

A no-nonsense newsletter from The Dayton Foundation for estate planners and financial advisors

## The Charitable Giving Discussion

By Diane B. Brunn, Partner, Personal & Succession Planning, Thompson Hine, LLP

*“By asking a few initial questions about a client’s charitable interests ... advisors can be more prepared to effectively assist their clients.”*

– Diane B. Brunn

Over the years that I’ve practiced law and served in the trust administration industry, I’ve learned there isn’t a one-size-fits-all method to working with clients on their estate-planning needs. Each client has a different set of interests and objectives, as well as financial situations. These may include children or grandchildren, a family-owned business or other property, all of which needs to be considered when drafting an estate plan.

While some clients have well-thought-out intentions, others may only have a vague idea about what they want to do with their assets or what to leave to their heirs. In either case, I find it important to ask questions to better determine what matters most to my clients and what other avenues might be helpful in furthering their personal and estate-planning goals.

Introducing the subject of charity during these discussions can be most effective and welcomed, as well. Clients may not have previously considered incorporating a charitable component to their es-

tate plan or may not have known of the various charitable gift options available. Engaging in a conversation about this topic can enrich and deepen the advisor-client relationship, and perhaps even

lead to establishing new relationships with the client’s family and friends. If, on the other hand, clients are not interested in charitable planning, they typically indicate their appreciation of the idea and then move on to planning concepts that better suit their individual situations.

A number of studies have been published over the years indicating a disconnect between advisors and clients about the initiation of philanthropic discussions. In 2013, the U.S. Trust partnered with The Philanthropic Institute on a nationwide study that showed clients feel their advisors bring up the subject of charitable planning only 17 percent of the time, yet 88 percent of advisors believe this is an important topic to discuss. More important than who initiates the philanthropic conversation, clients want it to be had in a meaningful way and within the first several, if not the first, meeting with their advisors.

Clients expect their advisors to be knowledgeable about tax and financial planning and look to us to raise the necessary questions so that no stone is left unturned when creating their plan.

By asking a few initial questions about a client’s charitable interests, including previous giving patterns, and whether they want to involve the next generation in their charitable activities, advisors can be more prepared to effectively assist their clients. We owe it to our clients to help them understand that there are options available to them, and The Dayton Foundation can be an excellent partner in this.

### The Dayton Foundation as a Charitable Resource

The Dayton Foundation, a community foundation set up to benefit Dayton’s six-county region, has a wealth of resources and knowledge about charitable gifting and the nonprofit community to assist advisors and their clients. Their highly specialized staff can help an advisor add value by being an extension of the services provided to clients. For me, that means I don’t have to be an expert in the charitable fund and gift options available, but I can call or visit the Foundation’s staff and get the information I need.

The Dayton Foundation can help identify the right type of gift to match a client’s charitable interests and goals. The Foundation offers a wide range of permanent charitable funds, including unrestricted and lightly restricted endowments, advised funds, scholarships and funds designated for a client’s favorite charities. They also have the capability to administer charitable life income plans and other types of deferred gifts, including bequests and life insurance gifts, as well as support annual giving through their Charitable Checking Account<sup>SM</sup> Service.

For many clients, creating a deferred charitable fund through an estate plan is a new adventure that often can be intimidating. To help alleviate their uncertainty, I encourage them to establish a fund through the Foundation now and advise grants during their lifetime so they can get a better understanding of how both The Dayton Foundation and the fund work. With

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advanced planning and experience, clients are more likely to enjoy a deeper sense of satisfaction, pride and even accomplishment in knowing their generous donations are helping the causes and organizations they care about most.

Additionally, for clients with children or grandchildren, I recommend they use their charitable fund to involve family in distributing grants as a way to educate and inspire their future giving interests. Many clients feel that involving their family in the administration of their charitable funds leaves a legacy that is much more valuable than leaving a direct bequest to their family members.

### In Conclusion

Introducing the concept of charitable giving is a tremendous opportunity to educate clients about the different ways to give in the community. Estate-planning attorneys, wealth advisors, accountants and their clients all benefit from the charitable planning discussion.

As an attorney who specializes in estate and succession planning, I depend upon the expert advice of organizations like The Dayton Foundation to help me better help my clients. I also know that clients who have funds with the Foundation can be assured of good fund management and the knowledge that their wishes and family legacy will be followed for generations to come. 🌱

## Charitable Fund Options to Help Your Clients Help Others

The Dayton Foundation offers several types of endowed and non-endowed funds to facilitate your clients’ giving and provide the degree of involvement and recognition (or anonymity) they desire in awarding grants in their names.

🌱 **Community Impact Endowment Funds** allow the Foundation to respond to immediate and emerging community needs. Because these funds are not earmarked to a specific organization or purpose, a client’s potential for community impact is unlimited.

🌱 **Field-of-Interest Funds** support a client’s particular area of interest in the region, such as education, human services, health, the arts, the environment or animal welfare, without naming a specific nonprofit organization.

🌱 **Donor-Advised Funds** enable a client to actively participate in recommending grants to the charitable projects or organizations he or she wants to support.

🌱 **Charitable Checking Accounts<sup>SM</sup>** provide simplicity and convenience for a client’s regular charitable giving, with no minimum gift or grant amount and no fees.

🌱 **Donor-Designated Funds** provide ongoing support to a client’s named charities, such as an alma mater, place of worship or favorite nonprofit.

🌱 **Scholarship Funds** encourage education based on academic interest or other criteria, as determined by the client. These funds are a popular choice for individuals who want to honor loved ones.

To learn more about these fund options or additional ways to give through The Dayton Foundation, including private foundation alternatives, contact a member of the Foundation’s Development staff at (937) 222-0410.

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## I Believe!

donor families who have stepped forward to become the 2014-2015 “I Believe!” Partners of The Dayton Foundation. Their commitment underwrites a full year of Dayton Foundation publications, thereby freeing resources for the Foundation’s other community work.

“I Believe!” Partners: Denise K. & Richard (Rip) P. Hale, III, Lori A. Hausfeld, Barbara A. Hayde & Ronald F. Budzik, Jayashri & Ratna K. Palakodeti, M.D., Mary Kay & Richard H. Wick

Note: Solutions will differ from case to case. The above does not constitute professional financial or tax advice.

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