

COMMUNITY GIVING FOUNDATION'S

PROFESSIONAL

ADVISOR



NEWSLETTER

csgiving.org/professional-advisors

Tax return reviews and funds tailored to your client's charitable goals.

Greetings from the Community Giving Foundation! Tax time is just around the corner, which means your clients may be taking a closer look at charitable giving options as they pull together information for 2023 filings. In this issue, we're covering two topics that may capture the attention of philanthropic individuals and families this year while they're talking with advisors about tax preparation.

- Reviewing tax returns with a client can feel like an administrative task that simply needs to get done. But don't overlook the value of the review process to point out planning opportunities for this year and beyond, especially related to charitable giving and working with the [Community Giving Foundation](https://csgiving.org).
- Each philanthropic client's goals are unique, and charitable planning is not a one-size-fits-all proposition. Community Giving Foundation offers [charitable giving vehicles](#) to meet a wide range of client's needs. Discover the many types of funds available through the Foundation and how each may be a fit for certain client situations.

As always, we appreciate the opportunity to work with you and your clients during tax time and every other time of the year. We're your [partner in charitable giving](#), and it is our pleasure to help you serve your philanthropic clients as they support the causes they love.

Alyssa Meyers-Sanonu, Foundation Director of Philanthropy
570-752-3930 ext. 3 (office) • 570-850-3504 (cell) • ameyers-sanonu@csgiving.org

Tax return reviews help clients level up charitable giving plans.



Tax time has its silver linings! Going over a tax return with a client helps start a productive conversation about ways to plan gifts to charity more effectively. As you scan 2023's charitable contributions, talk with the client about whether those charitable gifts were made with cash or with other assets and then steer the conversation toward discussing the most effective assets to give to charity during 2024 and beyond. Here is a four-point checklist that can help you advise your clients about the range of charitable giving options.

1. Remind clients that cash is not king when it comes to charitable giving. Cash is typically not the most tax-effective form of charitable giving. Instead, encourage clients to consider giving highly-appreciated assets, including publicly-traded stock, to their fund at the Community Giving Foundation to support their favorite charities.

2. Think even beyond stock. Encourage clients to explore not only highly-appreciated stock as a potential gift to charity, but also the various forms of “noncash” assets that can make great charitable gifts. After all, American households’ most valuable assets are retirement accounts and personal residences, not cash. Examples of assets that could be excellent charitable gifts depending on the client’s circumstances include gifts of real estate, closely-held stock, collectibles, and, for clients who are age 70 ½ and older, direct transfers from an IRA (known as a Qualified Charitable Distribution) to a field-of-interest or unrestricted fund at the Community Giving Foundation.

3. Make it easy on yourself and your client. Reach out to the [team at the Community Giving Foundation](#) for assistance! We are happy to help you and your client evaluate the best assets to give to a donor-advised or other type of fund at the Community Giving Foundation to achieve the client’s charitable goals.

4. Close the loop on IRS reporting. Remember that the reporting requirements are different for noncash gifts to charity versus cash gifts. Make sure you are familiar with [IRS Form 8283](#), which must be filed with any tax return claiming a deduction for noncash assets valued at \$500 or more. The IRS expects strict adherence to the terms of the form, especially the requirement for a [qualified appraisal](#). On our end, the Community Giving Foundation will handle the confirmation of receipt and a commitment to document and notify the IRS if disposition occurs within three years.

Opening up the full range of charitable giving options for a client can help you structure a holistic estate and financial plan that meets the client's objectives for family wealth, philanthropy, and tax effectiveness. [Reach out](#) any time to the team at the Foundation to discuss techniques and strategies.

Foundation fund types tailored to your client's charitable goals.

Just as each of your clients has a unique estate plan and financial plan to meet the client's particular situation and goals, each of your philanthropic clients needs a unique charitable giving plan. For example, for some clients, giving shares of highly-appreciated stock consistently every year to their fund at the Community Giving Foundation makes the most sense for their charitable goals and their mix of assets. For other clients, leaving a [bequest](#) to the Community Giving Foundation to support specific areas of interest is the best fit for the client's financial situation and community priorities.

We offer charitable giving vehicles to meet a wide range of clients' needs. In many cases, a single client can benefit from setting up multiple funds of different types. Here's a quick primer on a few of the [most popular fund types](#).

Donor-advised fund. A donor-advised fund enables your client to establish a specific account for charitable giving. Your client makes tax-deductible contributions of cash (or, ideally, stock or other highly-appreciated assets) to the fund, and then recommends grants to favorite charities.

Unrestricted fund. Community Giving Foundation has its finger on the pulse of the community's most pressing issues. An unrestricted fund gives your client the opportunity to support community needs that can't be identified until the future. One of the biggest benefits of a community foundation is its perpetual structure that allows clients and their families to offer support to nonprofits that evolves over time as priorities in the region shift.

Field of interest fund. Clients who want to target their giving to specific areas of community need (such as education, health, or the arts) can set up a field of interest fund to establish parameters for grantmaking under the ongoing guidance and expertise of Community Giving Foundation staff.

Designated fund. A designated fund allows a client to direct giving to a specific agency or purpose. Over time, the Community Giving Foundation staff manages the distributions from the fund according to the terms established by your client.

Agency fund. An agency fund is similar to a designated fund, except the source of the initial contribution is the beneficiary nonprofit organization itself, not a donor or donors as is the case with a designated fund. If your client serves on boards of directors of charities, they'd likely be interested in learning more about agency funds. Indeed, if you represent nonprofit organizations and their board members in your practice, it's helpful to keep in mind that organizations frequently establish agency funds at the Community Giving Foundation to set aside endowment reserves. Our team is adept at navigating the specific accounting standards that are unique to this type of arrangement.

Scholarship fund. Clients can set up funds to support students' educational pursuits based on the parameters and application requirements they outline with help from the experts at the Community Giving Foundation.

Here's a pro tip: If you represent clients who are age 70 ½ and older, consider recommending a Qualified Charitable Distribution from a client's IRA to a fund at the Community Giving Foundation. All of the fund types noted above are eligible recipients, with the exception of the donor-advised fund.

We look forward to [working together](#) to discover the type of fund (or funds!) at the Community Giving Foundation that could be a good fit for each client's unique charitable giving needs.

The team at the Community Giving Foundation is a resource and sounding board as you serve your philanthropic clients. We understand the charitable side of the equation and are happy to serve as a secondary source as you manage the primary relationship with your clients. Learn more at csgiving.org/professional-advisors. This newsletter is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice.



The Community Giving Foundation is a 501(c)(3) organization that develops, manages, and distributes funds for charitable purposes in communities across the Central Susquehanna region of Pennsylvania.

725 West Front Street • Berwick, PA 18603 • 570-752-3930 • csgiving.org