



## Greetings to Our Professional Advisors Council

I am pleased to extend a warm welcome to our new members. We look forward to meeting you in-person and sharing the news about the Collier Community Foundation. I am also pleased to greet our existing members who make the Collier Community Foundation such a great organization.

As you know, the Professional Advisors Council (“PAC”) supports the Collier Community Foundation by connecting the Foundation with people who are looking to make an impact with philanthropic giving. Your efforts and support have resulted in many new donors to the Foundation and are appreciated.

You may have noticed that the Foundation recently changed its name to Collier Community Foundation and upgraded its logo to a more current appearance and style. The Foundation also updated its tag line to “Informed Giving. Powerful Results.” I think that succinctly communicates the PAC’s mission as well.

As the liaison between the Board of Trustees of the Collier Community Foundation and the PAC, I have had the pleasure of getting to know many of the members of the PAC personally and professionally and I have been very impressed with your dedication and support.

I look forward to seeing all of you at our upcoming meetings.

**BRAD A. GALBRAITH, J.D., CPA**

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

*Managing Partner*  
Florida Bar Board Certified Wills, Trusts and Estates Attorney

# Planning for retirement and giving to charity

## Intertwined solutions in economically puzzling times

Retirement planning no doubt is an important discussion topic during client meetings every year. In recent months, though, you may have observed an uptick in clients' questions about their plans for retirement, perhaps related to:

- Required minimum distributions (“RMDs”) from qualified retirement plans, including questions prompted by media coverage of pending legislation known as SECURE 2.0;
- Stability of retirement investments, a topic that is widely covered in mainstream financial news; and
- Rising interest rates and what that means for retirement, which is also a frequent topic in the media, along with inflation's impact on retirees.

Against this backdrop, the issues become particularly complex for philanthropic clients. Here are answers to questions you may be asking:

### **What's going on with updates to the charitable giving components proposed in the SECURE 2.0 Act?**

Right now, SECURE 2.0 includes a provision that would index the \$100,000 Qualified Charitable Distribution (“QCD”) allowance for inflation and also expand the technique to allow for a one-time transfer of \$50,000 to a charitable remainder trust or other split-interest vehicle. But those enhancements are not the law, yet. Overall, the legislation appears to stand a good chance of becoming law. Still, a lot can happen as the House and Senate reconcile their respective bills before the legislation heads to President Biden for signature.

### **So what should I be telling my clients about the potential changes to the Qualified Charitable Distribution rules? Or should I say nothing?**

For clients who are seriously considering a QCD, it may be worth mentioning these potential enhancements. But in general, it's usually more confusing than helpful to bring up pending legislation, no matter how exciting. Instead, consider placing your focus on the QCD rules as they currently stand. The QCD already is a strong planning tool.

### **When should I reach out to the community foundation for help with QCDs?**

The answer is, anytime! The Collier Community Foundation can help establish a qualifying fund to receive your client's Qualified Charitable Distribution, regardless of whether the SECURE 2.0 enhancements become law. The recipient fund can't be a donor-advised fund, but there are other very effective options.

### **With interest rates rising, are there particular techniques that I should be discussing with my clients who are planning for retirement and are charitable inclined?**

Yes. Now is a good time to consider talking with these clients about charitable gift annuities. A charitable gift annuity, like any other annuity, is a contract. Your client agrees to make an irrevocable transfer of cash or assets to a charitable organization. In return, the charitable organization agrees to pay the client (or the client's designated beneficiary) a fixed payment for life. Your client is eligible for an immediate income tax deduction for the present value of the future amount passing to charity.

### **What if my client needs the tax deduction this year but won't be retiring for several years?**

Charitable gift annuities offer flexibility, in that your client may choose to structure the contract as a “deferred gift annuity,” meaning that the client starts receiving payments at a future date (or upon a future event such as retirement), rather than immediately while the client's effective income tax rate may still be high. In this way, the charitable gift annuity can be a tax-savvy component of an overall retirement plan.

### **How do rising interest rates factor in?**

Client discussions about charitable gift annuities are especially timely because the American Council on Gift Annuities recently voted to increase the “rate of return assumption” used as guidelines for maximum payout rates. Effective on July 1, 2022, the return assumption will increase from 3.75% to 4.5%. This means that the Council's suggested payout rates will be going up. That's good news for a client's income stream.

### **What's the bottom line on this?**

The net-net here is that rising interest rates make the charitable gift annuity an even more attractive tool for clients who want to combine charitable planning with retirement planning. The team at the community foundation can help you evaluate this option to determine if it is a good fit for your client.



## QCDs

### Good news and important reminders

Qualified Charitable Distributions, or “QCDs,” have been in the news a lot lately, especially in light of proposed SECURE Act 2.0 legislation that passed the House of Representatives in March and is now pending in the Senate.

Through a QCD, starting at age 70½, your client can instruct the administrator of an IRA to direct up to \$100,000 per year to a qualified charity. This helps your client’s tax situation because the client does not need to report the amount of the QCD as taxable income.

Here are four important reminders about QCDs:

- Even though the SECURE Act changed the Required Minimum Distribution (RMD) age to 72 from 70 ½, the QCD age is still 70 ½.
- QCDs cannot be made to donor-advised funds, but your client can set up a field-of-interest or unrestricted fund at the community foundation to receive a QCD.
- Under a version of the proposed SECURE Act 2.0 legislation, QCDs would be indexed for inflation. In addition, proposed legislation would allow a client to make a one-time QCD of up to \$50,000 to a charitable remainder trust or other split-interest entity.
- Finally, be sure to help your clients coordinate their QCDs with their Required Minimum Distributions. Proper planning will help avoid troublesome tax pitfalls.

*Please reach out to Julie Van Tongeren at the Collier Community Foundation at [jvantongeren@collierccf.org](mailto:jvantongeren@collierccf.org) or 239-307-4521 to learn more about QCDs and how your client can establish a fund to support financial and tax goals as well as charitable giving goals.*

# SAVE THE DATES

Save the Date for these Professional Advisor Council Events

**June 23**

7:30 – 9 AM

Completing the Picture of **COMPLETED** JOIN US FOR THE NEXT EVENT!

*Colleen Boyle,  
The Fine Arts Group*

CCF Board Room

**August 18**

7:30 – 9 AM

Charitable Gift Annuities and Other Planned Giving Vehicles

*Tom Deiters,  
Charitable Gift America*

CCF Board Room

**October 21**

7:30 – 9 AM

*Mike Miller  
Chief Investment Officer,  
Crewcial Partners*

CCF Board Room

**October 27**

5 – 7 PM

Professional Advisor Reception – Transfer of Wealth Study Release

Lulu’s Kitchen at St. Matthew’s House

# Playbook

## Helping clients organize their giving through a donor advised fund

Your clients will arrive in 15 minutes. You're reviewing the file. Everything is in order. The estate planning documents are up to date, you're ready to share the latest investment results, and you are prepared to debrief the 2021 tax season and make tax planning recommendations for the remainder of this year. It sounds pretty typical up to this point, right?

As you continue to scroll through the materials, you see the names of several charitable organizations that your clients have supported every year for at least a decade. Ah ha! This is an opportunity to add even more value to your clients. Easy for a busy advisor to overlook, charitable giving habits are actually an important window into helping a client make planning decisions around their philanthropic intentions.

Here's a simple playbook to guide you through a client conversation to begin establishing a charitable giving plan using a donor-advised fund at the community foundation.

- **Call your clients' attention to their charitable giving history.** They might not even be aware of how much they are giving or how long they've been supporting their favorite charities.
- **Gather more information about why the clients support those particular causes.** Family tradition? Past involvement as a beneficiary of an organization's services? Desire to impact a particular area of need?
- **Talk with your clients about their community involvement.** Do they serve on any boards of directors? Do they volunteer at local organizations?

- **Review any charitable giving provisions in the current will or trust.** Are the clients leaving a bequest to favorite charities?
- **Ask clients if they've ever considered organizing their giving through a donor-advised fund.** If they are not familiar with donor-advised funds, perhaps offer a quick primer, and certainly offer to introduce the client to a member of the community foundation team.
- **Briefly mention that a donor-advised fund can be an effective alternative to a private foundation,** thanks to fewer expenses to establish and maintain, maximum tax benefits (higher AGI limitations and fair market valuation for contributing hard-to-value assets), no excise taxes, and confidentiality (including the ability to grant anonymously to charities).
- **Also mention that a donor advised fund at the Collier Community Foundation is frequently a more effective choice than a donor-advised fund offered through a brokerage firm** (such as Fidelity or Schwab). That's because, at a community foundation, the donor is part of a community of giving and has opportunities to collaborate with other donors who share similar interests. In addition, the donor is supported in strategic grant making, family philanthropy, and opportunities to gain deep knowledge about local issues and nonprofits making a difference.

# A Family Mission Statement for Philanthropy

by Kim Ciccarelli Kantor, CFP®, CAP®  
Cofounder, President and CEO of Ciccarelli Advisory Services, Inc.



We all hold a special place in our hearts for the charities and other non-profit organizations that are dedicated to serving our community. In gratitude for their admirable initiatives, many of us feel compelled to support these organizations by donating our time, talents or financial support. Whichever way you choose to pledge your support, charitable action is a truly rewarding means of expressing our altruism and impacting meaningful, positive change.

As someone who has had the privilege of working alongside many successful families in the Naples community, I have always been impressed by our clients' selfless philanthropic efforts. Above all, I have been inspired by their eagerness to engage the entire family in the charitable giving process. By unifying their family members behind a common goal, these clients have not only instilled the virtue of philanthropy within their children and grandchildren; they have established a powerful legacy that extends beyond their lifetime.

You can give your family a shared clarity of purpose that transcends generations and ensures your family members are in sync with one another with the creation of a *philanthropic family mission statement*. This statement can clarify what you and your family hope to accomplish through philanthropic efforts and enables you to see where you are deviating from expectations and goals so you can make course corrections. And most importantly, it strengthens the role of your family in your philanthropic activities.

Of course, the elements of a mission statement are entirely up to you and your family and may combine some or all of the following elements:

- **History of the family:** its origins, values, patriarchs, matriarchs, business interests, public service, traditions of philanthropy.
- **History of the fund:** its founders, when founded, funding source, etc.
- **The field of interest of the fund:** education, environment, etc. and what the fund intends to accomplish.
- **Program focus and specific targets of grants,** if any are to be specified and key goals and desired outcomes.

Once your family has stated their charitable goals, what is your best approach to achieve them? Though there are many ways to carry out your family's vision, partnering with a community foundation, such as Collier Community Foundation, offers some unique benefits. Community foundations bring together the financial resources of families, individuals and organizations who care about a specific geographic area and then invest those resources back into the community. Combining the pulse of the community with a deep understanding of your family's goals and desired education process can enrich your long-term legacy. With your mission statement as your guide, this culture of philanthropy has wings for multiple great deeds.

***Investment advisory services offered through Ciccarelli Advisory Services, Inc., a registered investment advisor independent of FSC Securities Corporation. Securities and additional investment advisory services offered through FSC Securities Corporation, member FINRA/ SIPC and a registered investment advisor. 9601 Tamiami Trl N, Naples, FL 34108, 239.262.6577***



## Social Consciousness

### Today's expectations of advisors

**Especially over the last few years as social consciousness has increased, many of your clients have no doubt become more interested in how they can make a difference through their philanthropic activities, whether those activities include giving to favorite charities, volunteering, serving on boards of directors, purchasing products that support a cause, and respecting a sustainable environment.**

As clients grow more in tune with social impact, they are expecting their advisors to be ready to help them structure and plan their charitable giving. What's more, clients who receive charitable planning advice from their advisors tend to be more loyal and more willing to recommend their advisor to others, especially when that advisor is proactive in bringing up options for incorporating philanthropy into financial and estate plans.

With that in mind, the community foundation is here to help you stay up to date with philanthropy topics so you can, in turn, have the conversations and deliver the services your clients are seeking. To that end, for an insightful look into the inner workings and current state of the philanthropy industry, we suggest skimming the written testimony that the Council on Foundations recently provided to the Senate Finance Committee. The Council, a major voice and advocate for philanthropy in the United States, notes that the current economic and legislative environment has created a "pivotal moment for nonprofits and their philanthropic partners."

The Collier Community Foundation is also here to help you avoid treacherous situations as you create philanthropic plans for your clients. As philanthropy and giving grow larger on the radar, sadly periodic bad news is almost certain to bubble up. The unfortunate situation going on at St. Jude Children's Research Hospital, for instance, involving legal fights with families is an example of how important it is to create a philanthropic plan and related legal documents that are rock solid on donor intent.

*The team at the Collier Community Foundation is a resource and sounding board as you serve your philanthropic clients. We understand the charitable side of the equation and are happy to serve as a secondary source as you manage the primary relationship with your clients. This newsletter is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice.*

# When the Kids Don't Want It

## Converting Passion Assets into Charitable Impact

Baby boomers are one of the wealthiest generations in American history and they are transferring their wealth over the next few decades. A portion of this wealth is in the form of tangible assets that reflect the passions, interests and legacies of the individuals and families who owned them. With a massive transfer of wealth expected from baby boomers to younger generations, estate planning for art, jewelry and collectibles are likely to become increasingly important. It is important for wealth advisors and attorneys to take a more holistic approach when discussing clients' planning needs particularly if the strategy involves philanthropy. Art, jewelry, wine, books and other valuable collectibles can be a key component for building wealth and the disposition of these objects is an important conversation to have with clients.

However, what challenges do your clients face when the heirs are not interested in receiving the gift of art, jewelry, wine, furniture and other objects that the parents and grandparents have collected over the years? As society and families continue to change, the patterns of philanthropic behavior by high net worth households will also evolve.

Why not consider using these passion assets to further a client's philanthropic interests. Historically most people have donated cash to their favorite charities. Instead of writing checks, clients should consider converting their passion assets into a philanthropic opportunity. Using passion assets in a strategic philanthropy initiative presents families with the chance to work collectively to create a unifying legacy.

Prior to donation, assets such as art, jewelry, wine and other collectibles should have a risk management strategy. Unlike many other assets, these passion assets can have financial, cultural and emotional value for the donor. It's important to appoint a trusted and competent insurance adviser who can assist you on appropriate fine art and collectibles risk management practices. A well-structured insurance policy will protect your assets and your investment.

In conclusion, the field of strategic philanthropy is more sophisticated and complex than ever. More individuals are exploring philanthropic strategies using collections of art, jewelry, wine, books, coins and other passion assets to help make a greater impact in the lives of others. Anyone that regularly contributes to their favorite organizations and causes can develop a more strategic approach to giving by considering using passion assets. Nonetheless, the philanthropic process involving these objects begins with understanding what your client owns and understanding the value.

### **Colleen Boyle**

*Senior Vice President-National Sales Director  
The Fine Art Group*

Ms. Boyle brings over 20 years of diverse experience in the art and financial world to the Fine Art Group. She has valued art and collectibles for corporations, museums and private collectors throughout the United States. Ms. Boyle regularly assists clients with monetization strategies of passion assets for charitable endeavors as well as identifying institutions for direct donations. [colleenboyle@fineartgroup.com](mailto:colleenboyle@fineartgroup.com)

The Fine Art Group is a vertically integrated global art services firm assisting clients with their art, jewelry, and other valuable collections. The Fine Art Group has an unrivaled track record occupying a unique position within the art and collectible ecosystem that includes assistance with building a collection, appraisals, sale strategy, as well as finance and investment opportunities.

### **Patrick Trittler**

*Vice President Business Development Executive  
Marsh McLennan Agency Private Client Services*

Patrick is a trusted personal risk management and insurance advisor to clients with complex lifestyles and insurance needs. He is dedicated to building relationships, problem solving, and providing expert insurance consultation to successful & affluent individuals and families, corporate executives and business owners to protect their tangible assets from loss and their personal wealth from liability risk.

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## Guidance For Leaving A Legacy

The Collier Community Foundation has a team of philanthropic professionals to help your client start a fund that will meet their charitable giving goals both now and into the future.

Learn more by calling us at **239-649-5000**  
or visit **[colliercf.org](https://colliercf.org)**.