

COMMUNITY GIVING FOUNDATION'S

PROFESSIONAL ADVISOR



NEWSLETTER

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IPOs, serving your charitable clients, and tips for business success planning.

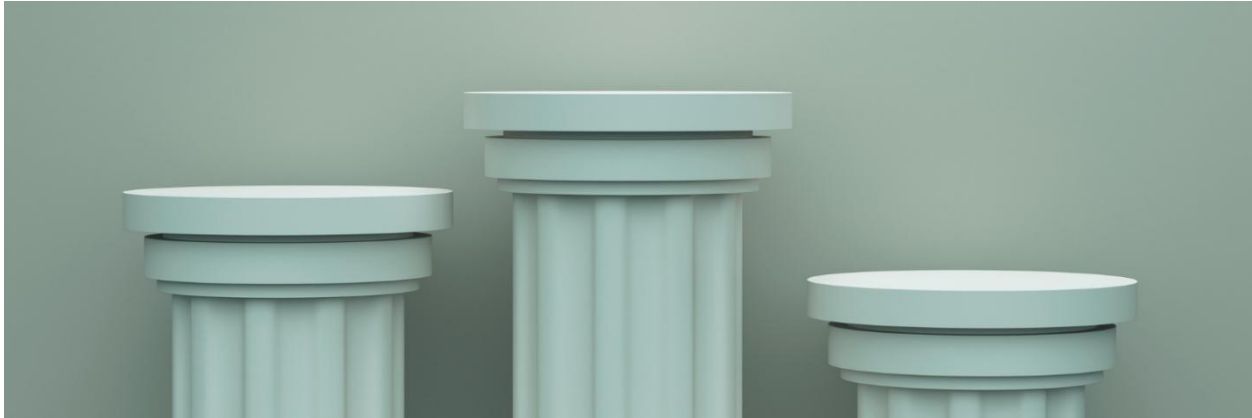
Hello from the [Community Giving Foundation](https://www.csgiving.org)! It's an eventful summer already, with lots going on in the markets. The summertime pace may change for attorneys, CPAs, and financial advisors while clients are on vacation and shifting their schedules—but you may be busier than ever as you address real-time opportunities and gear up for fall transactions and year-end planning. This month, we're considering:

- **IPOs and charitable clients: Three scenarios for impact.** Recent headlines about IPOs and other liquidity events are a reminder that sudden wealth creation can open the door to meaningful charitable planning. The Foundation is happy to share three scenarios where attorneys, CPAs, and financial advisors can help clients structure gifts to support their favorite causes while strategically addressing timing, taxes, and long-term community impact.
- **Backdrop required: Informing your work with charitable clients.** Effective charitable planning requires more than just technical knowledge. The Foundation is always happy to be a source for important market context for your work with clients. In particular, recent commentary from industry sources sheds light on the growing nonprofit sector, evolving charitable giving rules, and why philanthropy is increasingly connected to broader financial and estate planning conversations.
- **Business succession planning: Four questions and one caution.** For many business owners, a succession event may be the largest liquidity event of a lifetime. We're sharing four questions you can ask your clients to help bring charitable planning into the conversation early. Plus, we offer a word of caution to help you avoid a common and potentially treacherous pitfall.

- **Bonus: Worth a read.** The Foundation team keeps an eye out for articles that may be interesting to professional advisors who work with charitable clients. Check out this month's recommendations to help you stay current on trends and developments.

Thank you for the opportunity to work together! We look forward to [many conversations](#) in the weeks and months ahead.

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IPOs and charitable clients: Three scenarios for impact.

If you keep an eye on [initial public offerings](#), it's been an exciting few weeks. As you work with clients who may hold stock that's going public, or if your clients are considering investing in companies involved in IPOs, be sure to look at all angles of the client's financial and estate plan that may be impacted—including charitable planning.

Indeed, recent headlines are a reminder that initial public offerings can create significant charitable planning opportunities. For example, CNBC's [article](#) on SpaceX millionaires and wealth management, *The Wall Street Journal's* "[Tech's Next IPO Wave Promises Charitable Windfall](#)", and *Business Insider's* coverage of newly wealthy SpaceX employees all point to the same theme: Liquidity events can quickly turn founders, executives, early employees, and investors into high-net-worth charitable clients.

Of course, for attorneys, CPAs, and financial advisors, the key is to bring up the topic of charitable planning as early as possible—ideally before shares are sold and before clients make irrevocable tax, investment, or estate planning decisions.

You may be curious about how IPOs and charitable planning might come together for your clients and how Community Giving Foundation can help. Consider three scenarios for inspiration.

Scenario 1: Founder or Executive with Highly Appreciated Stock

A founder or executive approaching an IPO may be holding shares with very low basis and significant expected appreciation. Depending on timing, restrictions, and tax rules, contributing a portion of appreciated shares to a fund at the Foundation may help your client support charitable goals while potentially reducing exposure to capital gains tax. A donor advised fund, field of interest fund, or designated fund, for example, can allow the client to create a long-term charitable strategy while maintaining flexibility after the IPO dust settles.

Scenario 2: Employee with a Sudden Wealth Event

As recent SpaceX coverage illustrates, IPOs can create thousands of newly wealthy employees who may never have needed sophisticated charitable planning before. These clients may be juggling concentrated stock positions, tax liabilities, estate planning needs, and family conversations about wealth. A donor advised fund at the Foundation can provide a simple, organized way to set aside charitable dollars in a high-income year and then recommend grants over time as the client becomes more intentional about giving. This strategy is called [“bunching”](#).

Scenario 3: Investor or Family Seeking Legacy and Multigenerational Community Impact

Some clients who benefit from IPO activity may already have significant wealth and want to use the liquidity event to formalize a philanthropic legacy. These clients may be good candidates for multiple charitable funds, such as a donor advised fund for flexible family grantmaking, a scholarship fund to support education, and an unrestricted or field of interest fund to address changing community needs over time. The Foundation can work alongside you and your client’s full advisory team to align tax planning, family goals, and charitable impact.

Finally, and importantly, what’s the common thread across all three scenarios? *Timing*. Once an IPO, sale, or lock-up expiration is underway, some planning options may be limited. Advisors who ask charitable questions and loop in the team at the Foundation early can help clients turn a major financial event into meaningful support for the causes they care about.

Please reach out to our team to discuss clients’ charitable opportunities related to IPOs, appreciated stock, business interests, other complex assets—and anything else related to philanthropy. The Foundation is [here for you!](#) It is our honor to be your first call on matters of charitable giving.

Backdrop required: Informing your work with charitable clients.

As attorneys, CPAs, and financial advisors, you’re dedicated to helping charitable clients navigate technical planning opportunities ranging from donor advised funds and Qualified Charitable Distributions to charitable trusts and gifts of complex assets. Community Giving Foundation is here to help, every step of the way!

Tackling the details is important. Effective charitable planning also requires something broader, and that's context. That's why the team at the Foundation is committed to keeping you up to date on research and trends that affect philanthropy and related strategies at a macro level. Indeed, charitable planning does not occur in a vacuum; it exists within a rapidly evolving nonprofit sector and a dynamic legislative and regulatory environment.

In that spirit, we're sharing three important trends and updates:

Philanthropy—including your clients' gifts—supports a larger and more complex nonprofit sector than ever before.

Charitable giving is going [strong](#)! In [2025](#), Americans contributed an estimated \$617 billion to support causes ranging from local nonprofits and places of worship to educational institutions and animal welfare organizations. This fell just short of the record set during a pandemic-related surge in philanthropy, but nevertheless, 2025 represents one of the highest levels of charitable giving ever recorded.

Consistent with that trend, in its recent report, [The U.S. Tax-Exempt Sector Explained: The Growing Role of Nonprofits in America](#), the Bipartisan Policy Center highlights the significant growth of the nonprofit sector over the past several decades. Nonprofits today provide essential services, strengthen communities, advance education and healthcare, and address needs that government and the private sector often cannot meet on their own. This signals an important reminder to advisors that charitable planning is not simply a tax exercise. Helping your clients support charitable organizations can have meaningful implications for communities and local economies well beyond the specific charitable organizations themselves.

Charitable planning tools continue to evolve.

PG Calc's recent article, [The State of Play: Navigating the Current Landscape of QCD Legislation and DAF Regulations](#), provides a helpful review of ongoing discussions in Washington surrounding Qualified Charitable Distributions and donor advised funds. These tools continue to offer valuable planning opportunities for many clients, and the article serves as a reminder that charitable planning strategies are shaped by legislation, regulation, and public policy discussions. Advisors who stay informed about potential changes are often better positioned to help clients adapt as the charitable planning landscape evolves.

Clients increasingly expect charitable planning to be integrated into broader financial and estate planning conversations.

Philanthropy is becoming more sophisticated, more visible, and more interconnected with wealth transfer, retirement planning, tax planning, and legacy goals. A recent [article](#) in *Financial Advisor Magazine* highlighted once again the importance of philanthropy to high-net-worth families, which in turn means that advisors who work with these clients must be familiar with donor advised funds and other charitable planning tools. Clients often look to their trusted advisors not only for technical expertise, but also for perspective on how charitable giving fits into their overall financial picture.

The bottom line is that context matters! By working with the Foundation to stay informed about trends affecting nonprofits, charitable incentives, and philanthropic planning, you can better serve your charitable clients and help them achieve both their financial *and* estate planning goals and their goals for community impact.



Business succession planning: Four questions and one caution.

At Community Giving Foundation, we work with a wide range of individuals, families, and businesses for whom charitable giving is a priority, especially related to supporting causes in our community that improve the quality of life for everyone. In many cases, we're helping business owners structure their personal and family philanthropy. A natural extension of that work is to explore ways a business owner's succession plan can incorporate gifts to favorite charities and causes. Some attorneys, CPAs, and financial advisors are surprised to learn how many charitable planning options may be available in connection with a business succession event. The Foundation is here to help.

What's going on here? Business succession planning is becoming increasingly important as a growing share of American wealth is tied to privately held companies. According to the [National Center for the Middle Market](#) at The Ohio State University, approximately 200,000 U.S. companies generate annual revenues between \$10 million and \$1 billion. At the same time, a recent [Wall Street Journal](#) article highlighted the growing ranks of wealthy Americans whose fortunes were built through private business ownership and equity growth. For many of these business owners, a succession event may represent the largest liquidity event of their lifetime. And for attorneys, CPAs, and financial advisors, these trends point to a growing need for thoughtful planning around business transitions, wealth transfer, and charitable legacy strategies.

What is *most* important for advisors to know? The single most important takeaway is that charitable planning should be part of the succession conversation as early as possible. Whether a client is preparing to sell a closely held business, transfer ownership to family members, explore an employee stock ownership plan (ESOP), or simply begin thinking about life after the

company, charitable planning deserves a seat at the table early in the process. Too often, philanthropy enters the conversation only after a transaction is in the works or already complete. By then, some of the most effective planning windows may be closed. By asking the right questions early, you can help your clients support meaningful causes, potentially reduce taxes, involve family members in giving, and create a lasting charitable legacy.

What questions should I ask my clients? Here are four “must ask” questions and why they are important, plus a word of caution.

1. ***Have you thought about including charitable giving in your business succession plan?*** Many business owners have most of their wealth tied up in their companies. When a sale or ownership transition occurs, the resulting tax consequences can be significant. In some situations, contributing a portion of closely held business interests to charity before a transaction may allow a client to support charitable goals while potentially reducing capital gains tax exposure. Again, timing is key. Once letters of intent are signed or a transaction becomes binding, certain charitable planning opportunities may no longer be available. That’s why advisors should raise charitable planning discussions long before the deal reaches the finish line.

Remember that charitable planning is not limited to third-party sales. Clients considering ESOPs, family transfers, recapitalizations, redemptions, or other succession strategies may also benefit from exploring charitable opportunities.

2. ***Are there causes or organizations that helped shape your business, your employees, or your family’s values?*** Business succession often prompts reflection. Many owners begin thinking not only about what they have built, but also about the communities, schools, nonprofits, and organizations that contributed to their success. This conversation can help clients identify charitable priorities that might otherwise be left unexplored. It also creates an opportunity to discuss how a business transition could become a catalyst for meaningful community impact rather than simply a financial event.
3. ***Would you like your children or grandchildren to be involved in charitable decisions after the transition?*** For many families, succession planning is about more than transferring wealth. It is also about passing along values. A donor advised fund at the Foundation can provide a flexible way for family members to participate in charitable decisions over time. Rather than making all charitable decisions immediately after a sale, a family can establish a fund, potentially involve multiple generations in recommending grants, and create a structure that supports ongoing conversations about philanthropy and community impact.
4. ***Are you interested in creating a charitable fund that can support multiple organizations over time?*** Many business owners want to make a significant charitable commitment during a liquidity event but are not yet ready to determine exactly which organizations should receive support. A donor advised fund can help bridge that gap. Clients can contribute assets during a high-income year, potentially receive a charitable deduction if eligible, and then recommend grants to charitable organizations over time. This flexibility

allows clients to separate the timing of a charitable contribution from the timing of individual grant decisions.

A word of caution: Some clients may initially assume that a private foundation is the best vehicle for implementing their charitable goals alongside a business exit or succession plan. However, private foundations can be subject to complex rules governing self-dealing, excess business holdings, required distributions, investments, and other activities, not to mention the unfavorable tax deductibility rules for gifts of closely held stock to a private foundation as compared with a donor advised fund. For many business owners, a donor advised fund can provide a simpler alternative with significantly less administrative burden and, in many cases, more favorable tax treatment.

The Foundation is happy to work alongside you and your clients to explore charitable planning opportunities. Please [reach out anytime](#) you encounter a pending or potential business succession situation!

Bonus: Worth a read.

The Community Giving Foundation team keeps an eye on trends, research, legislative developments, and thought leadership at the intersection of charitable planning, estate planning, and wealth management. Here are three recent articles we think are especially relevant for attorneys, CPAs, and financial advisors serving charitable clients.

Charitable planning beats AI?

In the article “[Why Charitable Efforts Are the Advisor’s Edge in an AI-Drive World](#)” appearing in *Financial Advisor Magazine*, the author suggests that charitable planning may become an increasingly significant way for advisors to differentiate themselves as artificial intelligence automates more traditional planning and investment functions. The article argues that conversations about philanthropy, legacy, and personal values create opportunities for advisors to build deeper client relationships in ways that technology cannot easily replicate, reinforcing the advisor’s role as a trusted counselor rather than simply a technical expert.

Donor advised funds continue to grow...

In *Financial Advisor Magazine*’s article “[Making Sense of the DAF Surge: Five Things Financial Advisors Should Know](#)”, the author takes a look at the continued growth of donor advised funds and the factors driving their popularity. Among the key takeaways are that donor advised funds simplify charitable giving, allow donors to separate the timing of tax deductions from grantmaking decisions, and facilitate gifts of appreciated assets. The article also notes that many clients increasingly expect charitable planning to be integrated into broader wealth management conversations, making familiarity with donor advised fund strategies an important competency for advisors.

...and that is good news for charities.

The article “[DAF Fundraising Report: Nonprofit Takeaways](#)” on Candid’s website highlights findings showing that donor advised fund donors are often highly engaged philanthropists who

give repeatedly and frequently make larger charitable gifts over time. The report encourages nonprofits to strengthen relationships with donor advised fund donors, improve stewardship efforts, and make it easier for donors to recommend grants through their charitable giving accounts. This article is useful to advisors because it connects the dots among donors, donor advised funds, and nonprofit organizations.

What's the takeaway?

Remember that the Foundation can provide a wide range of solutions for your clients' charitable giving needs, including donor advised funds, legacy planning, information about community needs and local nonprofits, and ways to involve family members in philanthropy. We are here to support *you* as you serve your clients. Please [reach out](#) anytime.

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.

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