



Professional Advisor Council Connector

We're here for you Collier, for good and forever.

SUMMER 2021



JAMES F. MOREY

*Community Foundation of Collier County
Professional Advisor Council Chair &
Board of Trustees Member*

*Board Certified Real Estate Attorney,
Bond Schoeneck and King*

Welcome to Our Professional Advisors Council

To the new members, welcome and we look forward to getting to know you personally as well as for you to learn all about the Community Foundation. To our existing members, it is nice to be back to our meetings and soon, we hope, perhaps some in person gatherings in the near future.

The Community Foundation continues to fulfill its mission of connecting donors to consider addressing the greatest needs in our community. The Professional Advisors Council ("PAC") continues to support the Community Foundation to connect those clients looking to make an impact with the philanthropic giving with the Foundation. Your efforts and support means so much and is so very much appreciated. It has been a pleasure to be the liaison between the Board of Trustees of the Community Foundation and the PAC for the past few years. I have had the pleasure of getting to know many of the members of the PAC personally and professionally and you never cease to amaze us with your dedication and support. Starting this next fiscal year, July 1, 2021, our colleague and fellow advisor Attorney Brad Galbraith will be taking over as the liaison to the PAC. As many of you know, Brad is on the Board of Trustees of the Community Foundation and has been a key supporter of the Foundation for a number of years. Look forward to seeing all of you at the upcoming meetings.

Beyond the tax deductions

Selecting a vehicle to celebrate and support a family's culture of philanthropy

For many donors, the importance of a multi-generational family philanthropy plan is high on the radar, especially in the wake of 2020's eye-opening events highlighting the importance of rallying around important social and community priorities.

How do you know when a client's family is a strong candidate for more formal philanthropic planning, beyond simply budgeting for annual gifts to charity? Watch for these candidates among your client base:

- Families who have started to ask you about multi-generational participation in the family's favorite causes but do not yet have any formalized plans.
- Families who have publicly demonstrated a long-term charitable commitment to at least three charitable organizations.
- Families who own a multi-generational family business, creating the opportunity for corporate giving and values to serve as inspiration for the family's charitable plans, even beyond the family's ownership of the business.
- Families who have the capacity to give more than \$25,000 per year to charity and have expressed or demonstrated enthusiasm and willingness to do so.
- Families in which at least five family members across two or more generations have shown an interest in philanthropy.

A comprehensive philanthropy plan often starts with establishing a structure, typically in the form of either a donor-advised fund or a private foundation. Although



In 2003 Julie and Jeff Diermeier established a family foundation in Illinois. At about the same time, they built a home in Naples, Florida. The foundation initially provided support to organizations in the north that helped the disadvantaged succeed in life. A second element to the mission was supporting cancer research and wellness, given some family health history.

As the Diermeiers experience the benefits of life in Naples, it became clear that this is where they would permanently retire. As a result, they began to research organizations in Collier County that fit the foundation's mission. They had an assist from Jeff's sister, Cheryl, who lived full time in the area. Also, Jeff participated in a local leadership organization and volunteered at the Community Foundation of Collier County (CFCC), reviewing outcomes of grants issued by the CFCC.

there are benefits and advantages of each, the donor-advised fund option has become increasingly popular because of its favorable tax treatment, simplicity of administration, and flexibility. By contrast, private foundations typically appeal to families who want to engage directly in charitable activities, hire family members as employees to operate the foundation's day-to-day business and receive salaries, run their own grant programs to support individuals, and grant directly to international efforts.

A common myth, however, is that families who wish to collaborate across generations on grant making and impact are better suited for a private foundation. The reality is that families can work together to determine and execute a philanthropic vision, mission, and grants from the family's charitable structures, whether a donor-advised fund, private foundation, or both. When a family establishes a donor-advised fund at the Community Foundation of Collier County, for example, the Community Foundation's professional staff can support the family in areas of expertise well beyond the administrative duties that are built into donor-advised fund services provided through the community foundation.

Here are examples of comments you may hear from families who may be excellent candidates to work with the Community Foundation alongside you as their key advisor:

- “We are interested in engaging the next generation of our family in philanthropic conversations, but we are at a bit of a loss as to how to go about it.”

- “We are concerned that families today—including our family—are less community centered than they used to be. So we don't want to ignore global issues, but we want to ensure that we make a difference locally. We thought about working with our children and grandchildren on community priorities and deploying philanthropy as a way to communicate our concerns and dreams for the region we all love, but we aren't sure where to find tools and best practices.”

- “As a member of my family foundation's so-called 'next generation,' I am worried that our older generation has been directly involved with just a handful of organizations, so they tend to support only those organizations. As younger donors, we aren't necessarily going to want to be directly involved with these particular organizations, and at the same time we don't want to shut off support. We want to respect and engage with our older family members while also charting our own course.”

- “As a thirty-something, I have a young family and it is really important to me to be able to engage my kids in the family's philanthropy, working right alongside me, my parents, siblings, nieces and nephews, and grandparents.”

If you're hearing these and similar expressions of interest from your clients, please don't hesitate to reach out. The team at the Community Foundation of Collier County is your partner to serve your clients' philanthropic endeavors.

NAVIGATING CHARITABLE NEED

Based on this work, the Diermeiers got involved with supporting several local organizations, including the Guadalupe Center, Pace Center for Girls, David Lawrence Centers for Behavioral Health, Champions for Learning, American Cancer Society of Naples, and the Naples Children & Education Foundation. They developed a fairly good read on some of the community's top service organizations. They were particularly impressed by a collective service organization effort called Future Ready Collier, which drives local organizations to cooperate and utilize donor support more effectively.

One of the most difficult challenges for any philanthropic foundation is the proper vetting of what seems to be a promising organization and, most importantly, its leadership. The Diermeiers learned hard lessons early on in their giving in this regard.

Furthermore, how does one know if there isn't a better organization covering the space? Does the organization work with like organizations to address a larger mission, or are they

basically a siloed island. Do they have staying power? Are their leaders worthy of investment?

Despite having some insight into the local social service community, the Diermeiers wanted to up their game. They also recognized that Collier County's social service landscape is more navigable than the sprawl of Chicago. They turned to the CFCC for that navigation. In their view, there could be no substitute for the wealth of knowledge and experience that the CFCC has accumulated over time.

The result has been that they created a Donor Advised Fund at the CFCC in 2019. The CFCC informs them of grant requests in their mission area from quality organizations, provides site visits when needed, and general information support to make better funding decisions. The Diermeiers make the ultimate grant decision. Most foundations aspire to leverage their giving to provide even greater benefits — the Diermeiers prefer leveraging their foundation from the exceptional base of knowledge and involvement of the CFCC.



Giving Together

Factors to consider when representing couples

The Community Foundation can help as you work with a couple to design a charitable giving plan that will create rewarding philanthropic experiences for both partners. Indeed, in *Giving as a Couple*, Rockefeller Philanthropy Advisors reinforces the tenets we maintain as a team at the Community Foundation when we are working with a couple to develop and activate a charitable giving strategy that matches the couple's goals and values.

For example:

- Our team strives to understand why your clients want to give together as a couple, rather than “dividing and conquering” as individuals.
- Our team seeks to understand your clients' perspectives on roles and control deeply so that we can help structure a process that will allow both partners to be active decision-makers. In certain cases, from time to time, a couple will ask the community foundation to act as a mediator, or even a tiebreaker, in the event that the partners are in the midst of an amicable debate about a particular community impact strategy or charitable gift.
- Our team helps couples decide on financial levels of current and legacy giving that will achieve the couple's philanthropic goals in harmony with their goals for children and grand children's personal inheritances and involvement in the family's legacy philanthropy.

Especially if you are representing couples that include women, it's worth checking out *Women Give 2021: How Households Make Giving Decisions*, a study released last month by Women's Philanthropy Institute at the Indiana University Lilly Family School of Philanthropy. The authors of the study observed notable trends in how partners—not just women—approach giving. For example, according to the report:

- More than 61% of couples make charitable giving decisions jointly.
- When decisions are made by one member of a couple, and that couple includes one woman, the woman is more likely to be that decision maker.
- Couples tend to agree on the amount and recipients of their philanthropic investments.

As always, the team at the Community Foundation looks forward to supporting you as you help your clients achieve their family philanthropy goals.

In sync on giving

Lawmakers from both parties support expansion of CARES Act deduction

Four Republican Senators, four Republican Democrats, a House Democrat, and a House Republican have introduced legislation to expand the increased charitable deduction cap for non-itemizers to up to one-third of the standard deduction. *The Universal Giving Pandemic Response and Recovery Act (S.618/H.R.1704)* also extends this temporary \$300 deduction, which was included in the original CARES Act, through 2022 and enhances the provision to include gifts to donor-advised funds.

Preliminary reports suggest that the so-called “universal charitable deduction” is already showing signs of success in encouraging more people to give to charitable organizations. For example, AFP’s Fundraising Effectiveness Project reports a 28% increase of \$300 gifts made on December 31, 2020. Considering that \$300 is the precise amount of the maximum a non-itemizer can deduct, this does not seem to be a coincidence! AFP also reports that gifts of \$250 or less increased by more than 15% in 2020 compared with 2019.

The inclusion of donor-advised funds as qualified recipients of universal charitable giving is an important breakthrough and recognition that donor-advised fund vehicles are powerful tools to increase effective charitable giving. Especially when paired with the expertise and resources uniquely available through the Community Foundation, a donor-advised fund can be a critically important component of the philanthropic strategy for an individual, family, or business.



Unlocking the power of clients' real estate

Why the bargain sale is a must-have in your charitable planning toolkit

Whether a nonprofit's mission calls for office space, warehouse facilities, or something in between, most charitable enterprises need a physical location to serve their constituents. Unfortunately, nonprofit organizations are frequently left empty handed

when they search for competitively-priced commercial property to house their operations.

Enter the charitable bargain sale, a giving vehicle that allows a donor to facilitate the transfer of much-needed real estate to a favorite charity at a price the charity can afford, while at the same time earning the donor a tax deduction. The bargain sale, frequently heralded as the earliest charitable giving vehicle, results in the real estate owner serving in both the role of a seller for the cash portion of the sale to a charity, and also in the role of a donor for the donated portion of the property.

As is the case with many types of charitable gifts, establishing fair market value of the subject real estate is critical and requires a qualified appraisal that

complies with IRS regulations. Establishing the fair market value in turn determines the charitable donation portion, which is the difference between the fair market value and the lower cash amount paid by the charity to the donor/seller.

A post-pandemic world may create new opportunities for your clients to consider bargain sales of property to charities. Indeed, nearly \$430 billion in commercial and multifamily real estate debt is set to mature this year, opening up conversations about what property is really worth and how owners can most efficiently unlock its value. And of course, bargain sales are not limited to commercial property. The U.S. housing market is estimated to have gained more than \$2.5 trillion in value in 2020 alone, bringing the total value of housing in the U.S. to over \$36 trillion.



New look online at cfcollier.org

Our new website, which launched in May, is easier to navigate, more user-friendly, and makes information regarding community trends, philanthropic impact, and collaborative efforts more accessible. The donation process has been streamlined, making donations to support your favorite cause a breeze.

Check it out today!

OUR MISSION
Working with donors, we inspire ideas, ignite action, and mobilize resources to address community needs in Collier County, For Good, Forever.
[LEARN MORE](#)

VITAL NEEDS IN THE COMMUNITY

We know you care about needs in our community and how we can meet them—whether you call Collier County home seasonally or year-round.

- Mental Health & Substance Abuse
- Housing & Hunger
- Education & Employment
- Crisis & Disaster Relief
- Seniors and Veterans
- Environment & Accessibility

For DONORS
Make a difference and support the community's vital needs.
[FUND PORTAL](#)

New Fund Advisor Portal to replace DonorCentral

A new Fund Advisor Portal has replaced DonorCentral, improving your user experience for requesting grants and accessing fund information. This system launched in early May, with additional online features coming soon over the next few months.

Access the Fund Advisor Portal at cfcollier.org.

Collier County Charitable Giving Shines in the Sunshine State

What makes Collier County unique among Florida's 67 counties in the philanthropic realm?

It is a bright spot in the Sunshine State, ranking No. 4 in the number of donors who reported charitable contributions and No. 2 for the dollar amount donated—\$970,260,000—according to a recent Florida Nonprofit Alliance report.

This sounds like great news, but Community Foundation of Collier County CEO/President Eileen Connolly-Keesler said that one major factor that drives local giving has a patinaed reality: Collier is the only county in Florida that doesn't have a local funding mechanism to address social service needs.

"Donors understand our county is the only one in the state that doesn't set aside tax dollars to deal with social service issues. I'm not talking about federal dollars, but local taxes," she said. "It's partly that and partly the tremendous wealth we have in this community."

The report, *A Decade of Charitable Giving Trends in Florida*, examines how charitable giving from 2011 to 2018 has been shaping up since the Great Recession. With a few exceptions, such as Collier County, Florida has seen a decline in individual giving. Other key findings include:

- Charitable giving by Floridians returned to pre-recession levels in 2015.
- The number of reporting donors in Florida has declined steadily since the recession, even as the state's population and wealth have grown.
- The bulk of giving comes from a relatively small group of wealthier donors rather than from a cross-section of Floridians, as was the case 15 years ago.
- The sustainability of current giving levels is an area of concern and the long-term impact of recent tax law changes remains uncertain.

Gauging contributions is based on charitable deductibles itemized on IRS tax forms, though only about 13.4 percent itemize them. Trends also fluctuate based on changes to tax laws, said Florida Nonprofit Alliance Executive Director Sabeen Perwaiz.

Collier County's upper income donors (with an adjusted gross income of \$200,000-plus) increased during the period studied from 21 percent to 45 percent, which could be expected based on the area's skyrocketing housing market and growing affluent population. However, the number of lower income donors (making less than \$100,000) has decreased from 50 percent to 33 percent. "We hope the lower income donors come back because it's a little troublesome," Perwaiz said. "We need a wide variety of donors so the sector is sustainable."

Connolly-Keesler said the Community Foundation works diligently to teach donors about the various issues the community faces. "We've done a good job educating our donors," she said. "Philanthropy is the only thing supporting all of our nonprofits—education, housing, the environment, all of them."





COMMUNITY FOUNDATION
OF COLLIER COUNTY
FOR GOOD. FOREVER.

1110 Pine Ridge Road Suite 200, Naples, FL 34108
239.649.5000 | www.cfcollier.org

Guidance For Leaving A Legacy

The Community Foundation of Collier County has a team of philanthropic professionals to help your client start a fund that will meet their charitable giving goals starting now and continuing into the future. From the client who wants to make an immediate philanthropic impact, to the couple hoping to leave a legacy, to the family with a complicated tax situation, the Community Foundation's team of professionals has the expertise to help donors reach their goals and provide maximum impact.

Contact **Julie Van Tongeren** at jvantongeren@cfcollier.org or **239.307.4521** for more information.