



Toledo
Community
Foundation

Inspiring and Connecting Thoughtful Giving

"Giving" Advice

Toledo Community Foundation

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About Your Foundation

Since 1973, the **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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Match Your Client With the Proper Giving Tool

What spurs donors to give? The answers may surprise you. As much as clients appreciate the benefit of a tax deduction, "such considerations are usually secondary. It's their passions and beliefs that are actually driving the giving," says Sean Stannard-Stockton, CEO of Tactical Philanthropy Advisors. His firm advises high-net-worth individuals on their philanthropic and charitable aspirations. He notes that advisors can help craft a tax-efficient way for their clients to give, but to do so they first need to understand their clients' goals. Do they want to support the arts? Create education opportunities? Do "brick and mortar" types of work? While each of these is a rather common ambition, they all require specific giving solutions.

Community foundations can partner with you to craft a plan that simultaneously maximizes tax benefits and satisfies your client's philanthropic goals. "Community foundations can bring specific, experienced knowledge to the table when working with advisors to execute their clients' charitable goals," says Karen VanHouten, executive director of the Community Foundation of Orange and Sullivan, in New York. "We can help you determine whether a fund or a trust will best serve the goal, and subsequently what type of fund or trust is most applicable to that goal."

Know Your Donor

You know your client's investing style and comfort level very well, but he or she may approach giving quite differently. Following are several common scenarios and donor concerns, along with giving options that may suit the client's specific situation:

The first-time donor may be nervous about committing a significant amount of money up front. This type of client could open up a donor advised fund (DAF) with as little as \$100 as a way to break into charitable giving. He or she could slowly increase contributions over time, subsequently becoming more familiar and comfortable with the giving process.

The hands-off client can support already established local programs or institutions such as senior centers, museums, or historical organizations through a designated fund. “Working with a community foundation in establishing a fund can put a client’s giving on automatic pilot,” notes VanHouten.

The client with nontraditional assets such as real estate, artwork, or privately held stock (and in one celebrated instance, a highly appreciated domain name) can gift these assets to a community foundation. In doing so, the donor can deduct the appreciated value of the stock or other appreciated asset — with some exceptions for collectibles and art — and avoid capital gains exposure. If, however, the client were to gift a private foundation in this manner, tax laws would allow only a cost-basis deduction.

The legacy-minded client can work with a community foundation to create long-term community support programs via unrestricted funds and supporting organizations. Unrestricted funds are flexible enough to change with the community as it grows and are structured to champion the donor’s goals posthumously. An excellent alternative to creating a private foundation, supporting organizations come with fewer overall restrictions and lower costs — and are effective at soliciting family involvement. Additionally, advisors can put either charitable gift annuities or charitable remainder trusts to work building income streams for donors during their lifetimes and charitable gifts to be conferred on their passing.

The undecided client needs a tax deduction but doesn’t want to hastily commit a large sum of money to a specific charity. In this case as well, a DAF through a community foundation makes sense. The fund can host a donation now; how the client wants to disburse it can be addressed later on. That’s because gifts to a DAF generate immediate tax deductions — without the required time frame for disbursement.

The focused donor has specific interests in mind and wants someone to recommend and vet charities in his or her hometown or region. In such a scenario, a field-of-interest fund may be a fitting solution. For example, VanHouten recently created a new field-of-interest fund focusing on local art-mentoring programs to fulfill a donor’s vision. Among the projects being funded with the donor’s direct input are art programs and artist mentoring websites. “Community foundations can steer donors to the things they care about,” VanHouten notes.

An estate-minded client can use a charitable lead trust to provide a steady source of income for the charity. When the terms of the trust end, the principal then reverts to the donor or to the donor’s heirs, often with sizable transfer-tax savings.

Whatever your client’s motivations and attitudes toward philanthropy, community foundations can help achieve the most tax-efficient and effective avenues of giving. Working together, we make sure your clients have the correct tools in hand to reach their charitable goals.

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