



# Professional Advisor Toolkit

# Ten reasons to discuss philanthropy with your clients

1. You'll be surprised how many clients are searching for a way to give back to the community, to honor or memorialize a loved one or simply make a positive impact.
2. Clients agree that philanthropy is no more personal than any other decision that advisors help them make. Financial and estate planning includes discussing all the things clients can do with their money. Philanthropy is one of them.
3. Clients expect you to bring it up.
4. You can discuss philanthropy with your clients discretely, without judgment, in a way that respects their privacy, values and autonomy.
5. It expands the menu of services available to your clients, thereby increasing their level of satisfaction with you and your firm.
6. It showcases your broad range of professional expertise.
7. It increases the potential for new referrals and thus opens the door to new clients.
8. It marries your chosen profession with your desire to make a positive impact in the community.
9. It helps address important community needs, and helps make our community a more equitable and vibrant place to live, a real legacy for future generations.
10. It's good for your clients, it's good for your business, it's good for society and it's good for you.

Adapted from 'Top Ten Reasons Why You Should Discuss Philanthropy with Your Clients' by New Ventures in Philanthropy, a national initiative of the Forum of Regional Associations of Grantmakers.

# Starting the Conversation

When you talk about charitable giving with your clients, they will understand that you see them as multifaceted individuals whose goals include more than acquiring wealth and/or minimizing taxes. You can acknowledge your clients' values and the role these values play in their lives and plans for the future.

These questions may help you easily start a conversation about charitable giving:

- What do you appreciate most about living in Branch County or Colon?
- What, if anything, would you do to make the area better if you could?
- Do you volunteer for a local nonprofit, or have you considered it?
- If your loved ones pass away before you, what would you want to happen with your estate?

## Why refer clients to BCCF?

- If your clients want to invest in the community where they've lived, worked, and raised their families, they can be sure their gift will support the community forever.
- It's easy to give to the Branch County Community Foundation. We accept a variety of assets, which other nonprofits may not be able to do.
- If your clients have multiple charitable interests, they will appreciate being able to support the whole community with just one gift.

# Fund Types

Any of these fund types can be established anonymously or in your client's name, family name, the name of someone they wish to honor, or a descriptive name that is meaningful to them. Your clients also may choose to give to existing funds.

Fund Type	Non-Endowed Fund Minimum	Endowed Fund Minimum	Annual Fee	Endowment Required
<b>Community's Greatest Need - Unrestricted Funding</b>	\$1,000	\$10,000	1.25%	NO

Unrestricted resources are used to support community needs, as well as support the work of organizations that are collaborating with others to make long-term, transformational change. These funds may be established with an initial gift of \$5,000. On or before the 3<sup>rd</sup> anniversary of the signing date of the fund agreement, the endowed balance of the fund must be brought, through contributions, to \$10,000.

<b>Field-of-Interest</b>	\$1,000	\$10,000	1.25%	NO
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Field-of-Interest Funds support specific areas of need such as housing, health, or education. \*These funds may be established with an initial gift of \$5,000. On or before the 3<sup>rd</sup> anniversary of the signing date of the fund agreement, the endowed balance of the fund must be brought, through contributions, to \$10,000.

<b>Donor Advised</b>	\$1,000	\$10,000	1.25%	NO
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Donors suggest grants from these funds to the nonprofits of their choice. Grants can be distributed within or outside of Branch County and Colon.

<b>Designated</b>	\$1,000	\$10,000	1.25%	NO
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Designated Funds are established for the benefit of specific nonprofit organizations.

<b>Scholarship</b>	\$1,000	\$50,000	2.25%	NO
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Scholarship Funds provide support for students pursuing post-secondary education.

# Comparing Three Approaches to Giving

Items to consider	BCCF Donor Advised Fund	Commerical Gift Fund	Private Foundation
<b>Donor Involvement</b>	Donor recommends grants to qualified nonprofits. Grants are approved by BCCF Board.	Donor recommends grants to qualified nonprofits. Grants are approved by committees of the fund.	Donor appoints board, which controls investments and grantmaking.
<b>Tax Status</b>	Public Charity	Public Charity	Private Charity
<b>Income Tax Deductions for gifts of:</b>			
Cash	Up to 60% adjusted gross income	Up to 60% adjusted gross income	Up to 30% adjusted gross income
Appreciated Stock	Fair market value up to 30% of adjusted gross income	Fair market value up to 30% of adjusted gross income	Fair market value up to 20% of adjusted gross income
Real Estate and closely-held stock	Fair market value up to 30% of adjusted gross income	Fair market value up to 30% of adjusted gross income	Fair market value up to 20% of adjusted gross income
<b>Grantmaking</b>			
Support	Dedicated staff can provide input on community needs and programs to enhance donor's philanthropic vision.	Varies	Donors must arrange and support their own grantmaking and monitoring structure.
Distribution requirements	No minimum annual distribution.	No minimum annual distribution.	Must distribute 5% of average fair market value of assets each year.
<b>Administrative requirements</b>			
Ongoing costs	Annual administrative fee.	Varies	Several thousand dollars for legal, accounting, & investment expenses, and filing fees.
Reporting	BCCF handles reporting.	Flnancial institution handles reporting.	Annual 990-PF tax form must be filled.

# Charitable Instruments

There are a variety of giving methods tailored to your client's unique situation. Each individual and family we work with has unique charitable interests and unique financial circumstances. Our BCCF team helps you make the most of both for your clients.

**Cash** - The simplest method of giving is to send a personal check.

**Appreciated Securities** - When you give long-term appreciated securities, not only do you receive an income tax deduction equal to the market value of the securities, but you also avoid capital gains taxes on the growth of that asset.

**Real and Personal Property** - A residence or other real property may be given as an outright gift, or you may prefer to give your residence, farm, or vacation home and retain the right to occupy it for life. Personal properties such as paintings, library books, coin collections, or musical instruments are also assets you may wish to consider as possible gifts to charity.

**Life Insurance** - When you give a life insurance policy to charity, the tax deduction will be based on the policy's present value (total premiums paid) or its cash surrender value, whichever is less. Any premiums you continue to pay after your gift are also deductible.

**Charitable Beneficiary** - Designation Naming the Community Foundation as a beneficiary in your life insurance or retirement plan is easy to do, and the gift that results will benefit our community in a lasting way. Making the Community Foundation a beneficiary of your IRA or qualified retirement plan also avoids the income tax that your estate would have paid.

**Bequest** - By Will You can designate a gift or portion of your estate to the Community Foundation and, in some cases, receive a substantial reduction in federal gift and estate taxes.

**Charitable Remainder Trust** - You can place cash or property in a trust that pays annual income to you (or other beneficiaries) for life or a term not to exceed 20 years. Either at the end of the term or after your death, the remainder of the trust transfers to the Community Foundation and is placed in a charitable fund you have selected. You receive income tax benefits in the year you establish your trust.

**Charitable Lead Trust** - You can place cash or property into a trust that pays a fixed amount to the Community Foundation for the number of years you select. Once this period ends, the assets held by the trust are transferred to the beneficiaries you name. In some cases, you receive a substantial reduction in federal gift and estate taxes.

**Tax-Free Charitable IRA Transfer\*** - You can make a gift of up to \$100,000 by transferring IRA assets to the Community Foundation. You must be at least 70 1/2 years old. If married, each spouse can transfer up to \$100,000 from their IRA.

\*Donor Advised Funds are not eligible to receive tax-free IRA transfers



# BCCF Investment Policy

## BCCF Investment Policy

The Branch County Community Foundation's Board of Directors and Investment Committee establish investment policies and objectives, and monitor and review the investment performance of our investment managers with guidance of our investment consultant, GEM Asset Management.

## Investment Strategy

BCCF has an established Investment Policy Statement that is available upon request. The IPS that has been created by the Board of Directors is designed to serve Branch County and Colon not just today, but for generations to come. We view our investments with a forever lens, balancing growth, sustainability, and prudent risk management to ensure perpetual support for our community. We rely on our investment managers to steward these funds with a long-term mindset, which includes managing volatility thoughtfully and avoiding reactionary shifts based on short-term market trends.

# Sample Will & Trust Language

## Suggested Will Language

One suggestion that some estate planners have for charitable gifts is to insert the following clause in every will that includes a charitable bequest:

I instruct that all of my charitable gifts, bequests and devises be made, to the extent possible, from property that constitutes "income in respect of a decedent" as that term is defined in the Internal Revenue Code.

## General Will Language

I direct that all remaining assets comprising my estate (or a percentage, fixed amount, or particular asset) be distributed to the Branch County Community Foundation with the request that such funds be utilized for purposes I may have from time to time recommended to the Community Foundation in writing during my lifetime.

## General Trust Language

I direct that all remaining assets comprising the trust estate (or a percentage, fixed amount, or particular asset) be distributed to the Branch County Community Foundation with the request that such funds be utilized for purposes I may have from time to time recommended to the Community Foundation in writing during my lifetime. The wording in the General Language paragraphs is the preferred language because it allows your clients to address multiple charitable interests and provides the opportunity for them to revise their wishes easily without incurring the costs of a codicil being added to a will or revising a trust document. However, if your client desires to have the name of the fund(s) included, examples for specific fund types are available along with wording that is appropriate for a gift to an existing fund.



# Important Information about the Branch County Community Foundation

The Branch County Community Foundation is tax exempt under section 501(c)(3) of the Internal Revenue Code.

**Legal Name:** Branch County Community Foundation

**Tax Identification Number:** 38-3021071

**Brokerage Account |  
Receiving Firm:** Charles Schwab & Company

**Account Number:** 3127-1552

**DTC:** 0164

**Address & Contact Info:** 2 W Chicago St  
Suite E-1  
Coldwater, MI 49036  
  
Phone: 517.278.4517  
Web: [info@brcofoundation.org](mailto:info@brcofoundation.org)  
Email: [info@BrCoFoundation.org](mailto:info@BrCoFoundation.org)

**Getting Involved:** We are always looking to add more perspectives to our committees. For more information on existing committee opportunities, email us at [info@BrCoFoundation.org](mailto:info@BrCoFoundation.org)

## Mission

We promote and inspire community generosity and giving by bringing together passionate people and resources in our collective efforts to make an enduring difference in the community we love.

