



Eye on Philanthropy at Planned Giving Council of Palm Beach County

Message from the President.

We have started off the year at Planned Giving Council with two great meetings and look forward to more great topics and speakers in the months ahead! I would like to take this opportunity to thank all of the board for getting our schedule put together for the 2019-2020 season.

We have many new members this year and are thrilled to welcome them into the group, and we are fortunate to have most of our past members back again for another wonderful year! If you are a member, we hope that you will continue to invite your colleagues to our meetings so that they can see what we are all about!

A big thank you go to our generous sponsors that help to keep our costs down for members – we couldn't do it without you!

Cheers to another year of networking and education about planned giving!

Robin King, *President of Planned Giving Council of Palm Beach County*

PHOTO GALLERY May Meeting:



Speaker: **Bryan Clontz**, *Charitable Solutions, Jacksonville, FL*
Topic: "Creative Charitable Planning with Noncash Assets"



Save the Dates!

2019-2020 Meeting Calendar

All meetings take place at The Embassy Suites Hotel, 1601 Belvedere Road, WPB - Breakfast & Meeting 7:45 - 9:30 am

November 12, 2019

Speaker:

Ken Kennerly, *Executive Director, The Honda Classic, Palm Beach Gardens, FL*
Topic: "Ethics Issues for Exempt Organizations and Planned Giving"

December 10, 2019

EVENING HOLIDAY PARTY

Peggy Adams Animal Rescue League,
3100/3200 N. Military Trail, West Palm Beach
Time: 5:30 - 7:30 p.m.

January 14, 2020

Speaker:

John Cullum, *CFP, Senior Advisor, Charitable Estate Planning American Heart Association*
Topic: "Working with a Charity and Your Client for the Most Successful Gifts"

February 11, 2020

Speaker:

Avery Tucker Fontaine, *Head of Strategic Philanthropy, BNY Mellon, New York City, NY*
Topic: "From Philanthropy to Social Investment: A New Way of Giving"

March 10, 2020

-Annual Meeting-

Speaker:

Peter A. Sachs, *Shareholder, Jones Foster, P.A., West Palm Beach, FL*
Topic: "Understanding the Diminishing Capacity of Donors and Clients within Philanthropy"

April 14, 2020

Speaker:

Row Iliescu, *South Florida Development Director, Equality Florida*
Topic: TBD

May 12, 2020

Speaker:

Peggy Calhoun, *ACFRE, Senior Principal, Miller, Calhoun & Company*
Topic: "Florida Legacy Giving: Where will the next 40 years take us?"

THE how



Who Should Consider an IRA Charitable Distribution and How Does It Work?

The Protecting Americans from Tax Hikes (PATH) Act of 2015 (among other things) made the Qualified Charitable Distribution (QCD) provision permanent. The Pension Protection Act of 2006 introduced the QCD provision for Traditional and Roth IRA owners (or beneficiaries after the death of the owner) who are age 70½ or older to make charitable contributions of up to \$100,000 per year directly from their IRAs to an eligible organization without incurring any adverse federal income tax consequences. The distribution counts for the purpose of the Required Minimum Distribution (RMD) from IRAs, but is not included in calculating the individual taxpayer's limitation on charitable deductions in the year the donation was made.

Why might an IRA QCD be a better strategy than simply leaving my IRA to my heirs?

Will I get the tax benefit even if I don't itemize deductions?

Why is this a good strategy for substantial charitable donations?

What types of retirement accounts can my donation come from?

Q. What are the key benefits of an IRA Charitable Distribution to a charity?

The IRA QCD provision can help to bolster your legacy while reducing your taxable estate. While you would not receive a charitable deduction for a transfer from your IRA to a charity, the amount of your transfer would not be included in your gross income, nor would it be subject to income tax. You would have the added satisfaction of knowing that your charity could receive the full amount, with no tax cost to you or to the charity.

Q. Is transferring money from an IRA to a charity right for me?

- If you fit any of the following profiles, this may be a good strategy for you to review with your financial and tax advisors.
- You are 70 ½ or older and interested in using funds from your IRA to make a contribution to a charity.
- You expect to leave funds in your IRA to your heirs.
- You take the standard deduction when calculating your taxes.
- You are interested in donating more than half of your annual income to charity.
- You want to make a substantial gift to a charity for a particular purpose.

Q. Will I get the tax benefit even if I don't itemize deductions?

Many retirees take the standard deduction when calculating their income-tax liability because they don't generate enough deductible expenses or income to make itemizing worthwhile. As a result, they could be losing out on the tax advantages of deducting their charitable donations. Using the tax-free IRA QCD provision as a way to make charitable contributions would allow you to obtain the tax benefit of the contribution without having to itemize deductions.

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice and are not "fiduciaries" (under the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in writing by Morgan Stanley and/or as described at www.morganstanley.com/disclosures/dol. Individuals are encouraged to consult their tax and legal advisors regarding any potential tax and related consequences of any investments made under an IRA.

Q. Why might an IRA QCD be a better strategy than simply leaving my IRA to my heirs?

IRA assets are subject to estate taxes and the IRA beneficiaries may have to pay income taxes on distributions from the IRA assets they inherit. Using the IRA QCD provision, you can reduce the size of your estate, thereby reducing the total amount of taxes imposed. You would effectively be giving your favorite charity the full gifted amount versus having a reduced net value for yourself or your named beneficiaries had you left the money within your estate.

Q. Does this strategy circumvent the cash limit on income I can give to a charity?

No, but it may raise that limit in some cases. Typically, an individual may only deduct cash contribution to a charity up to 60%¹ of his or her adjusted gross income (AGI) in any given year (a lower AGI limit may apply to certain charitable contributions). Any excess charitable contribution deductions are carried over to the following five years. By using the IRA QCD provision, you can avoid the 60% AGI limitation and donate up to \$100,000 from your IRA.

Q. Why is this a good strategy for substantial charitable donations?

The IRA QCD limit of \$100,000 allows charitably-minded individuals, if they so wish, to fund ambitious programs such as underwriting a research project or sponsoring a scholarship program at their alma mater. The IRA QCD provision may be an ideal strategy that can allow you to make a substantial donation to fulfill your charitable goals in a tax- advantaged manner.

Q. Can I transfer funds from my IRA to another account and then write a check to charity?

No. Doing so would eliminate the tax- free treatment of the contribution and would cause the amount distributed from your IRA to be included in your taxable income. The IRA QCD must be paid directly from the IRA to the charity. For instance, if the IRA QCD is paid by check, the check must be issued by Morgan Stanley and payable to the charity (and not the IRA holder).

¹ Under current law, the 60% AGI limit applies for tax years 2018 through 2025.

Q. How do I know what charities qualify?

Distributions directly to a qualified charity are only considered a QCD if they would otherwise qualify as a charitable deduction, other than meeting the percentage of income limits. However, according to the IRA QCD provision, payments to certain entities, such as donor advised funds and section 509(a)(3) supporting organizations, do not qualify for IRA QCD treatment, meaning the distribution will be treated as a typical IRA distribution and includable in your gross income for federal income tax purposes.

Q. Can the charity give me something of value in exchange for my donation?

You cannot receive anything of value in return for your donation. For example, you cannot get tickets to a charitable event for your donation.

Q. If I have made nondeductible contributions to my IRA, does that have an impact on this strategy?

Where individuals have made nondeductible contributions to their Traditional IRAs, a special rule treats transferred amounts as coming first from taxable funds, instead of proportionately from taxable and nontaxable funds, as would be the case with regular distributions. If you have made nondeductible contributions to your IRA, have your tax advisor determine how much of the donation is considered tax free under this provision.

Q. What paperwork needs to be submitted in conjunction with an IRA QCD?

IRA owners must complete an IRA Distribution form or a Letter of Authorization is permitted in certain situations.

Q. What types of retirement accounts can my donation come from?

Generally, all IRAs are eligible to make these direct payments to charities, except for ongoing SIMPLE and SEP (including SAR-SEP) IRAs. A SEP or SIMPLE IRA is considered ongoing if the employer made a contribution for the year in which the QCD would be made. Transfers to a charity from other retirement plans, such as a 401(k) or 403(b) plan, will not qualify under this provision. It may be possible, however, to roll over funds from these accounts into a Traditional or a Roth IRA and then make an eligible transfer to charity but before doing so, you should consult with your own independent legal and tax advisor.

why

EARLY TRENDS – WHERE IS THE MONEY FROM DAFs GOING

By Vicki Pugh, VP for Development, Palm Beach Atlantic University



Most of us are familiar with the benefits that Donor Advised Funds provide to individuals wishing to make an impact with their philanthropy but not wanting the administrative burden of creating a private foundation. Donors receive an immediate tax deduction when they fund their DAFs, they have no contribution requirements and they can typically start their funds with a modest investment.

Providing donors with an effective tool for charitable giving, it is no surprise that donor advised funds are growing rapidly. The National Philanthropic Trust reported in 2017 that more than 463,000 Donor Advised Funds existed in America, and in that year alone, DAFs were funded with \$29 billion. Assets in DAFs exceeded more than \$110 billion, and in 2017, charities received \$19 billion in grants through DAFs.

The largest recipients of these funds, according to the most recent Giving USA study, are education, religion and public society benefit organizations. While Giving USA reports that limited data exists on where DAF dollars go, some patterns are emerging. Giving to education made up 28 percent of gifts from donor advised funds during the period of 2012-2015, while giving to the religious sector represented 15 percent. Comparing that to all giving in America, 32 percent of funds given went to religion and 15 percent to education. Donors giving through DAFs are granting more to education and less to religion than the general non-DAF donor.



As we continue to monitor the growth of DAFs, it is important to watch these trends. Nonprofit organizations can learn how to best approach a donor for causes and programs and professional advisors may learn more about potential donor intent.

More information about trends in Donor Advised Funds can be found at www.givingusa.org and www.nptrust.org.

Thank You to Our 2019-2020 Sponsors

Our Platinum Sponsor:



Peggy Adams
ANIMAL RESCUE LEAGUE

Our Gold Sponsors:



BNY MELLON
WEALTH MANAGEMENT



Sponsor list as of November 1, 2019

OFFICERS:

PRESIDENT
ROBIN KING, Esq.
King Law
attorneyrobinking@gmail.com

1st VICE-PRESIDENT
PROGRAMS
LAURIE CARNEY, CAP®
Florida Atlantic University
lcarney@fau.edu

2nd VICE-PRESIDENT
MEMBERSHIP
DIMITRI CHIMERAKIS
Morgan Stanley
dimitri.chimerakis@morganstanley.com

SECRETARY
LISA HUERTAS, MBA, CFRE
Donor Maven
lhuertas@donormaven.com

TREASURER
JULIE PETILLO, CPA, CAP®
Holyfield & Thomas, LLC
jpetillo@ht-cpa.com



VISIT US ON THE



PGC Website

www.PalmBeachPlannedGiving.org

Visit to view job postings, calendars, photo galleries and much more! Also, remember that we will post your job openings free of charge on our website."

Board of Directors

DIANNE BRUCE
Unity of the Palm Beaches
dianne@unitypalmbeach.com

WILLIAM G. SMITH, J.D., LL.M.
Jones, Foster, Johnston & Stubbs, P.A.
wsmith@jonesfoster.com

KIM HANSON
Peggy Adams Animal Rescue League
k.hanson@peggyadams.org

BRIAN WODAR
AB Bernstein Private Wealth Management
Brian.Wodar@Bernstein.com

CARL MINARDO, CAP®
Carl Minardo Consulting
cminardo@comcast.net

VICKI PUGH, CAP®, CFRE
Palm Beach Atlantic University
vicki_pugh@pba.edu

ADMINISTRATOR:

SHERRY SCHATTIE
MSW Solutions
Admin@PalmBeachPlannedGiving.org

Membership Minute

Calling All Colleagues! Do you know a colleague that could benefit from our meaningful meetings? If so, please reach out to invite them to join Planned Giving Council. We would like to continue to grow our organization. For more information contact Sherry Schattie at Admin@PalmBeachPlannedGiving.org (561-818-3158) or Dimitri Chimerakis at Dimitri.Chimerakis@MorganStanley.com

📍 6671 W. Indiantown Rd, #50-194, Jupiter, FL 33458

☎ 561.818.3158

✉ Admin@PalmBeachPlannedGiving.org

🌐 www.PalmBeachPlannedGiving.org