



Toledo
Community
Foundation

Inspiring and Connecting Thoughtful Giving

Toledo Community Foundation

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About Your Foundation

Since 1973, **Toledo Community Foundation** has provided individuals, families and businesses interested in the well-being of our community with an *efficient, effective, low-cost, professionally managed* mechanism to achieve their charitable goals.

For philanthropists wishing to maximize the impact and life of their charitable gifts, the Foundation provides *resources for thoughtful giving*. Using its expertise and personalized services, **Toledo Community Foundation** helps donors transform their philanthropic impulse to measurable community impact. Beyond the gifting of assets, the Foundation helps donors identify issues of importance to them and *inspires engagement* with community organizations addressing these issues, thereby maximizing the impact of charitable gifts and creating a greater sense of fulfillment.

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Gifting Tax Strategies

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Glenn Schneider knew what he had to do the first time he walked through Loretto Hospital and saw children from Chicago's poorest neighborhoods in need of care.

Schneider wrote a check to the hospital foundation, and then kept writing them year after year. But he didn't stop there. As a senior vice president for Discover Financial Services, he encourages the 350 people in his department to help too. And each summer he invites business associates to a golf fundraiser that supports services such as free mammograms for women without insurance and van rides to the hospital for people without cars.

Although Schneider can leverage his gifts through a corporate philanthropy program, his giving is similar to that of millions of Americans: They see a need and they write a check.

About 65 percent of Americans with incomes less than \$100,000 give to charity, and 98 percent of the wealthy do. But this year, with the recession leaving more people in need and more people with less to give, requests for aid are packing mailboxes, especially as we approach the holidays. Each request reminds people to do a good deed, plus get a tax deduction before year-end.

"It is hard to say 'no' because there are so many needs there," said Ken Nopar, director of market development at Strategic Philanthropy, which advises people on giving options. While people might have written checks with little thought prior to the recession, "they are examining everything more closely. They want to make sure giving has an impact."

That can be overwhelming now, when the end of tax season is approaching and families are busy with holidays. Yet, numerous approaches are easy.

The simplest, of course, is writing checks to favorite organizations, or clearing closets and cupboards and delivering excesses to charitable organizations.

Many donations require sweat versus money. Schneider, like many Americans, works on community projects. Through Discover, his entire department built a baseball field for a school last September.

This can be the time of year, however, when aggressive check-writers ask themselves if there is a more efficient way to give. For such people, an easy step is to set up a donor-advised fund at a community foundation or through firms such as Vanguard, Fidelity or Schwab.

The person deposits a lump sum -- usually \$5,000 or more -- before the end of the year, cements a deduction for the full amount, and then the fund writes checks to multiple charities upon the donor's

requests for months or years.

Large gifts through donor-advised funds are popular among people who want to be charitable and shelter income in a high tax year. An example is an individual who sells a business, said Anita Sarafa, an estate planning attorney with JPMorgan Private Bank.

Also, this year people are converting large IRAs to Roth IRAs, given changes in tax laws. By making a large charitable contribution, the taxpayer can reduce the impact of the conversion on taxes, said Chicago estate planning attorney Kim Kamin.

Another popular approach this year: charitable lead trusts -- a way to deposit a large sum and give money regularly to charity for years. At the conclusion, remaining money goes to heirs. Unusually low interest rates this year make the approach attractive because of the formula required for giving, said Kamin.

Given the possibility of taxes going up in future years, some people are planning now for donor-advised funds, trusts or foundations but might wait to start next year, said Sarafa. They are watching the tax debate in Congress to identify the best year.

Donor-advised funds are simpler than trusts and family foundations, which require lawyers. The simplicity is attractive to Peter Frankel, of Evanston, who along with family members is involved in a family foundation that his father, Bud, set up after selling his business in 2000.

Frankel and the rest of his family take pride in the broad range of donations they provide through their foundation, but he thinks his family could have incurred lower legal and administrative costs through a donor-advised fund.

Some wealthy families like foundations because they unite families -- bringing all generations from distant locations -- to work on philanthropy.

But Frankel said families shouldn't set up a foundation to create harmony. His family foundation allows each family member some money for pet projects. His are a YMCA camp and African communities; his brother's are the environment; his parents' are refugees and Jewish causes.

Families that can start with at least \$1 million and want the most control over the money tend to prefer foundations, said Adam Von Poblitz, head of estate planning for Citi Private Bank.

For Diane Goldin, control is key as she weighs every request and travels to far corners of the globe to make sure the money she gives actually improves communities.

"I don't want to write checks," she said. "I want to know the problem and solve the problem."

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