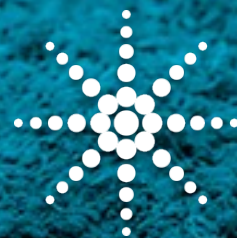




# Charitable Tools for Every Giving Goal

November 3, 2023

Sarah Weaver, JD  
Clark Collier, CFRM



# CICF

CENTRAL INDIANA  
COMMUNITY FOUNDATION  
THE INDIANAPOLIS FOUNDATION  
HAMILTON COUNTY  
COMMUNITY FOUNDATION

# INTRODUCTION & OVERVIEW

## Today's Song and Dance:

- What are community foundations?
- Charitable trends and the philanthropic conversation
- Vehicles for lifetime charitable giving
- Vehicles for charitable estate planning
- Q&A

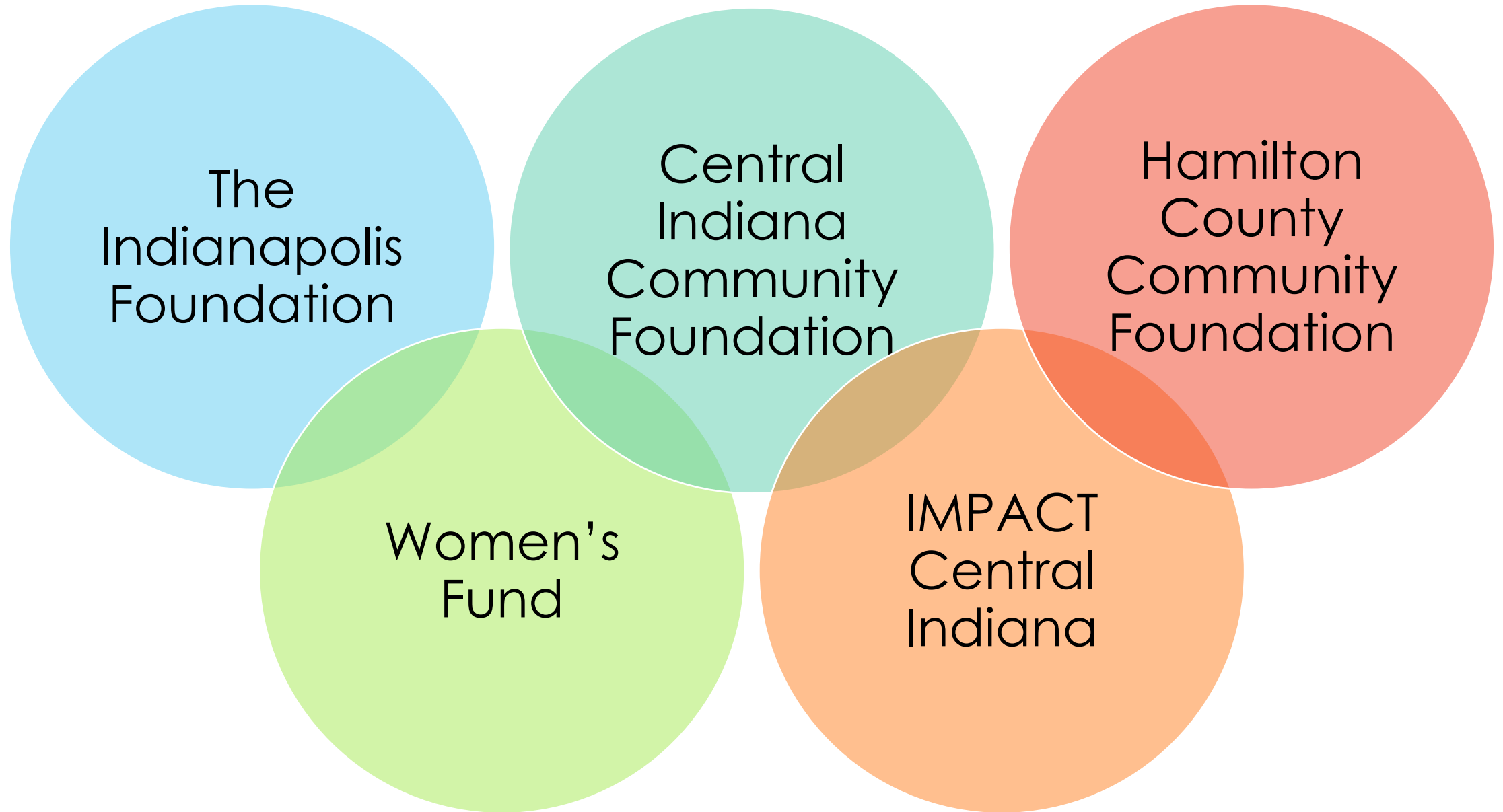


Sarah Weaver,  
General  
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Chief of Staff,  
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Senior  
Charitable Gift  
Planning  
Officer, CICF

# THE PHILANTHROPIC COLLABORATIVE





# OUR MISSION

To mobilize people, ideas, and investments to make this a community where all individuals have equitable opportunity to reach their full potential – no matter place, race, or identity.



# WHAT WE DO

At the Philanthropic Collaborative, We Do Three Things:







# CHARITABLE GIVING TRENDS



# Charitable Giving Declined in 2022

Total charitable giving has fallen only three other times in the last 40 years: 1987, 2008, and 2009

Why the decline? Tough economic conditions, including the first double-digit decrease in the S&P 500 since the Great Recession and a 40-year high inflation rate of 8.0%

Note that giving had been particularly strong in 2020 and 2021



# Still, Americans Gave Nearly \$500B in 2022

The largest source of charitable giving came from **individuals**, who gave \$319B or 64% of total giving

Unsurprisingly, the **affluent lead in charitable giving**, with 85% of affluent households giving to charity in 2022

22% of affluent individuals indicated they had a **charitable giving vehicle** that they used to make charitable gifts and 54% of affluent households with a net worth between \$5M and \$20M have or plan to establish a giving vehicle within the next 3 years

85% of charitable giving decisions from affluent households were **made or influenced by a woman**



# Your Clients Rely On You!

## Start Early & See Yourself as a Resource

- HNW Clients **EXPECT** you to raise the subject first
- Professional advisors were ranked second only to significant others as the most valuable source of philanthropic information


## It's Not About the Money

- Advisors often misunderstand the impetus for giving and assume hesitation on philanthropic matters is financial
- Top three reasons clients cite as hesitation are about knowledge and confidence

## Get to the Heart of the Matter

- Clients trust that you know and will guide them through complex technical aspects of planned and charitable details
- They want values-based, thoughtful, in-depth discussions and you need to be ready and willing to have those conversations





# VEHICLES FOR LIFETIME GIVING



# PHILANTHROPIC CONVERSATION

What brings you joy?

What causes are you interested in or would like to know more about?

What kind of impact do you want to make on the world?

What's been your best giving experience?  
Your worst?

If you could volunteer full-time, what would you do?

How do you make philanthropic decisions?

What do you want to teach your children about philanthropy?

# DONOR-ADVISED FUNDS (“DAFs”)

Defined by the Pension Protection Act of 2006, which added IRC Section 4966(d)(2), and provides a three-pronged definition of a DAF:

1. A fund or account owned and controlled by a sponsoring organization (e.g., CICF);
2. Which is separately identified by reference to contributions of the donor or donors; and
3. Where the donor (or a person appointed or designated by the donor) has or reasonably expects to have advisory privileges over the distribution or investments of the assets.



# DAFs



## Decisions We Help Donors Make:

- Who are the Donors?
- Endowed or Pass-Through
- Investment Pool or Outside Invested
- Fund Name
- Fund Advisors
- Succession Plan
- Ability to Amend the Fund Agreement

# DAFS AND PRIVATE FOUNDATIONS

## DAF Benefits

- More favorable tax treatment than PF
- No required annual payout
- Donor engagement services (may vary)
- Anonymity
- Low cost – legal, accounting, insurance

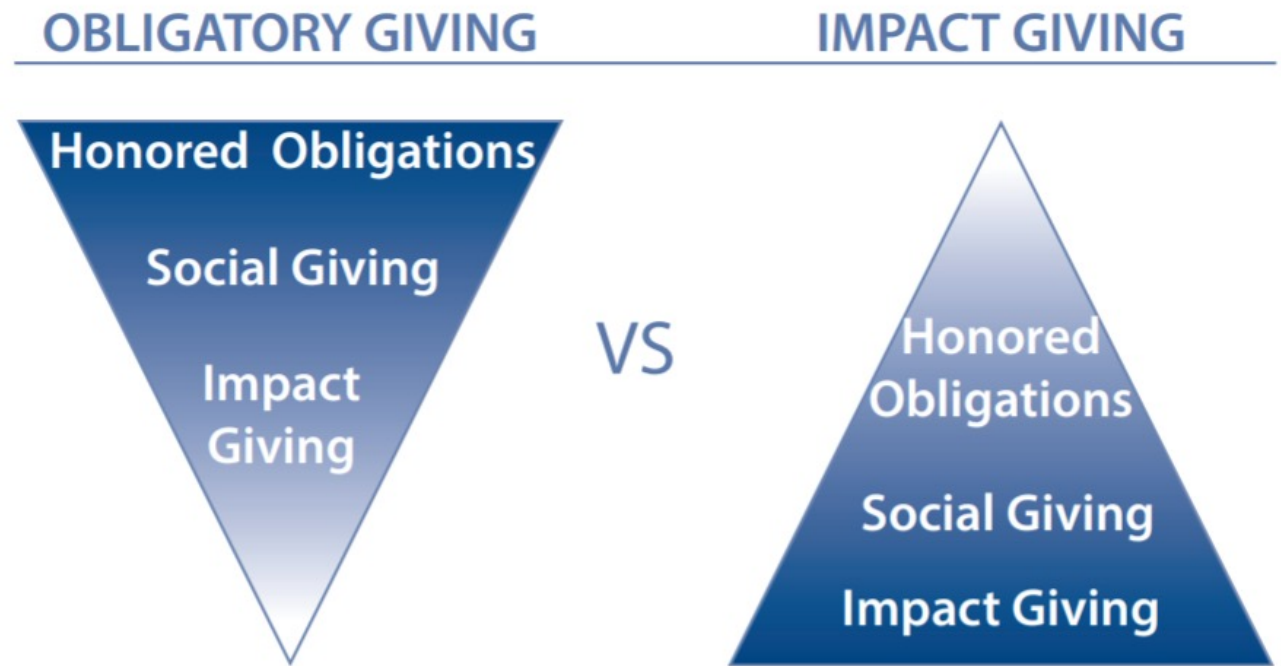
## Private Foundation Benefits

- May hire staff
- May run programs
- Unlimited generations of board members
- Easier to make international grants than DAF



# IMPACTFUL GRANTMAKING

- Make charitable grants to the organizations your clients care most about and that align most closely with your clients' mission-driven philanthropy
- Any 501(c)(3) public charity: your clients are not limited to central Indiana
- May specify a program or purpose



# SCHOLARSHIP FUNDS

## Donor-Designated Scholarship Fund

- Endowed Only
- Donor Selects High School or University
- Donor Sets Criteria
- School Administers
- \$25,000 Minimum

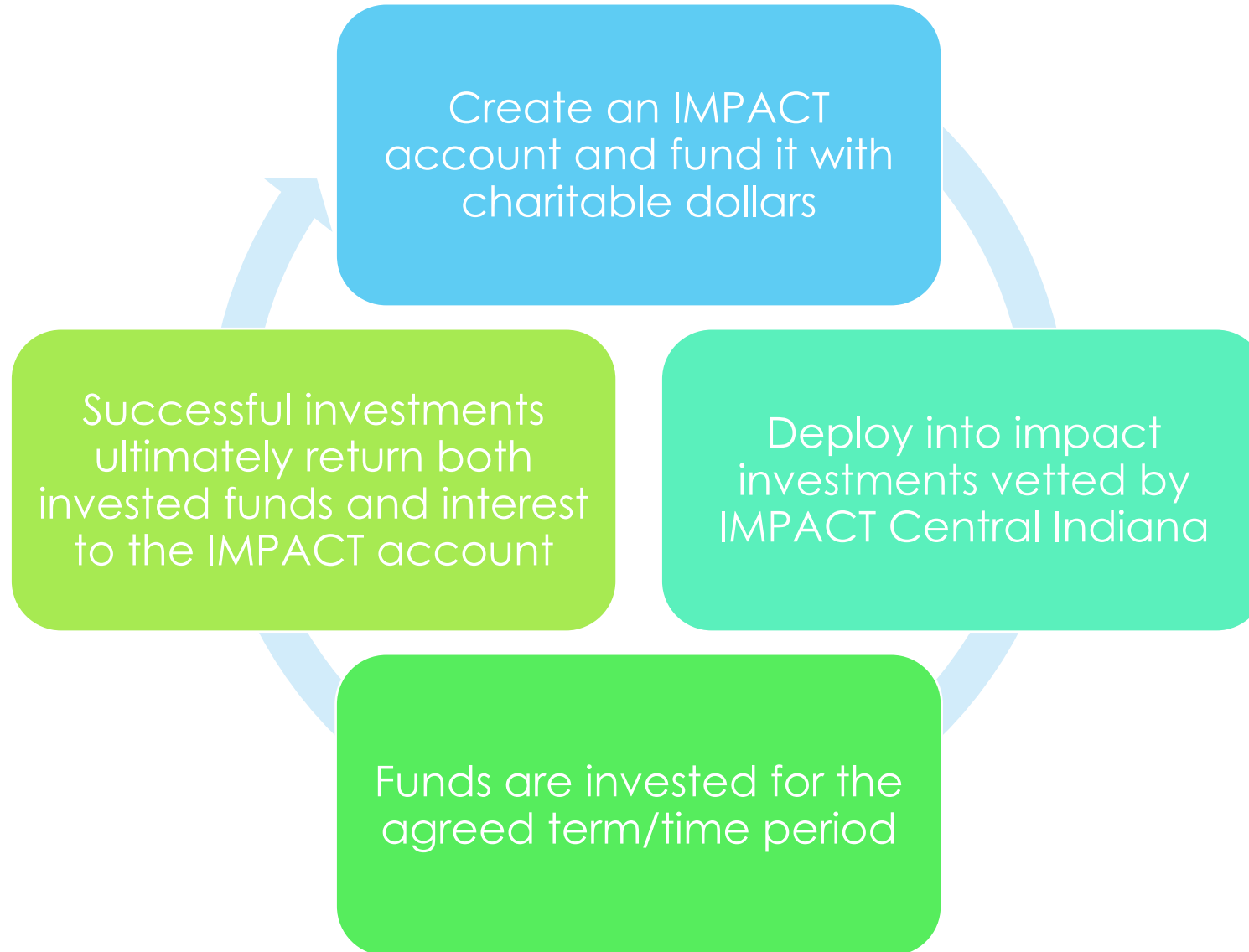
## Blue Ribbon Scholarship Fund

- Endowed or Pass-Through
- Donor Sets Criteria
- CICF Administers
- Donor May Participate in Selection Process
- \$100k Minimum

## Gold Standard Scholarship Fund

- Endowed or Pass-Through
- Donor Sets the Criteria
- CICF Administers
- Donor Works with CICF to Appoint Selection Committee
- \$100k Minimum, \$250k Recommended

# IMPACT Accounts







# VEHICLES FOR ESTATE PLANNING



# PHILANTHROPIC LEGACY

What has brought you joy?

What causes have you supported in your life?

What do you consider to be the major accomplishments of your life?

What do you want to be remembered for?

What do you value most?

What have you learned in your life?

What lessons would you like to pass on to your family?

# ENDOWMENT FUNDS

The Power of  
Compound Interest

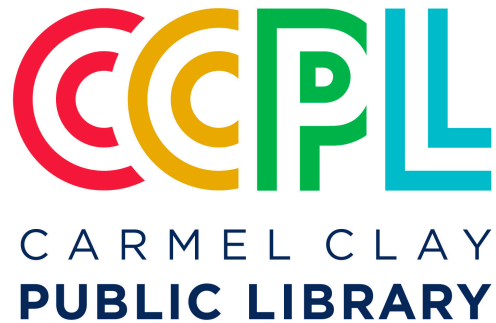
- 5% Annual Distribution
- 1% Annual Fee

CICF's long-term investment pool aims for a 7-9% annualized return – invested for slow, steady growth





# DONOR-DESIGNATED FUNDS



INDIANA  
REPERTORY  
THEATRE



**MEALS ON WHEELS**  
HAMILTON COUNTY



# FIELD-OF-INTEREST FUNDS

- Can set one or more fields-of-interest
- Can be as specific or broad as donor desires
- Can set geographic parameters – not necessarily limited to Indiana
- Can include examples of organizations the donor would like CICF to consider



**CONSERVATION**



**EDUCATION**



**HEALTH**



**HUMAN SERVICES**



**YOUTH**



**ARTS & CULTURE**

# SCHOLARSHIP FUNDS

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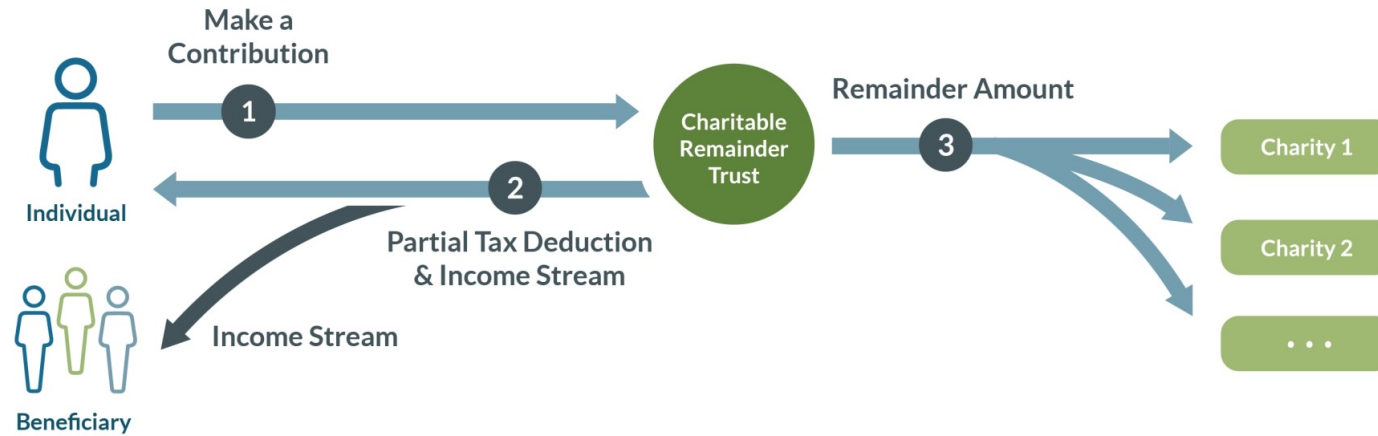
- Endowed or Pass-Through
- Donor Sets Criteria
- CICF Administers
- Donor's Designee May Participate in Selection Process
- \$100k Minimum

## Gold Standard Scholarship Fund

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- Donor Sets the Criteria
- CICF Administers
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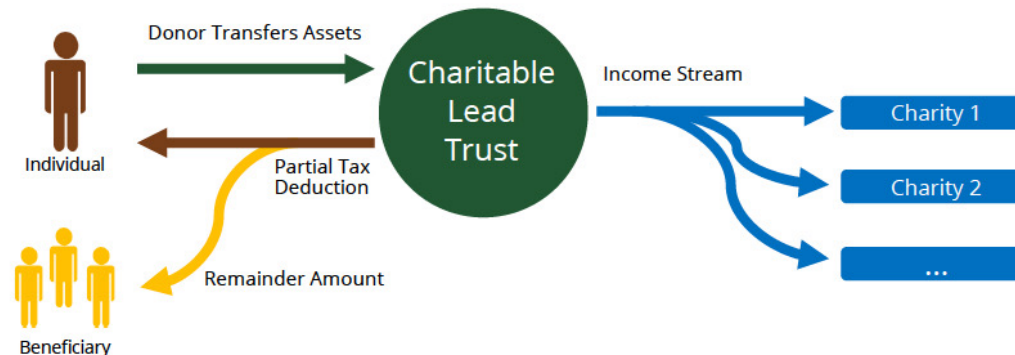


# CHARITABLE TRUSTS

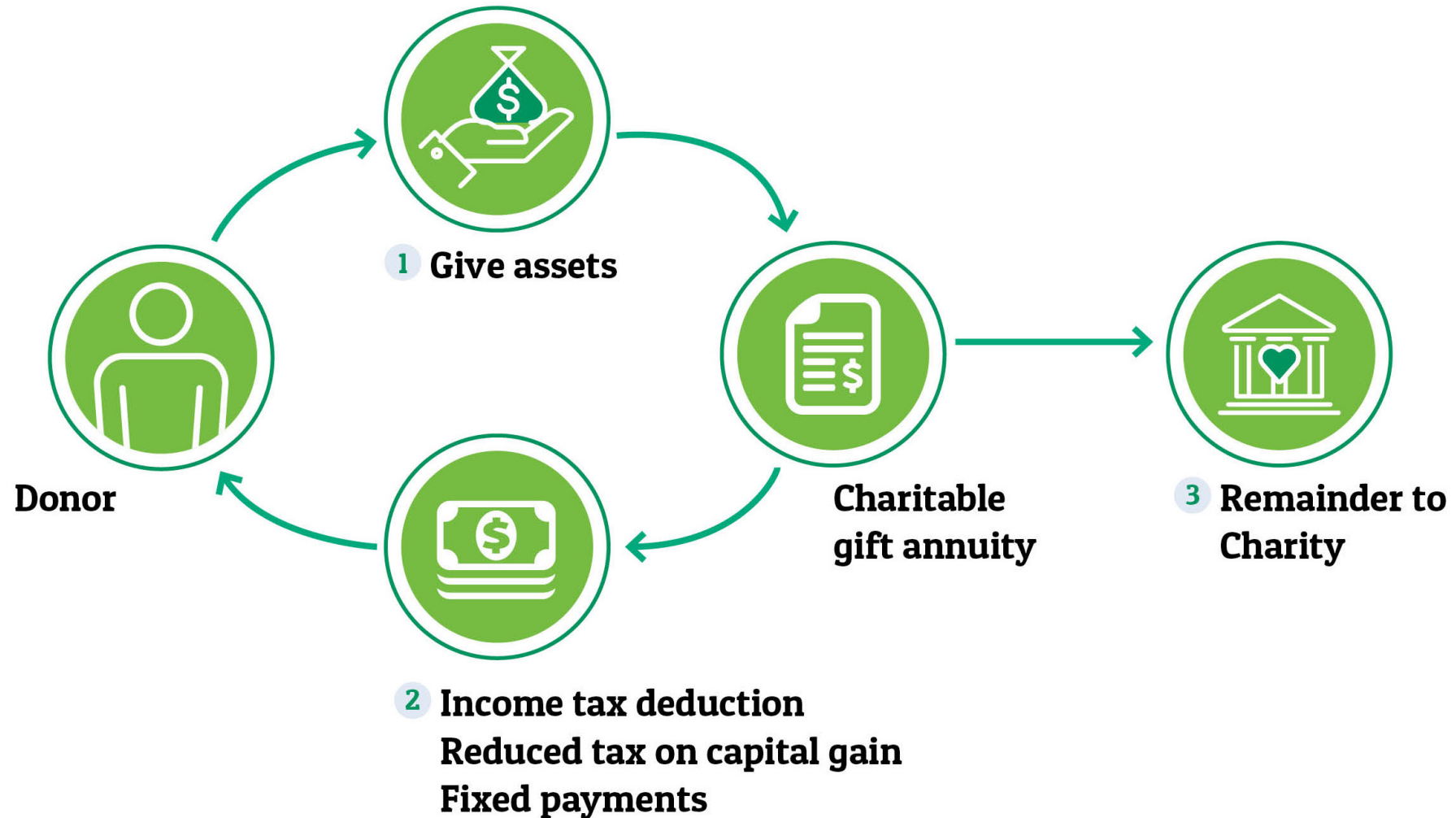


## Charitable Remainder Trust

## Charitable Lead Trust



# CHARITABLE GIFT ANNUITIES



# SECURE Act 2.0

Passed at the end of 2022, it made a few changes to the rules around required minimum distributions (RMDs) from individual retirement accounts (IRAs). In particular, a few of these affect the ability to make qualified charitable distributions (QCDs):

- **Increased the maximum QCD amount:** \$100,000 per person in 2023, indexed for inflation thereafter
- **Increased the age at which RMDs are required to be taken:** 73 in 2023, 75 in 2033 [Note that individuals who are 70 ½ MAY make a QCD]
- Allowed individuals a one-time opportunity to make a QCD of up to \$50,000 to fund either a **charitable remainder trust or a charitable gift annuity**



# QCD of \$50k into CRT

Don't do it.

# QCD of \$50k into CGA

Huge opportunity for your charitably-inclined clients with an RMD they don't need. They receive (1) a charitable income tax deduction for a portion of the amount contributed to the CGA and (2) a lifetime income stream.

Donors can start a CGA with CICF with the charitable remainder to be deposited into a CICF fund of the donor's choice.

CICF administers the CGA and makes the annuity payments to the beneficiary(ies) for life.



Q&A



# You are not alone!

STEP 1: Reach out to CICF  
End of steps



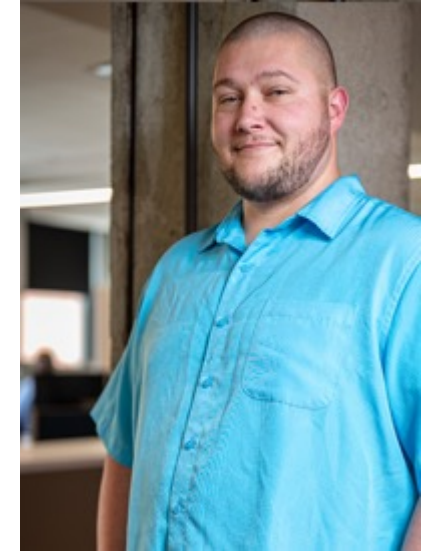
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