



PROFESSIONAL ADVISOR NEWSLETTER

MONTHLY NEWSLETTER

FEBRUARY 2025

**YOUR PARTNER IN STRATEGIC PHILANTHROPY PROFESSIONAL
ADVISORY SERVICES.** Empowering Financial Growth and Community Impact



FRAN BROLLEY

President and CEO

Starved Rock Country Community Foundation

 **GREETINGS FROM SRCCF!**

THREE MINI CASE STUDIES, SUPPORTING LOCAL NEEDS, AND WILDFIRE RELIEF

Hello from the SRCCF!

We hope all is well as 2025 gets fully underway. Our team is really happy that so many attorneys, CPAs, and financial advisors have already reached out to ask questions about charitable planning techniques that could be a good fit for your clients. It is our honor to be your first call when the topic of philanthropy arises.

Here's what's been trending with advisors recently.

–As tax time approaches, you may encounter one or more of three scenarios related to the timing of IRA distributions, business succession planning, and opportunities to give appreciated stock. Check out the tips captured in our popular “if this, then that” mini-case study format.

–Local issues are top of mind for many of your clients. We are uniquely positioned to help your clients make the biggest difference in the areas of our community's greatest needs while also helping your clients support the full range of their charitable interests.

–The aftermath of wildfires in Southern California is heartbreaking, to say the least. The SRCCF is here to help you and your clients navigate the options for effective and trusted ways to provide financial support.

It is our honor and pleasure to work with you and your clients. Thank you for partnering with the Starved Rock Country Community Foundation. We wish you all the best in the coming weeks!

Fran Brolley

As attorneys, CPAs, and financial advisors, you are well aware that you have clients’ attention when tax season rolls around. This makes it a great time to cover tax planning strategies for the current year and beyond.



To help incorporate charitable giving topics into your tax season client conversations, we’ve put together tips to address three scenarios where the SRCCF can assist your efforts.

EVALUATE QCDS SOONER RATHER THAN LATER.

If: Your client missed the 2024 deadline for a Qualified Charitable Distribution.

Then: Make sure the client took an RMD for 2024 (if required to do so). Start planning now for 2025 QCDs, paying very close attention to the required process. QCDs are an excellent tool for your clients who’ve reached the age of 70 ½ to give to a designated, field-of-interest, or unrestricted fund (donor-advised funds are not eligible), but if the client waits until the last minute at year-end, there might not be time for the transaction to be completed by December 31 as required. Plus, QCDs executed early in the year can help avoid negative effects of the “first-dollars-out rule” so that the QCD can count towards your client’s 2025 RMD.

WATCH FOR CHARITABLE GIVING OPPORTUNITIES IN BUSINESS SUCCESSION PLANNING.

If: Your client is beginning to consider exit strategies for a closely-held business.

Then: Reach out to us right away. Gifts of closely-held stock to a charitable fund can be a very useful component of a business succession plan. That’s because a client can gift shares of the business, which in turn means that no capital gains tax will apply to the gifted portion when the business eventually sells. The proceeds of the gifted shares flow into the fund to be used for your client’s charitable priorities. Keep in mind that timing is crucial; if a deal is in the works at the time the shares are transferred to the charitable fund, the charitable deduction is in jeopardy.

CONSIDER GIFTS OF APPRECIATED STOCK EARLY IN THE YEAR.

If: Your client's stock portfolio made big gains last year.

Then: Evaluate whether it might be wise to make gifts of appreciated stock to a fund at the SRCCF early in the year, rather than waiting toward the end of the year. If certain stock positions are high right now, it's worth considering whether a gift in the very near future could be a good move. As a reminder, gifts of stock to a public charity are eligible for a charitable deduction in the amount of the stock's fair market value at the time of transfer. And, when the stock is sold so that its proceeds can be deployed to further your client's charitable goals, no capital gains tax will apply.

Our goal is to be your go-to sounding board for any client situation where charitable giving is an option. Please reach out anytime you and a client are discussing philanthropy. In most cases, the SRCCF can help. Even if our tools are not a fit, we will point you in the right direction!

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FOR CLIENTS WHO LOVE LOCAL CAUSES, THE SRCCF IS THE PLACE!

Most of your philanthropic clients likely support a wide variety of charities year after year.

The causes they support represent a range of motivations, including personal experience, a role as a volunteer or board member, family tradition, or alignment with values and community priorities.



Many of the charitable organizations your clients support are local. That's important to note because it means that your clients are especially well-positioned to lean into the SRCCF's unique position as the hub for charitable giving and local knowledge. Here are three reasons that matters:

–Clients can tap into our team’s knowledge about specific organizations, including financial information, data about the impact of a charity’s programs, and observations of an organization’s areas of greatest need.

–Clients can choose from a variety of fund types depending on what they’d like to achieve. A designated fund, for example, allows your client to set aside tax-deductible dollars that are dedicated to supporting a specific organization. Through our services, funds are distributed over time to the charity while the assets remaining in the fund are protected from the charity’s creditors. Another example is an unrestricted fund, which leverages the SRCCF’s extensive research about the needs of the community and the nonprofit programs that are addressing those needs.

–Clients can work with us to leave a bequest to an endowment fund to support community needs for generations to come. As a perpetual organization, the SRCCF ensures that charitable giving stays strong in our region to address important needs as they evolve over time.

Of course, if your client establishes a donor-advised fund with us, the fund can support local causes as well as causes across the country. As the hub for your clients’ charitable giving, our tools and our team are dedicated to helping your clients achieve their charitable goals both near and far. Working with the SRCCF, no matter what a particular client’s charitable priorities may be, is itself a strong show of support for philanthropy right here in our community.



In the wake of the devastating California wildfires that have ravaged communities around Los Angeles, many of your clients are understandably eager to provide assistance to those affected.

This may be particularly true for your clients who are corporate executives and want their companies to participate in a meaningful way. Before your clients rush to donate, encourage them to consult the SRCCF. Here's why:

LOCAL EXPERTISE, NETWORKED NATIONALLY

The SRCCF has unparalleled local knowledge and also frequently collaborates with other community foundations across the country, especially on disaster relief initiatives. This means that our team addresses local disasters when they occur here, and we also coordinate with community foundations in affected areas when disasters occur elsewhere. Our team can guide your clients toward the most effective and impactful ways to contribute to address gaps and avoid duplication of effort.

FRAUD AVOIDANCE

Our team can help your clients navigate the complex landscape of disaster relief organizations and initiatives. With numerous GoFundMe campaigns and charitable organizations emerging in response to the wildfires, it can be challenging for your clients to discern which efforts are legitimate and most effective. We can provide vetted information about reputable organizations and initiatives, helping your clients make informed decisions about where to direct their support.

BEST PRACTICES FOR TAX PLANNING

As always, our team is here to offer suggestions for tax-efficient giving strategies. For instance, we can help you and your clients learn more about qualified disaster relief payments under Internal Revenue Code Section 139, which offers significant tax advantages for both donors and recipients. These payments are not considered gross income for the recipient and are tax-deductible for the donor, making them an attractive option for clients looking to maximize the impact of their contributions.

LONG-TERM STRATEGIES


We'll help your clients think strategically about long-term recovery efforts. While immediate relief is crucial, the recovery process from such devastating wildfires will take years. Our team can advise your clients on how to structure donations to support both immediate needs and long-term rebuilding efforts, ensuring that support continues even after the initial media attention has faded. As always, our team helps your clients ensure that their contributions are not only generous but also strategic and impactful. We'll collaborate with our community foundation colleagues in affected communities to support a journey of recovery and resilience.

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STARVED ROCK COUNTRY COMMUNITY FOUNDATION

*Connecting People Who Care
With Causes That Matter*

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The team at the community foundation is honored to serve as a resource and sounding board as you build your charitable plans and pursue your philanthropic objectives for making a difference in the community. This newsletter is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice. Please consult your tax or legal advisor to learn how this information might apply to your own situation.

**THANK YOU FOR THE OPPORTUNITY
TO WORK TOGETHER!**

