act does preserve the deductibility of charitable contributions, but has restructured the system in a way that the incentive for giving is harder to reach. While many people do not need an incentive to give to their favorite nonprofit organizations, it may impact the amount they feel they can afford to give. Under the new law, the standard deduction has been doubled, and ways to reach the deduction have been reduced.

So what does this really mean? In years past, individuals and families were able to reach the deduction by deducting moving expenses, attorney fees, financial planner fees, and tax preparation fees, among other previously eligible fees and expenses. With many of these fees and expenses now being ineligible to be used to meet the deduction, more individuals and families are not going to meet their standard deduction, eliminating the ability to take advantage of itemized deductions, where charitable giving resides. In theory, this could reduce the number of individuals who give charitably each year.

There is still a way to reach the itemized deduction, it will just take some creative planning and saving. Instead of giving the standard amount to your favorite nonprofit organization yearly, “bunch” it! Save that amount over several years until you can reach the itemized deduction. A great way to take advantage of this strategy without leaving nonprofit organizations with less yearly funding is to put your “bunched” funds into a Donor Advised Fund at TFEC. You'll get the tax write-off, the funds will grow thanks to our prudent investments, and your favorite nonprofit organizations can still receive funding every year – even on years when you are saving for your next “bunched” contribution.

A Donor Advised Fund gives you the flexibility to give any nonprofit organization a gift whenever you'd like and in any amount you choose. You can continue to support the nonprofit organizations you love while bunching your contributions and getting maximum tax advantage.

Contact us today to discuss your charitable goals! We would love to learn more about what matters most to you, and how we can help.



### DONOR ADVISED FUNDS | DID YOU KNOW?

- You can recommend grants from anywhere to any nonprofit using DonorCentral online
- Grants can be made each year from your fund while the funds continue to grow
- Donor Advised Funds can be permanent or non-permanent, giving you the flexibility to choose what fits best for your charitable needs
- You can give to your fund in a variety of ways – using a credit card, cash, real estate, closely held business stock, or anything appraisable – like a coin collection

[CLICK HERE TO LEARN HOW TO START A FUND >>](#)



# DONOR INSIDER

## PERRY COUNTY STUDENTS RECEIVE FOUR-YEAR SCHOLARSHIP

Hannah Bryner and R. Hunter Langel are 2016 recipients of the Lawrence and Julia Z. Hoverter Scholarship Fund. The fund awards 4-year scholarships to graduating seniors from Greenwood High School and Newport High School who have shown a commitment to community service and will be entering a service-related field.

[Click here to read more about Hannah and Hunter.](#)



SAVE THE DATE: NOVEMBER 3, 2017

## POWER OF THE PURSE

More details available online at [www.tfec.org/wfpop](http://www.tfec.org/wfpop).

Women's Fund  
A SPECIAL INITIATIVE OF TFEC

### SOLUTIONS FOR YOUR CLIENTS



TFEC can partner with you and your valued clients to expand and increase the benefits of their charity.

[LEARN HOW TO ASSIST YOUR CLIENTS >>](#)

### PAY IT FORWARD

Do you ever wonder what to buy the person who has everything? We have the perfect solution!

#### A Charitable Gift Certificate!

By giving one to a friend or loved one, you are:

- Giving the gift of charity, and
- Allowing the recipient to choose which nonprofit will benefit from the donation.



[LEARN HOW TO GIVE A CHARITABLE GIFT CERTIFICATE >>](#)

### FRANKLIN COUNTY FOUNDATION (FCF)

Save the Date: On November 1st FCF will be hosting their Annual Grantee Reception at Waynesboro Country Club from 4:30pm - 6:30pm.

[Click here for more information on FCF.](#)

### PERRY COUNTY COMMUNITY FOUNDATION (PCCF)

You're Invited! May 17th is PCCF's Annual Grantee Celebration. Come listen as they share their stories about the ways they are changing the lives of Perry County citizens.

**This event is free to attend, just register online by May 8.**

### MECHANICSBURG AREA FOUNDATION (MAF)

Save the Date: On the evening of October 30th MAF will be hosting their Annual Grantee Recognition event. Additional details coming soon! [Click here for more information on MAF.](#)

### 2017 TFEC ANNUAL REPORT

TFEC's 2017 Annual Report was mailed May 1, 2018. Didn't get your copy? Call TFEC at 717.236.5040 or [click here to view it online.](#)



[CLICK HERE TO LEARN HOW TO START A FUND >>](#)

# COMMUNITY INSIDER

## PLANNING FOR THE FUTURE

Have you ever considered establishing an endowment fund for your nonprofit agency, but ended up feeling intimidated by the task?

Do you struggle with the idea of spending your income and donations on something other than operating costs? These thoughts and feelings are understandable, but consider the main goal of establishing an endowment fund: Creating a permanent source of funding for your organization.

Of course it is tempting to spend all received contributions for current operations, especially when so often it feels like every little bit will make a huge difference. While beginning the process of establishing an endowment fund may seem like you are taking funding away from other areas, consider the benefits. By establishing an endowment fund, you are helping yourself. Since the principal cannot be touched, this fund will generate income for your organization forever! You can depend on this income yearly as either a new funding stream, or a way to continue to grow your endowment.

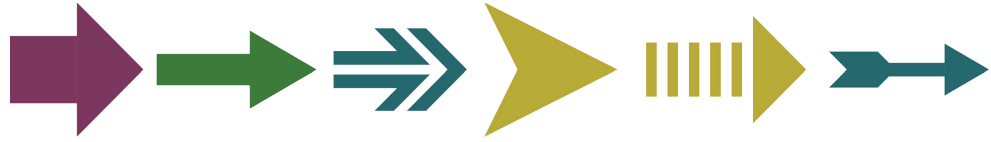
Endowment funds also send a positive message to your donors: Your nonprofit agency has achieved a key measure of financial stability and intends to carry out its mission for generations to come. Choosing to establish your endowment fund with TFEC adds to that positive message.

There are many benefits to working with us:

- Expertise with complex transactions and deferred planned giving, including gifts made with appreciated securities (including closely-held business stock), tangible personal property, real estate, gifts that provide donors with lifetime incomes (such as Charitable Remainder Unitrusts), and gifts from bequests;
- Accompaniment on calls to endowment fund donors and prospective donors;
- Marketing assistance by ghost-writing, guest authoring, or editing endowment articles for newsletters, endowment brochures, or websites;
- Legal assistance;
- No auditing costs or taxes paid on fund;
- Accounting excellence and single-fund reporting;
- Increased visibility through TFEC's annual report and website; and,
- Credibility of TFEC, established in 1920.

If you've been considering starting an endowment fund for some time, now may be the perfect opportunity to start! Showing donors that you are planning for your future through the establishment of an endowment fund may motivate them to donate to the endowment themselves. Remind donors that by donating to the endowment, they can be part of something bigger. By helping you to establish your endowment fund, they are directly investing in your legacy, and are helping you to better the community... win-win!

**[Click here for more information on starting your endowment fund.](#)**



## AGENCY FUNDS | DID YOU KNOW?

- TFEC staff is available to meet with donors or potential donors to your agency fund to explain the benefits and ways they can contribute to your fund
- You have free access to counsel as it pertains to your agency fund through TFEC's staff and lawyer, Spencer G. Nauman, Jr., Esq.
- Every donor to your agency fund is promptly and properly acknowledged for their gift
- You are able to accept complex gifts through your relationship with TFEC – gifts such as closely held business stock, real estate, and anything that is appraisable, such as a coin collection

**CLICK HERE TO LEARN HOW TO APPLY FOR A GRANT >>**



# COMMUNITY INSIDER

## ARE YOU READY TO #COMPETEFORACAUSE?

Nine teams have already formed and are competing for local nonprofit organizations including the Ronald McDonald House, the Central PA Food Bank, Tri County Community Action, and Please Live. **Sign your team up at [www.tfec.org/hbghoopla](http://www.tfec.org/hbghoopla) today and help us raise money for local charities!**



## HARRISBURG HOOPLA

City Island, Harrisburg | June 2, 2018  
[www.tfec.org/hbghoopla](http://www.tfec.org/hbghoopla).

*Join us for an adult field day filled with food, drinks, and fun!  
All proceeds benefit local charities.*



## ROUND4'S BETTER PA WEBSITE GIVEAWAY IS BACK!

For the second year in a row, Round4, a Mechanicsburg, PA based web design company, is giving away a free custom-built website to one lucky Pennsylvania-based nonprofit organization.

Visit Round4's website at [www.round4creative.com](http://www.round4creative.com) for more details.

## SEVEN GRANT OPPORTUNITIES AVAILABLE, DEADLINE AUGUST 1, 2018!

The Foundation for Enhancing Communities (TFEC) is pleased to announce that seven grant opportunities are now available for application. Within this grant cycle, applicants will be notified of their status on or by December 1, 2018 and proposed projects may take place at any time from January 1, 2019 – December 31, 2019.

- Arts for All Partnership
- Children's Home Foundation Fund
- Franklin County Foundation
- Greater Harrisburg Foundation Upstream
- Martin M. Sacks Memorial Fund
- Mechanicsburg Area Foundation
- Women's Fund

For more information or to learn how to apply, visit [www.tfec.org/2018granround1/](http://www.tfec.org/2018granround1/).

## NEW THIS YEAR: GHF UPSTREAM

You know your community and its challenges best - GHF UPSTREAM seeks to empower your solutions.

For more information or to apply, visit [www.tfec.org/grants/greater-harrisburg-foundation-upstream/](http://www.tfec.org/grants/greater-harrisburg-foundation-upstream/).



**CLICK HERE TO LEARN HOW TO APPLY FOR A GRANT >>**



# TFEC'S EARLY EDUCATION INITIATIVE

## TFEC'S EARLY EDUCATION SPECIALISTS WORK WITH TEEN MOMS

The Education Leading to Employment and Career Training (ELECT) Initiative provides pregnant and parenting youth up to age 21 with support needed to complete their High School education and transition successfully into employment or continue on to higher education. Their services include: biweekly visits for individual support, parenting, healthcare, nutritional education, job information, and intensive case management and support services. In July 2017, TFEC received a \$10,000 grant to provide services for this program.

Together with the Capital Area Intermediate Unit and Harrisburg High School, TFEC's Early Education Specialists provided resources, materials, and opportunities to network with other families from different schools, yet in similar situations. Session topics included Early Learning GPS, how to choose a quality childcare program, early literacy and play based learning, social and emotional development/appropriate discipline, and practices of self-care. Participants were able to network with other families while receiving resources at back to school and holiday parties.

"During the first session, the teens were quiet and seemed disengaged from the learning," said TFEC's Early Education Specialist Leslie Fick. "But as the sessions progressed, the teens became more involved. Not long after our final session we received numerous thank you notes from the young mothers detailing their fears and worries and showing appreciation for all of the information provided, along with the supplies that will make taking care of their child a bit easier." Throughout the program, participants received diaper bags filled with supplies, children's books, educational toys, self-help items, and tools to help with social and emotional development.



### EARLY EDUCATION ADVISORY COMMITTEE MEMBERS

David Volkman, Chair  
*Department of Education*

Kathleen Bentley  
*Perry County Literacy  
Council*

Eric Bostick  
*Capital Area Intermediate  
Unit*

Tia Bruner  
*Early Education Center of  
Perry County*

Carolyn Dumaresq  
*Immaculata University*

Denise Feeser  
*Waynesboro Day Care  
Center*

Amber Fields  
*United Way of the Capital  
Region*

Lisette Gonzalez  
*Family Promise of  
Harrisburg Capital Region*

Karen Grimm-Thomas  
*Office of Child Development  
& Early Learning*

Brenda Hanthorn  
*Lancaster-Lebanon IU 13*

Hannah Killian  
*Dauphin County Library*

Andrea Lown  
*HACC Lancaster Campus*

Judy Maietta  
*CCIS of Cumberland,  
Dauphin, & Perry*

Jesse McCree  
*SCPa Works*

Norma Miranda-LaBoy  
*Hamilton Health Center*

Lynda Morris  
*Capital Region Partnership  
for Career Development*

Stacy Ott  
*Shippensburg Head Start*

Kathleen Pavelko  
*WITF*

Jo Pepper  
*Capital Area Head Start*

Amy Reed  
*Cumberland/Perry MH/IDD  
Program*

Christy Renjilian  
*Child Care Consultants, Inc.*

Annette Searfoss  
*Franklin County Head Start,  
Inc.*

Tamara Willis  
*Susquehanna Township  
School District*

Lucy Zander  
*United Way of Carlisle &  
Cumberland Cty*

[CLICK HERE TO LEARN MORE ABOUT TFEC'S EARLY EDUCATION INITIATIVE >>](#)





**WOULD YOU LIKE TO BE FEATURED IN THE NEXT EDITION OF THE INSIDER?**

Send us your photos of what community means to you and you may be featured in our next issue!