Attention Professional Advisors: When should you discuss philanthropy with your clients?

Philanthropy is ingrained as part of the American way of life to support the charitable, religious, and educational institutions that improve our society's quality of existence.

Not only is there significant personal satisfaction derived from helping those in need, our tax laws further encourage charitable contributions, by providing income, estate and gift tax deductions for contributions to qualified charities.

On a regular basis trust officers, financial advisors, accountants and lawyers work together to carry out their clients' financial and personal objectives. These advisors meet periodically with their clients to update their investment, tax and estate plan strategies.

A client's needs to provide for family and to carry out their philanthropic wishes are not necessarily inconsistent goals.

Cash gifts or outright bequests in a Will to charity are the most common charitable gifts, and may be the only options that clients believe to be available to them. However, professional advisors can suggest a number of tax beneficial vehicles that can provide for family needs, while also satisfying charitable giving objectives. Examples are listed in the side bar.

Tax Beneficial Ways of Giving

1. Listing Charitable Organizations as Contingent or Catastrophic Beneficiaries in Wills or Trusts if the named individual beneficiaries are not living,
2. Leveraged Charitable Gifts, gifting significantly appreciated assets to charity, unreduced by the usual capital gains tax, or having death benefits payable to a charity named as the beneficiary of an IRA or qualified retirement plan, unreduced by the usual income tax.
3. Charitable Lead Trusts that initially provide upfront payments to charity , with the remainder going to family members at mature ages, with resulting gift and estate tax savings.
4. Charitable Remainder Trusts that provide upfront charitable income tax deductions, and an enhanced stream of lifetime income to the donors. At death the remaining Trust assets will pass estate tax free to charity. This vehicle works well where there are no existing children or grandchildren, or where their needs have already been satisfied.

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As part of the planning process, a key question for professional advisors to ask their clients when discussing their charitable objectives is:

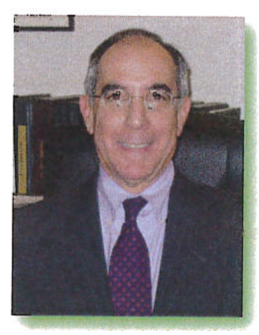
Do you want to ensure your charitable funds will be properly managed and distributed?

A Community Foundation, such as The Community Foundation for Greater New Haven, provides dimension to charitable giving, while perpetually protecting and carrying out the donor's specific charitable wishes. Moreover, it is always there to serve as the designated policeman to make sure that the client's precise and detailed underlying directives are perpetually carried out each year.

These unique services are available whenever The Foundation is named as beneficiary to receive tax deductible lifetime gifts, tax-free life insurance proceeds, annuity death benefits, retirement fund death benefits as well as deductible charitable gifts and bequests.

The Community Foundation for Greater New Haven continually serves as an excellent informational resource to donor clients as to ongoing community needs and charitable projects. Furthermore, it is also a technical resource with experienced in-house personnel to assist professional advisors in brainstorming, on how to best achieve their clients' charitable objectives.

"When should Professional Advisors discuss Philanthropy with their Clients?" - For the right clients and their able professional advisors the answer is "Always!"



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