

# LISTENING

## FOR CHARITABLE OPPORTUNITIES



FOR GOOD.  
FOR IOWA.  
FOR EVER.

### PHILANTHROPY IS A VERY PERSONAL DECISION.

*As a professional advisor, you can help your clients realize their charitable objectives by listening for charitable giving opportunities, explaining options, and suggesting solutions.*

Significant giving opportunities often arise when clients are making major business, personal, and financial decisions. Iowa Community Foundations can work with you and your client to recommend the best charitable solution. The following are some typical scenarios:



#### TAX PLANNING

*Your client wants to realize the charitable deduction under the 2017 tax law.*

Your client can combine two or three years of charitable contributions in order to exceed the new, higher standard deduction in a given year. Bunching multiple years' worth of donations in a single year allows your client to receive maximum tax benefits for their charitable contributions.



#### PRESERVING AN ESTATE

*Estate planning identifies significant taxes going to the IRS, but your client wants to be able to direct dollars for local benefit.*

The community foundation can work with you and your client to reduce their taxable estate through a charitable bequest or other planned gift. Your client's gift will create a legacy of caring in the community that stays true to their charitable intent forever.



#### RETIRING IN COMFORT

*Your client is concerned about running out of money during their lifetime and wants to continue being charitable.*

Recommend establishing a life income gift (such as a charitable remainder trust) at their local community foundation that pays income potentially for life. Upon death, the gift can be distributed by the community foundation in accordance with their charitable interests.

## CHARITABLE GOALS

*Iowa community foundations can work with you to answer these questions to help fulfill your client's charitable goals:*



What are my client's motivations for charitable giving?

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What are my client's charitable interests in the community?

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What are my client's priorities when focusing on a few areas that could make the greatest impact?

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What level of involvement does my client want in identifying uses for their gift?

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What kind of giving instrument best fits my client's financial situation and tax status?

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## IOWA COMMUNITY FOUNDATIONS WORK WITH PROFESSIONAL ADVISORS

*to enhance the services your clients seek from you and your firm — always respecting and working within the relationships you have developed and lead with your clients.*



**WHY TALK TO  
YOUR CLIENTS  
ABOUT**

**CHARITABLE  
GIVING?**

Some advisors are reluctant to begin a charitable giving conversation with their clients. They may be concerned about appearing to make a values judgment, especially if the client has not expressed charitable intentions.

**Reasons to broach the subject of charitable giving:**

- a significant opportunity may be lost for a client and their community;
- many individuals expect their professional advisors to bring up the subject if appropriate; and
- clients may assume charitable giving is not an option if the subject is not raised.

Here are six ways community foundations can support you and your clients in accompanying charitable goals.



**ESTABLISHING A PRIVATE FOUNDATION** Your client is thinking about establishing a private foundation, but is looking for a simpler, more cost-effective alternative. The community foundation can help you and your client analyze the pros and cons of creating a donor-advised fund, a supporting organization, or private foundation.



**CLOSELY HELD STOCK** Your client's personal net worth is primarily tied up in a closely held company, but it's important for them to give back to the community. Recommend establishing a donor-advised fund or planned gift; your client is eligible for a tax deduction measured by the fair market value of appreciated stock (less any planned gift value).



**SALE OR DISPOSITION OF HIGHLY APPRECIATED STOCK** Your client has appreciated stock and wants to use a portion of the gains for the charitable giving, but the identified charities are too small to accept direct stock gifts. Suggest establishing a fund at a community foundation with a gift of appreciated stock. Your client receives a tax deduction on the full market value, while avoiding the capital gains tax that would otherwise arise from the sale of the stock. Your client can even be involved in recommending uses for the gift, including the organizations and programs they care about most.



**SALE OF BUSINESS** Your client owns highly appreciated stock in a company that is about to be acquired. The community foundation can work with you to suggest several ways to structure a charitable gift (including the use of planned giving techniques) to help your client reduce capital gains tax and minimize impact to the community.



**STRATEGIC GIVING** Your client is passionate about helping meet a specific community need and wants to make a meaningful gift. You and your client can work with community foundation grantmaking experts to understand community needs and programs and then your client can direct their charitable dollars to make the greatest impact.



**SUBSTANTIAL IRA / 401K ASSETS** Your client wants to leave their estate to community and family, and has substantial assets in retirement accounts. The community foundation can help you and your client evaluate the most beneficial asset distribution to minimize taxes, giving more to your client's heirs and preserving charitable intent.



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Gifts may be eligible for the Endow Iowa tax credit.  
Contact your local community foundation to learn more.

[www.IowaCommunityFoundations.org](http://www.IowaCommunityFoundations.org)