

COMMUNITY GIVING FOUNDATION'S

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NEWSLETTER

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## Giving collectibles, split-interest gift planning, and new developments for QCDs.

Hello from the [Community Giving Foundation](https://csgiving.org)! Our team knows that summer often brings a fresh perspective—and sometimes a closer look at what clients truly value. That's often the case with charitable giving, which is why we're exploring several charitable planning strategies that can open the door to deeper conversations and inspire tax-smart giving opportunities.

- **Getting creative: Unusual noncash assets can make great gifts to charity.** As you help your clients plan their charitable giving strategies, take a look at opportunities for clients to make unusual noncash gifts, including classic cars, boats, RVs, and even aircraft. Many clients hold substantial wealth outside traditional investment portfolios, and these assets can create unique charitable planning opportunities when approached thoughtfully.
- **Split-interest charitable gifts: Need-to-know FAQs.** Many attorneys, CPAs, and financial advisors are diving deeper into understanding split-interest gifts. These include charitable gift annuities and charitable remainder trusts, which can help advisors find ways for clients to balance their financial and income planning with charitable goals. This means it's crucial for advisors to understand the differences between these vehicles, and the Foundation can point you in the right direction.
- **Good news keeps coming: Retirement plans and charitable giving.** The momentum around Qualified Charitable Distributions (QCDs) keeps rolling forward! What's more, proposed legislation could make QCDs available through additional retirement accounts, creating even more opportunities for clients to support the causes they care about while advancing tax and retirement planning objectives.

Community Giving Foundation is honored to serve as your charitable giving resource and our region's home for charitable giving. We're grateful for the opportunity to work alongside you to help your clients make a lasting difference in the community. [Reach out](#) any time!

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## Getting creative: Unusual noncash assets can make great gifts to charity.

If you're like many advisors, you may have discovered that often charitable giving conversations begin (and end!) with cash or appreciated stock. And of course, you are well aware that appreciated stock is an excellent choice for your clients to fund a donor advised or other type of fund at the Community Giving Foundation because it may avoid capital gains tax while also possibly triggering eligibility for a charitable [deduction](#) at fair market value.

But for some clients—especially business owners, collectors, and affluent retirees—valuable assets may take a different form entirely. Boats, airplanes, cars, RVs, and other tangible property can represent a mixed bag of characteristics: significant wealth, ongoing maintenance costs, and emotional attachment, all of which may add up to a charitable giving opportunity. These situations may no longer be one-off cases. Classic cars are a notable example, with some estimates tallying the total at more than 43 million vehicles in the United States alone—an [estimated](#) \$1 trillion in total insurable value!

Here are four tips to consider as you work with your charitable clients.

- 1. Always reach out to the Community Giving Foundation.** Anytime you're dealing with a charitable client, please reach out to the Foundation to explore your client's options. Your clients may be surprised to learn that public charities, such as the Foundation, can accept a wide range of noncash assets, provided the assets can be evaluated, valued, transferred, and ultimately liquidated to support your client's charitable goals.

- 2. Ask questions beyond balance sheet basics.** Clients may forget to mention that they own highly appreciated noncash assets. As clients prepare to meet with you, they are often so focused on gathering investment statements and real estate information that they forget about classic cars, RVs, planes, and boats! Comprehensive conversations are especially timely as many affluent households continue to hold substantial wealth [outside](#) of traditional investment portfolios. Recreational assets purchased years ago may now hold significant value while also generating ongoing expenses, storage concerns, and succession-planning questions. Clients who are downsizing or simplifying during retirement may welcome charitable strategies that transform underused assets into community impact.
- 3. Build your client's charitable plan prior to a sale.** When you spot unusual assets on a client's balance sheet, and you know your client is charitable, it's important to consider the possibilities. A client preparing to sell a classic car or boat, for example, could incur significant capital gains tax if the asset has appreciated in value. Contributing the asset to a fund at the Foundation before a sale may help reduce or eliminate those taxes while also generating funds to support charitable causes the client cares about.
- 4. Pay attention to the rules.** Gifts of [noncash assets](#) require careful coordination. Unlike publicly traded securities, these assets involve additional due diligence. Title transfers, appraisals, environmental reviews for real estate, insurance considerations, debt obligations, marketability, and liquidation logistics all require attention. The IRS also imposes specific substantiation and reporting [requirements](#) for charitable deductions involving noncash gifts.

[Our team](#) at the Foundation is happy to work alongside you and your clients' other attorneys, CPAs, valuation experts, and financial advisors to determine whether proposed gifts are feasible and which structures might be best. In many cases, the Foundation can accept the asset and facilitate its sale.

The bottom line here is that for a charitable client, using a much-loved car collection, boat, or other luxury asset to support favorite causes and address community needs may be far more appealing than knowing the asset could sit in storage for years and years, with no end in sight to the maintenance expenses. You can add tremendous value by helping your clients consider whether highly specialized collections and "passion assets" are better suited for charitable planning than for transfer through an estate, especially when heirs may not share the same interest in maintaining or managing them. Whether your client owns a rare bicycle collection, antique toy collection, classic cars, or a country music producer's private library, conversations about donating unusual assets can help clients simplify their estates, support charitable priorities, and avoid placing the emotional and logistical burden of niche collections on the next generation.

## Split-interest charitable gifts: FAQs.

As charitable planning conversations become more sophisticated, many advisors are revisiting so-called "split-interest gifts" to help clients balance philanthropic goals with income needs. Two

of the most common strategies—a [charitable gift annuity \(CGA\)](#) and a [charitable remainder trust \(CRT\)](#)—can both provide clients with lifetime income while ultimately benefiting charitable causes. Despite their similarities, the two vehicles function very differently and may serve distinct client needs.

Understanding when to consider each option can help attorneys, CPAs, and financial advisors deliver more customized and impactful planning guidance. Unless your practice specializes in charitable giving, though, you're not likely to have the rules for CGAs and CRTs at your fingertips. Here are six FAQs to get you started.

- 1. What do CGAs and CRTs do for a client?** At a [high level](#), both a CGA and CRT would allow your client to make an irrevocable charitable gift while retaining an income stream for life or for a term of years. In both cases, your client may qualify for an immediate charitable income tax deduction, and a portion of future payments may receive favorable tax treatment. In short, people use CGAs and CRTs to save taxes, make a gift to charity, and create an income stream.
- 2. Which is easier?** A charitable gift annuity is generally the simpler of the two arrangements. The client transfers assets to a charitable organization in exchange for a fixed lifetime payment backed by the charity's general assets. Payment rates are typically based on age and standardized actuarial assumptions. Because the payout is fixed and administration is relatively straightforward, CGAs often appeal to older donors seeking predictability and simplicity. Note that not every charity offers a CGA option. Many smaller or mid-sized nonprofits lack the resources, licenses, or state registrations needed to [manage](#) them.
- 3. Which is more flexible?** A charitable remainder trust offers considerably more flexibility than a CGA, but it is also more complex. A CRT is a separately administered trust—its own legal entity—that pays income to one or more beneficiaries before the remaining assets eventually pass to charity. Unlike a CGA, a CRT can be designed in [different](#) ways. A charitable remainder annuity trust (CRAT) provides fixed [annual payments](#), while a charitable remainder unitrust (CRUT) pays a variable amount based on a percentage of the trust's annually revalued assets.
- 4. Which option is better for clients contributing larger assets?** CRTs are often better suited for clients contributing larger or more complex assets. Because the trust can sell appreciated assets without triggering immediate capital gains tax within the trust, CRTs are frequently [used](#) in connection with highly appreciated real estate, concentrated stock positions, or even business interests prior to a sale.

In addition, CRTs can accommodate multiple beneficiaries, customized payout structures, and professional investment management strategies. Clients who want greater flexibility, longer-term wealth planning opportunities, or inflation-sensitive income may prefer a unitrust structure over the fixed nature of a CGA. Of course, that flexibility comes with added responsibilities. CRTs require formal trust administration, annual tax filings, ongoing investment oversight, and legal drafting. CGAs, on the other hand, are generally easier for clients to understand and establish.

5. **When is a CGA better?** You may recall that a [technique](#) called a “Legacy IRA” was created by the SECURE 2.0 Act, allowing taxpayers aged 70 ½ or older to make a one-time election for a tax-free Qualified Charitable Distribution to certain CRTs or CGAs. Clients who want to take advantage of the Legacy IRA may find that a CGA is better suited to their needs. The cost of setting up and administering a CRT may not be worth it because the [limit](#) for these transactions is \$55,000 (2026 level) per person.
6. **What’s the first step in exploring CGAs and CRTs?** Our team at the Foundation is honored to be your call whenever charitable giving comes up in a client conversation. If you are exploring CGAs and CRTs, we’ll point you in the right direction so that you can evaluate the rules for each technique and review important questions related to the particular client situation, including what type of asset will fund the gift, the size of the proposed contribution, the client’s income goals, the number of beneficiaries, and cost concerns.

Finally, keep in mind that charitable giving conversations are not limited to ultra-high-net-worth households. Many clients today are seeking ways to create reliable retirement income while also making meaningful charitable commitments. Split-interest gifts can help accomplish both objectives simultaneously. We look forward to our next conversation!



## Good news keeps coming: Retirement plans and charitable giving.

You’ve no doubt noticed that **Qualified Charitable Distributions (QCDs)** continue to gain [traction](#) as one of the most practical and effective charitable planning tools for clients over age 70 ½. By allowing eligible clients to transfer funds directly from an IRA to a qualified charity without recognizing the distribution as taxable income, QCDs can help reduce adjusted gross income while supporting charitable priorities. For many clients—especially those who do not itemize deductions—a QCD is particularly appealing.

What’s especially notable is that in recent years, Congress has expanded planning opportunities by [indexing](#) annual giving limits for inflation (\$111,000 per person in 2026) and allowing certain one-time QCDs (“Legacy IRAs”) to fund charitable gift annuities and charitable remainder trusts.

And now, proposed legislation known as the “[Charity Parity Act](#)” would, if enacted, [extend](#) QCD treatment beyond IRAs to include employer-sponsored retirement plans such as 401(k)s, 403(b)s, and 457(b)s. This potential change in the law would remove the extra step of rolling assets into an IRA before making a charitable gift, simplifying the process for many donors whose retirement savings remain primarily in workplace plans.

Consider a typical client scenario. Your client, age 74, is taking Required Minimum Distributions (“RMDs”) from a traditional IRA. Because the client claims the standard deduction, charitable gifts [do not generate](#) additional tax savings. By instead directing a portion of the RMD to a qualified charity as a QCD, the client can satisfy part or all of the RMD obligation without increasing taxable income. In many cases, this can also [help](#) reduce Medicare premium surcharges and lessen the taxation of Social Security benefits, creating planning advantages beyond the charitable deduction itself.

**Here are three examples of how the Community Giving Foundation can help your client achieve charitable goals through QCDs:**

1. A client directs a QCD from an IRA to the Foundation’s unrestricted Regional Impact Fund to support broad community needs. The client satisfies part or all of the client’s annual RMD requirements while supporting flexible grantmaking that addresses changing priorities in the region.
2. A client uses a QCD to contribute to a field of interest fund at the Foundation focused on a cause such as education, healthcare, the arts, or environmental conservation. This allows the client to support a specific area of passion while relying on the Foundation’s expertise to identify effective nonprofit organizations over time.
3. A client makes a QCD to an existing designated fund or scholarship fund held at the Foundation. For example, the client may support a favorite local nonprofit through a designated fund or help students pursue higher education through an endowed scholarship fund, all while reducing taxable income through a QCD.

Keep in mind that charitable giving with IRAs goes beyond current gifts to charity! As part of advising clients about their IRAs, be sure to check their beneficiary designations. Not only is it tax advantageous for a client to name a fund at the Foundation or other public charity as beneficiary of an IRA, but it’s also a best practice to avoid problems in the future. (Retirement plan beneficiary designations continue to show up in [cautionary](#) tales!)

For attorneys, CPAs, and financial advisors, developments related to QCDs are worth watching closely. QCDs increasingly serve as a natural connector among retirement planning, philanthropy, and legacy conversations. Just as importantly, QCD discussions often open the door to broader planning opportunities, helping clients align financial goals with the causes and communities they care about most. As always, please [reach out](#) to the Foundation team at any time!

*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](http://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.

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