



THE COMMUNITY FOUNDATION  
*of Shelby County*

*Build Today...Dream for Tomorrow*

## Triggering the Charitable Conversation

### Charitably minded clients

A client is in the process of determining how to divide their estate. They mention they have supported charities during their lifetime. A portion of the estate can continue to make annual or periodic gifts through a charitable fund. A charitable fund can support identified charities and/or organizations within a geographic region. The Community Foundation of Shelby County can work with them to create fund language that will make gifts to preferred causes and that will have a backup plan should an identified recipient organization cease to exist.

### Client(s) without children or descendants

Individuals who have no apparent heirs or do not want to direct some or all of their estate to relatives or friends, may want to strongly consider providing for their community. The Community Foundation becomes the steward of their gift, making sure the charitable fund created by the estate gift issues grants as the client had intended. Charitable funds may bear the client's name or a title chosen by the client.

### Sale of a business/other major assets

Your client comes to you ready to sell their business. The sale will create a large tax event for your client and they would like to find ways to offset the tax liability. The Community Foundation can help by accepting a gift of a partial interest in their business, before a sale is agreed upon. Your client may be eligible for a tax deduction and when the Community Foundation sells the interest in the business, there is no income tax or capital gain tax on the proceeds. Your client then establishes a charitable fund with the proceeds from the sale.

### Loss of a loved one

Your client wants to create a lasting legacy for their loved one. The Community Foundation can help you and your client set up a charitable fund in their memory that supports favorite causes or organizations. Grants from the charitable fund can bear the name of the deceased, memorializing their name as an enduring symbol of goodwill.

### Client wants to start a private foundation

A client wants to set aside a sum of money in a private foundation and then actively participate in grant making. A donor advised fund does this without the startup costs, excise taxes, payout requirements and administrative duties of a private foundation. In addition, donor advised funds at the Community Foundation are a component of a public foundation, meaning that there are higher deductibility levels for cash and stock gifts. Donor advised funds have the look and feel of a private foundation that enables the client or their family flexibility in recommending grants to other charities.

Explaining to your clients that a conversation concerning their charitable interests will allow you to provide the best professional advice possible. Consider asking:

- What issues or causes do you currently support and why?
- What motivates your charitable giving activities? Do you want to make an impact or create or facilitate change within your community? With specific populations? Around specific issues?
- What vehicles are you using for your charitable giving?
- How involved are you or do you want to be, in managing your charitable giving?
- How would you like to be remembered? What kind of “legacy” do you want to leave?
- Do you want your giving to occur primarily during your lifetime or after your death?
- Have you talked with anybody (advisors, family members) about how you want your wishes represented in your annual giving? In your estate plan?
- What attracted you to the organizations you have given to thus far?
- How often do you monitor or review your charitable gifts?

Other things to consider:

1. The Community Foundation is a great safety harbor for your clients. What happens if your clients directs money to an organization and years down the road that organization ceases to exist anymore? The Community Foundation honors your client’s intentions, so that money will then go to another organization with similar cause. Therefore keeping your client’s charitable wishes.
2. If your client choses to be anonymous, the Community Foundation can guarantee such privacy.
3. No more solicitation mailings from non-profit organizations. That’s because all of their granting is with the Community Foundation’s address not their personal address.