

Need² know

The Northern New York Community Foundation works with donor advisors to accommodate virtually any type of charitable giving clients may choose. No matter the situation, we offer effective and meaningful solutions. Our staff is available to confidentially discuss any type of giving scenario, provide materials or gift illustrations, and attend joint meetings with your clients, if appropriate.

The following client scenarios might be ideal to refer to the Community Foundation if he or she:

- Is planning to sell a private company or has a high capital gains tax exposure
- Is contemplating a life transition — whether they are retired, have no children or are involved in estate planning decisions
- Wants a charitable tax deduction now with flexibility to make grants over time
- Hopes to grow his or her charitable contributions tax-free
- Desires to create an endowment that benefits multiple nonprofit organizations in perpetuity
- Wishes to give something back to his or her Northern New York communities. This can be broadly specific or tied to a specific place and/or for a specified cause or purpose
- Is involved with multiple charities, issues or civic causes
- Wants to engage children or other family members in philanthropy

Giving Together

A Northern New York Community Foundation Publication for Donor Advisors

ENDURING LEGACIES FOR THEIR COMMUNITIES:

Longtime Lewis County Judge **George R. Davis**, right, created plans for the **George R. Davis Fund for Lowville**, a geographic-specific fund that supports his hometown in perpetuity. **John S.** and **Dorothy T. VanNess**, far right, continue to give in Potsdam through a named family fund.



Legacies closest to home

Geographic-specific giving offers clients flexible options

When it comes to deciding where and how your clients want to structure their charitable giving, the Northern New York Community Foundation offers flexibility for clients to be geographically specific while broadly supporting causes and projects in a desired town or region. Geographic-specific giving has emerged in the past several years as a popular and growing trend among clients who are seeking to maximize their charitable impact on the places that are most special to them.

Conversations about this type of place-based giving are an opportunity for your clients who are engaged in legacy or estate planning to thoughtfully consider how they want their giving to continue in perpetuity. Your clients may restrict the use of the gift to a certain city, town or village, or county.

Some of the geographic-specific funds also have directives within them for certain focus areas. Most of these funds make grants annually through grant-making processes that the Community Foundation manages and, in some cases, consults with advisors to help steward. These are a few examples of geographic-specific funds that the Community Foundation stewards:

THE GEORGE R. DAVIS FUND FOR LOWVILLE

Forever recognizes the legacy of the longtime Lewis County judge by solely benefiting the town and village that he loved.

THE MICHAEL BROWN FUND

Forever recognizes Michael Brown's legacy and his love of Lewis County.

THE JOHN S. AND DOROTHY T. VANNESS FAMILY FUND

Supports nonprofit organizations serving the greater Potsdam area. The fund was created by Mr. and Mrs. VanNess' daughter — Susan J. Sewall — who admired her parents' civic-mindedness.

KENNETH V. AND JEANNETTE REMP SAWYER COMMUNITY FUND

Supports nonprofit organizations that strive to improve the quality of life for residents of Boonville, Constableville and Westerville.

CANTON COMMUNITY FUND

Established in 2000 as a geographic-specific fund to support projects and programs that positively impact the quality of life in the town and village of Canton.

SIX TOWN COMMUNITY FUND

Established in 2012, the Six Town Community Fund is a geographic-specific fund to support projects and programs that positively impact the quality of life in the south Jefferson County region, specifically the towns of Adams, Ellisburg, Henderson, Lorraine, Rodman and Worth.

CLIFTON-FINE COMMUNITY FUND

Created in 2013 as a lasting resource to help improve the quality of life in the Clifton-Fine region of southeast St. Lawrence County. It supports programs and projects in the towns and hamlets of Fine, Oswegatchie, Star Lake, Newton Falls, Wanakena and Cranberry Lake.

THE RIVER FUND

Created in 2010 to honor the leadership of those who have been instrumental in helping organizations that work to strengthen quality of life in river communities.

THE LIGHTHOUSE FUND

Established in 2014, it supports nonprofit organizations that help vulnerable Cape Vincent and Clayton residents.

YEAR-END CLIENT GIVING STRATEGIES

Most of your clients have a well-established pattern of philanthropy and are committed to support the causes that are most meaningful to them. Whether they include education, the arts, the environment, human services, health care, history or a wide range of other worthy causes, the **Northern New York Community Foundation** can work with you to strategically tailor giving options that meet your client's needs.

Tax deductions are also important to consider when developing a strategy around charitable giving. Your clients may still claim a deduction equal to the fair market value of any long-term appreciated securities they contribute. This means your clients can support their favorite nonprofits while avoiding potentially significant capital gains taxes. Careful planning and donating in a tax-efficient manner could also help to increase the amount a client is able to donate.

EXPLORING DONOR-ADVISED FUNDS (DAFs)

Another strategic option to consider for your client is a **donor-advised fund (DAF)**. This fund is essentially a charitable giving account that can be funded with irrevocable gifts of cash or non-cash assets like appreciated stock or other long-term securities, from individuals.

Through a DAF, a potential strategy could include **combining multiple years' worth of contributions into one tax year**, potentially at the start or end of a calendar year. This could result in a higher total itemized deduction for your client in that year. In the following year, your client could elect to receive the standard deduction instead. The total donation amount wouldn't change, but this strategy would allow a client to take full advantage of any available tax deductions.

The funds are then distributed to qualified non-profit organizations, per your client's recommendations. One benefit of using a DAF now is its ability to help a client **accelerate multiple years of giving into one tax year** and **spread the distributions to charities over multiple years**.

In partnership with the **Community Foundation**, a DAF also assists donors with everything from facilitating the **liquidation of appreciated non-cash assets to potentially eliminate capital gains tax liabilities, to handling administrative tasks**.

A DAF is **more efficient and less costly than establishing a private foundation** and DAFs may still involve additional family members to incorporate a **multi-generational approach to philanthropy**.

THE COMMUNITY FOUNDATION AS AN ADVISOR RESOURCE

A lasting Community Foundation partnership to serve client needs

As stewards of charitable legacies, the **Northern New York Community Foundation** recognizes the key role that you, as your clients' professional advisor and confidant, play in structuring a plan to address the needs and desires of clients with charitable interest. We work hard to make the charitable giving process easy and rewarding for all involved. To accomplish that, we have dedicated ourselves to meeting your needs, ensuring that you have the technical information and tools at your fingertips to help your clients achieve all their charitable goals.

What can the Community Foundation do for you and your clients?

The Community Foundation provides an extremely flexible, accountable, dynamic charitable platform for long-term giving. Donors can create funds for multiple charitable beneficiaries or allow the Community Foundation to direct the funds to charitable organizations that can most effectively achieve the donor's goals. Also, the Community Foundation will steward the donor's intent and ensure that the charitable purpose endures.

■ **The Community Foundation can** create funds around a specific area of interest — for example, education, history, conservation and environment, arts and culture, or health and wellness, to name a few. This fund may serve as a catalyst to bring other donors in the community to the table with similar interests, leveraging your client's contributions.

■ **We can work with you and your client** to identify the most effective type of life income gift, including Charitable Gift Annuities (CGAs), to meet their needs. This can maximize the benefits of those gifts through the use of the most effective assets and distribution rate.

■ **We can prepare charitable deduction calculations** for your clients.

■ **The Community Foundation can work** with your clients who want to create a plat-

form for multi-generational philanthropy.

What can you do to support the Community Foundation?

Many of your clients may not know how to achieve their charitable goals or what they can accomplish through effective charitable planning. Some may not even know to raise the issue unless their advisor first presents the topic for conversation. Discussing philanthropy with your clients can be good for your clients and good for your business.

■ **Ask your clients about their charitable goals** in the financial and estate planning process. This will increase charitable giving across the community. Begin with three fundamental questions:

■ **If I could show you how to shift tax dollars to charitable dollars in your planning, would you be interested?**

■ **Do you have charities that you support annually that you would like to continue to help?**

■ **Involve our staff during the planning process** if you are creating a perpetual charitable gift through the Community Foundation. We are happy to brainstorm with you about how to structure that gift to best achieve your client's charitable goals.

■ **Help to educate your clients and the community** about the unique role the Community Foundation plays in building a permanent pool of resources tailored to the client's needs.

■ **Serve as our ambassadors and advocates** in the community. Encourage your friends, colleagues, or clients to call us or visit us online at nnycf.org if they have any questions or want to explore options.

QUESTIONS? If you have questions or would like to discuss a specific situation for a particular client, please contact **Rande Richardson**, executive director, rande@nnycf.org, or **Max DeSignore**, assistant director, max@nnycf.org. Call **Rande or Max** at **315-782-7110**.

THE ADVISOR'S PERSPECTIVE

Foundation connects clients to many legacy options

During my 31 years as a financial advisor and Certified Financial Planner, I had the privilege to learn about the hopes and dreams of all my clients as they related to their financial situation. Very often they would share some details that they had not yet shared with family, especially those related to estate planning, an important component of financial planning.

The most gratifying aspect of this work has been getting to know clients — their families, their stories, and their interests and hobbies outside of work. One of the easiest ways to open a discussion about estate planning goals is by asking the simple, but not easy, question: “How do you want to be remembered by your family, friends, and community?” This led to some interesting conversations and gave me the opportunity to introduce them to our Community Foundation and its broadly diverse work. I found that a surprising number of people are unaware of the scope of the Northern New York Community Foundation’s reach, or that they could benefit a specific organization much more efficiently through the Foundation.

My experience as a Community Foundation board member from 2013 to 2018 deepened my understanding of how I might help clients create their legacy during their lifetime. I gained an appreciation of not only the sheer number of organizations the Foundation serves, but also the number of ways the average person can be part of something bigger. Here are a few examples:

■ **A CLIENT RECEIVED SOME STOCK AS PART OF AN INHERITANCE** several years ago. It wasn’t an important source of income, and she intended to leave it to her grand-nieces

and nephews when she died. I knew that she had some fondness for Hospice, and we eventually decided that by gifting the stock through the Community Foundation, she could do something to honor her sister’s memory and see her gift help Hospice during her lifetime. She paid no capital gains taxes and received a significant charitable deduction for her gift.

■ **ANOTHER CLIENT IN HIS 70s WAS TAKING A** Required Minimum Distribution (RMD) from his Individual Retirement Account (IRA), but he was giving cash for his charitable deduction. By giving the RMD directly to the Community Foundation, he was able to lower his tax obligation while meeting his charitable intent and goals.

■ **WHEN A DEAR CLIENT PASSED AWAY,** her children thought about how they would honor their mother’s support of faith-based education. They pooled a portion of their inheritance and created a named family scholarship at the Community Foundation, which manages and administers the annual award. Every year they see the gratitude of the family whose student may not otherwise be able to afford full college tuition and expenses.

■ **FOR ONE MEMORABLE CLIENT, A COMBINATION** of tax-saving strategies worked to help

achieve her estate planning goals while increasing charitable contributions. She received a large inheritance from her mother and did not need the additional money as income. It became obvious

that since a large part of her estate was held in IRAs (both hers and her mother’s), passing that on to her family would mean that they’d have to start taking taxable distributions after she died. We decided that she would make the charities the beneficiaries of the IRA, through an agreement with the Community Foundation. Since she still wanted to benefit her nieces and nephews,

she purchased a life insurance policy to replace the amount of the IRA. The adult children would receive a more meaningful inheritance, since the life insurance

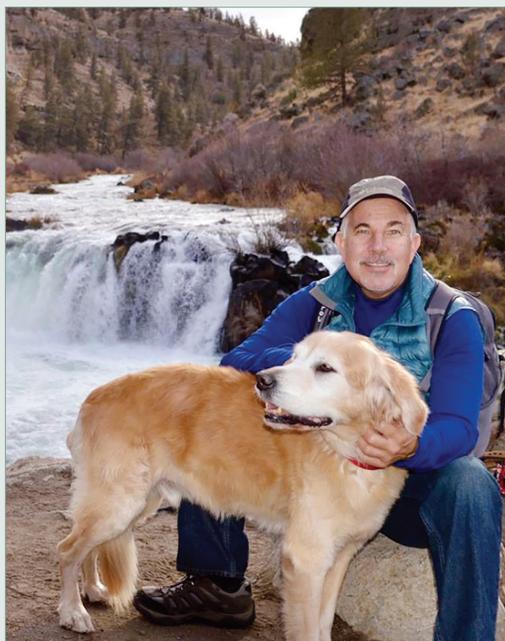
proceeds would be tax free. She is also giving through appreciated stock and her IRA Required Minimum Distributions.

A COMMON THREAD WITH these clients is the sincere gratitude I saw in them when they realized that they didn’t have to wait until they died to create their legacy; a legacy is very much an act of the living. This became more

personal, as my involvement with the Community Foundation grew during the last few years of my career.

I’ve always believed in the importance of the performing arts to a community’s quality of life, and now I had another way to influence that. Aside from being directly involved in performing with musical organizations, as a board member I could advocate to connect performing arts with the Foundation. I believe that we can make a real difference when we unite with others who are dedicated to making our community a better place to live, work, and play, and there’s no better example than the Northern New York Community Foundation.

KENNETH R. PIARULLI is a Certified Financial Planner who spent his 31-year career helping clients in Northern New York. He holds a Bachelor of Arts from SUNY Oswego and a master’s from Syracuse University. He served on the Board of Directors of the Northern New York Community Foundation from 2013 to 2018. Ken and his wife, Jude, retired from Watertown to Redmond, Ore., in 2018 where they explore the great outdoors with their golden retriever, Otis, and their son, Kevin, and daughter-in-law, Haley. He continues his involvement with the community as founder and music director of the 80-voice Redmond Community Choir.



KEN PIARULLI, CFP

A common thread with these clients is the sincere gratitude I saw in them when they realized that they didn’t have to wait until they died to create their legacy; a legacy is very much an act of the living.



Northern New York
Community Foundation
SINCE 1929

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CONNECT WITH US ONLINE

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WORKING TOGETHER

Community Foundation program honors advisor-client relationships

The Northern New York Community Foundation is blessed to have many valued partnerships with professional advisors. These advisors have been successful because of the importance they place on building relationships with their clients. Often these relationships grow into friendships that last a lifetime. Because of the thoughtful approach of advisors working with charitably inclined clients in the region, many examples of meaningful gift planning have resulted in Community Foundation relationships that are fulfilling for the client and enduring in value to the things they care about most. The North Country will be a better place for generations to come because of these referrals.



Relationships remain at the core of the work we do. With this in mind, several years ago, the Community Foundation initiated a program designed to honor relationships between donors and their financial advisors. Rather than the Community Foundation investing donated assets in its main investment pool, with the consent of the donor, an account is created for the Community Foundation with the donor's financial advisor. This model helps ensure a continuity of relationship with the advisor and also helps facilitate the advisor's role in their clients' overall planning. At the same time, an additional resource has been provided for the client through the support a Community Foundation can provide. Since the inception

of the program, more than \$4 million in individual managed funds have been created within the Community Foundation.

This program most often results in the creation of a client donor-advised fund, usually funded by appreciated securities to offset capital gains while receiving a tax deduction. Clients also frequently create endowments to benefit multiple nonprofit organizations. It can also provide a more natural way to involve children and grandchildren in future community giving through their parent's advisors.

Is the Community Foundation advisor program a good fit for you?

Requirements: This program is only for new, permanently endowed funds of \$100,000 or more where the client/donor requests the ongoing involvement of the financial advisor or firm.

Advisor Benefits: Advisors can stay involved in the charitable asset management of their clients on behalf of the Community Foundation, which can help deepen client engagement. This can also lead to next generation family engagement and facilitate retaining assets over time.

Philanthropic Services: Advisors participating in this program can broaden what they offer to clients by connecting them to a valued partner.

Questions? Please feel free to reach out to me anytime to discuss how this program might work for you and your clients. Email me at rande@nnycf.org, or call 315-782-7110. I am happy to help.

With gratitude,

Charitable legacy planning with the Community Foundation

Working with your client to create a personalized, lasting legacy of community giving is one of the most meaningful roles of the Northern New York Community Foundation. We are grateful to have many individuals and families pass on their values by remembering the Community Foundation through a provision in their will or trust. Working with us to establish a permanent plan for a client's legacy is a better alternative to the cost, expense and administration of a private foundation. Unlike private foundations, we aggregate many funds, which magnifies their impact and provides maximum tax advantages while

lessening administrative burden. Our staff prides itself on honoring the legacies of gifts of all sizes in ways that positively reflect the spirit of those who have come before us.

Some common ways you may work with a client to develop a plan for an enduring legacy that meets their objectives include:

- Listing the Community Foundation as a beneficiary or partial beneficiary of a retirement plan
- Naming the Community Foundation as a beneficiary of a life insurance policy
- A gift of appreciated stock or mutual funds, avoiding capital gains taxes
- IRA Required Minimum Distributions,

avoiding taxation and penalties

■ A Charitable Gift Annuity, which allows a client to make a tax-deductible gift with a guaranteed income for life (8 percent maximum annually)

A partnership with the Northern New York Community Foundation means service and experience from a trusted staff that knows our communities and is intimately familiar with the charitable needs across Jefferson, Lewis and St. Lawrence counties. For 90 years, we have helped donors to most effectively and thoughtfully tailor, personalize and steward their individual, lasting legacy and estate charitable giving plans.