



Toledo
Community
Foundation

Inspiring and Connecting Thoughtful Giving

Toledo Community

✉ **Foundation**
toledocf@toledocf.org

300 Madison Avenue
Suite 1300
USA

☎ Toledo, Ohio 43604

☎ 419.241.5049

☎ 419.242.5549

✉ **Bridget Brell Holt**
Philanthropic

☎ Services Officer

✉ 419.241.5049 x105

✉ **Kris Theisen**

Philanthropic

☎ Services Officer

☎ 419.241.5049 x121

🏠 VISIT OUR WEBSITE

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.

← BACK TO FRONT PAGE

🖨️ PRINT THIS ARTICLE

➦ SHARE

Giving More Than Cash

Clients should consider nontraditional assets when developing charitable gifting strategies. Valuable artworks, rare collections, or even a classic Corvette can offer significant advantages over cash gifts. Also, nontraditional gifts may allow for larger gifts than could otherwise be made and may offer a greater tax break than a gift of cash.

“In many cases, cash is the worst way to make a charitable donation,” says Bryan Clontz, president and co-founder of Charitable Solutions LLC, a Florida-based consulting firm that specializes in charitable giving. “The best gift may be the gift that’s appreciated the most and has the most capital gains embedded in it.”

Whether it’s a Monet or a ’66 Mustang, several issues should be considered when making a nontraditional gift. For instance, the charitable deduction will likely be limited by the gift’s cost basis. If not structured correctly, nontraditional gifts can actually generate larger tax hits for donors and may complicate estate planning.

The following tips can help make the most of a nontraditional charitable gift.

Discuss the gift with the client’s chosen charity. Some charitable organizations simply don’t have the expertise or employees to handle nontraditional gifts. Clients should approach the charitable organization *before* finalizing the gift to make sure they are equipped to handle it. If they aren’t, they may be able to recommend other options.

For example, Clontz’s firm runs a donor advised fund specifically designed to handle nontraditional gifts. The fund liquidates the gifts for donors and passes the assets to the charity or community foundation of the donor’s choice.

Don’t play matchmaker. If clients are concerned that their favorite charity or community foundation might decline the gift, they may be tempted to find a buyer as an alternative. Advise them against this. The reason: They’ll face taxes on the sale of the asset and won’t get the full charitable deduction they would have gotten from a direct donation.

“We get a lot of calls from people who already sold their asset,” says Clontz. “But as soon as they do that, it’s over. They can’t get a charitable deduction.”

Any agreement to sell an asset is legally binding and effectively completes the gift before the charity even gets involved. So your clients not only will miss out on any charitable deductions but will also likely owe capital gains tax on the asset’s appreciation.

Seek out “related use.” Beyond traditional charitable tax breaks, clients may gain additional tax benefits by donating a nontraditional asset to a nonprofit that can benefit directly from it. Under the IRS’s “related-use” rule, donating a tangible asset (i.e., *not* cash or securities) that is related to the purpose of the nonprofit or charity would allow for the deduction of the *fair market value* of the donation. (As noted above, a nonrelated-use gift allows only for a cost basis deduction.)

“For example, donating artwork to an art museum would likely fall under the IRS’s related-use rule,” says Corey Ziegler, corporate counsel for the Greater Kansas Community Foundation. “From the donor’s perspective, they can get a better tax result by making a gift this way.”

In addition to tax benefits, choosing to make a nontraditional gift may provide greater control over how the asset is used in the future. That’s why philanthropist and entrepreneur Ewing Marion Kauffman decided to hand over ownership of a particularly nontraditional gift—the Kansas City Royals baseball team—to the Greater Kansas City Community Foundation when he died in 1993.

“He wanted to make sure the team stayed in Kansas City,” says Ziegler. “That was one of the most interesting gifts we’ve seen.”

[← BACK TO FRONT PAGE](#)

[Unsubscribe](#)

This newsletter is provided by the above listed firm which is a registered investment adviser ("RIA"), qualifies for an exemption or exclusion from registration requirements, or does not fall within the definition of an RIA under the Investment Advisers Act of 1940 (the "Act") or any applicable state laws. Any subsequent, direct communication by the firm with a prospective client shall be conducted by a representative that is registered, qualifies for an exemption or exclusion from registration in the state where the prospective client resides, or is not defined as an investment adviser representative under the Act or any applicable state laws.

This newsletter contains general information that is not suitable for everyone. The information contained herein should not be construed as personalized investment advice. There is no guarantee that the views and opinions expressed in this newsletter will come to pass. Investing in financial markets involves gains and losses and may not be suitable for all investors. Information presented herein is subject to change without notice and should not be considered as a solicitation to buy or sell any security.

POWERED BY **hnw**