



# FINANCIAL ADVISOR PROGRAM

## Maximizing Charitable Opportunities

**Truman Heartland Community Foundation (THCF) is a valuable resource for professional advisors and their clients.** Our Financial Advisor Program makes it easy for advisors to partner with the Foundation and help their clients achieve their philanthropic goals. When financial advisors work with THCF, they are connecting with a highly respected leader in philanthropy with a mission to help charitable donors achieve their philanthropic goals regardless of their plans and priorities.

By participating in our Financial Advisor Program, advisors are able to:



**Manage the investment of their client's charitable assets.** If it is feasible and advantageous to the advisor, then THCF will open an account with the financial advisor's brokerage to receive the charitable donations their clients make. The advisor may continue to manage the investments for the permanent funds their clients create after the client has passed away and, thereby, ensure the success of their charitable legacy. \*



**Help their clients save money with a charitable gift bunching strategy** that achieves their annual giving goals and maximizes their charitable deductions. It is easy for clients to make their charitable giving more tax-efficient when they use a donor advised fund (DAF) and plan the timing of their charitable gifts over the long term.



**Help their clients avoid capital gains taxes by using appreciated securities instead of cash for charitable giving.** By showing their charitable clients how to select appreciated securities they have held for more than one year for charitable giving instead of making cash gifts, advisors help donors save money by avoiding the realization of capital gains. This strategy can be employed along with a bunching strategy to help clients save even more. The cash the client may have otherwise given to charity could be used to buy back the gifted securities on the same day their charitable gift is made. By employing both strategies, financial advisors that partner with THCF are able to show their charitable clients significant tax savings over time.



**Convert non-cash assets into charitable dollars for the advisor to manage.** Non-cash assets such as real estate or closely held stock can be donated to THCF and converted into charitable dollars. The proceeds from these gifts are used for the donor's charitable purpose, and THCF allows their financial advisor to manage the investments for the funds that they create.



**Offer value-added charitable planning services to their clients.**

## ::: The Ideal Donor

**Truman Heartland Community Foundation (THCF) is working to deepen our relationships and move beyond creating transactional solutions for donors.** While we work to connect our donors to the needs of the communities we serve, we hope to work more closely with them and their financial advisors to form close partnerships to help ensure that they achieve their long-term philanthropic goals.

The characteristics of the ideal donor who could take advantage of a partnership with THCF may vary from person to person; however, donors who fit in one or more of the following categories would benefit most from a collaborative partnership with the Foundation.



*The Snapp Family*

## ::: Common Characteristics



Donors who have charitable values and who make charitable giving a priority.



Donors who are searching for ways to maximize the impact of their charitable giving.



Donors who are interested in partnering with our foundation and other charitable people to jointly fund our leadership work within our community.

Donors who recognize the need for long-term charitable planning solutions in order to achieve their philanthropic goals.



Donors who realize that they could make a significant charitable impact with their estates. They may not have heirs, or perhaps their family doesn't have a need to inherit all their wealth (e.g., people without children, widows, and widowers).



Donors who want to create a family tradition of giving by getting their children involved in their annual charitable decisions. Families may open a DAF and together create a tradition of charitable giving, while planning for their fund to become a permanently endowed charitable legacy over time.

*“Only by helping the least fortunate of its members to help themselves can the human family achieve the decent, satisfying life that is the right of all people.”*

*Harry S. Truman*

## ::: Life Events

**Significant life events may also give rise to philanthropic opportunities.** Non-cash gifts are often created by our donors during significant life events and when big financial decisions are made. Different life events will give rise to philanthropic opportunities.

### :: Retirement



When contemplating retirement, people engage in comprehensive financial planning to determine what they need and what their goals are. Estate plans are often updated as well. For these reasons, this is often the best opportunity for charitable gift planning during someone's lifetime. Also, in the year before retirement, many retirees will have a windfall year with significantly more income than they are used to, and a charitable gift to create a new DAF could be a key part of their tax planning strategy.

### :: Sale of a Business



This could be the biggest taxable event of a person's lifetime. Business owners who plan ahead will give some of their stock to THCF prior to the sale to minimize capital gains taxes. Once liquidated, THCF will create a DAF for them. It's OK if the donor doesn't know for sure what she wants to support at the time of the gift. With our DAF program, donors can take their time in creating their charitable goals, knowing that their gift is well invested.

### :: Personal Loss



When someone loses a spouse, there is usually a need to update estate plans and beneficiary designations. They may also downsize their residence or move to be closer to children or other family members. As the surviving spouse contemplates the values shared during a lifetime together, this will frequently culminate in charitable intent. Perhaps a gift will be made to create a permanently endowed fund or scholarship.

### :: Welcoming a Grandchild



New grandparents will often make updates to their estate plans, and this is an ideal time to consider adding a charitable gift.

## :: New Career



With a new job comes employee benefits such as a retirement plan and group life insurance. A new young professional might name a charity as a beneficiary or partial beneficiary. There is no cost associated with designating a beneficiary.

## :: Taxable Event



Rebalancing a stock portfolio or exercising stock options creates taxable income. This is the perfect opportunity for a charitably inclined person to make a gift and minimize their tax liability.

## :: Welcoming a Child



Young parents often create their first living trust or will after having their first child and make updates to their beneficiary designations. Anytime a charitable person engages in this kind of planning, there is an opportunity to plan a charitable gift, and it doesn't cost them a dime.

## :: Graduation



While this exciting event frees up assets, even more importantly, it removes financial uncertainty about future costs and allows a family to focus on other things, including charitable giving. This is often an opportunity for a family to consider opening a DAF and use a bunching strategy to achieve their charitable goals.

Significant life events provide unique opportunities for charitable giving. Whether it's retirement, the death of a loved one, or some other life-changing milestones, these moments should be viewed as a chance to give back and make a lasting impact. If your clients are considering charitable giving during one of these life events, we encourage you to reach out to us to learn more about how we can help you create a plan that aligns with your client's values. Together, we can help your clients achieve all of their charitable goals.

\* THCF intends to open a brokerage account with the financial advisor to pool the investment of all the funds formed by clients the advisor has referred to the foundation. When the total balance of the funds referred to the foundation reaches \$50,000 and sustains at this level for a reasonable time, THCF will consult with the financial advisor about the feasibility of

opening an investment account to pool the investment for all their client's funds. Until the \$50,000 threshold is met for the total charitable funds referred by the advisor, THCF will temporarily invest the funds in the THCF investment pool. The advisor will have access to the on-line portal and quarterly reports to prepare for client meetings.

