

# Ways to Give

## Benefits of Charitable Giving



### *Benefits of Charitable Giving to Community Foundations*

Here are some reasons why a community foundation makes an ideal partner for assisting with your clients' charitable giving.

- ◆ Community foundations provide a full range of services for your clients.
- ◆ You remain in control of your client relationships while partnering with the local expert on philanthropy that helps you provide a full range of services to your client.
- ◆ Community foundations provide maximum federal and state tax benefits, tailor giving plans to meet your clients' particular needs, and provide a more simplified and cost effective alternative to a private foundation.
- ◆ Community foundations have deep knowledge about their communities and can help your clients be more effective in their giving.
- ◆ Your client can donate a variety of assets, from cash and appreciated stocks to real estate and more complicated assets. These can be assets they give now or later, as part of their estate plans.
- ◆ You may stay connected with your clients across generations by helping them establish and maintain a charitable legacy for their children and grandchildren through a foundation fund.
- ◆ Community foundations employ staff that are oriented toward donor-service, are skilled in solving complex gift situations, and have the ability to assist the client that desires confidentiality.
- ◆ Many community foundations offer the donor the option of allowing client's gifts to remain invested with the client's current money manager.

“The local community foundation is a ‘silent partner’ in my practice. Not a day goes by without my thinking about or discussing ways in which my clients can further their financial planning goals, estate planning goals, or charitable objectives via a fund or program at the community foundation. Working with a community foundation is a true ‘win-win’ for all parties involved – the advisor, the client, and the foundation itself.”

Peter L. Peterson, JD, CFP, Salina, Kansas

“Over the years I have explained to my clients the fact that all of us are philanthropists. Some of us do our giving voluntarily, while others do so on an involuntary basis through taxes – but we are ALL philanthropists one way or the other! Why not plan to do your giving in a way that benefits the people, causes and the community you care most about? That’s where organizations like the many fine Community Foundations in our state come in. I have worked for many years now to help my clients do good for their community, their families and themselves by partnering with their local community foundation. In reality I think the things we’ve accomplished together over the years in strategic charitable and estate planning have been the most fulfilling for them and for me as their advisor. Helping my clients explore their passions and fulfill their mission in life gives me renewed energy and passion to do the same in my own life every day!”

A. Wayne Potter, RFC, AAMS, Topeka, Kansas



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### *Typical Ways Your Clients Benefit From Community Foundations*

- ◆ **Year-end tax planning:** Your client has just earned a large bonus. By recommending that your client establish a fund through the local community foundation to counterbalance the tax consequences of the bonus, you will have shown your client how to get an immediate tax deduction as well as how to make a meaningful charitable investment in the community.
- ◆ **Retiring in comfort:** Your client would like to give back to the community but is concerned about having enough money for life. This person may benefit from establishing a Charitable Gift Annuity with the community foundation. These annuities can provide a solid income stream during the person's life and yet be customized to meet the charitable desires of the donor upon death. Annuities can also be established to provide income through the lifetimes of a client and spouse.
- ◆ **Preserving an estate:** Rather than being subject to estate taxes, your client can tailor his or her estate to reduce or avoid them. Suggest that your client direct dollars for local benefit. Your client's taxable estate can be reduced through planned gifts, such as a charitable bequest to a community foundation.
- ◆ **Substantial IRA/401(k) assets:** Partner with the local community foundation to help your client evaluate the most beneficial distribution of assets to minimize taxes – giving more to your client's heirs while at the same time pursuing your client's charitable goals.
- ◆ **Sale of a business:** Help your client reduce capital gains tax via structured charitable gifts and planned giving strategies involving the local community foundation.
- ◆ **Desire to establish a private foundation:** Contact your client's local community foundation for information about a donor-advised fund as a simple and more cost-efficient alternative. The community foundation can also provide a comparison showing advantages and disadvantages of private foundations, donor-advised funds, and supporting organizations.
- ◆ **Closely held stock:** A donor-advised fund or planned gift at a community foundation may be a solution for your client's eligibility for an income tax deduction measured by the fair market value of appreciated stock (less any planned gift value).
- ◆ **Sale or disposition of highly appreciated stock:** Sometimes charities are too small to accept direct stock gifts. Establishing a fund at the local community foundation with a gift of appreciated stock allows your client to receive a tax deduction on the full market value, avoid the capital gains tax that would otherwise arise from sale of the stock, and direct the funding to benefit your client's philanthropic choice.
- ◆ **Strategic giving:** To make a meaningful high-impact gift, you and your client may consult with community foundations utilizing their knowledge and expertise regarding community needs and programs.