Starved Rock Country
COMMUNITY
FOUNDATION

PROFESSIONAL ADVISOR NEWSLETTER

MONTHLY NEWSLETTER JULY 2026 TRENDING TOPIC 2

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

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GREETINGS FROM SRCCF!

WE'RE HERE FOR YOU. JULY 2026 TRENDING TOPICS 2 BUSINESS SUCCESSION PLANNING

Hello from the SRCCF!

The summertime pace may change for attorneys, CPAs, and financial advisors while clients are on vacation and shifting their schedules—but you may be busier than ever as you address real-time opportunities and gear up for fall transactions and year-end planning. As always, the SRCCF is here to help as you build charitable plans for your clients. We'll also keep you up-to-date on important developments even during this "slower" time of year.

Pamela

Pamela Beckett, Founder
Senior Director of Philanthropy.

01 BUSINESS SUCCESSION PLANNING: FOUR QUESTIONS AND ONE WORD OF CAUTION

At the SRCCF, we work with a wide range of individuals, families, and businesses for whom charitable giving is a priority, especially related to supporting causes in our community that improve the quality of life for everyone.

In many cases, we're helping business owners structure their personal and family philanthropy. A natural extension of that work is to explore ways a business owner's succession plan can incorporate gifts to favorite charities and causes. Some attorneys, CPAs, and financial advisors are surprised to learn how many charitable planning options may be available in connection with a business succession event. We are here to help.

WHAT'S GOING ON HERE?

Business succession planning is becoming increasingly important as a growing share of American wealth is tied to privately held companies. According to the National Center for the Middle Market at The Ohio State University, approximately 200,000 U.S. companies generate annual revenues between $10 million and $1 billion. At the same time, a recent Wall Street Journal article highlighted the growing ranks of wealthy Americans whose fortunes were built through private business ownership and equity growth. For many of these business owners, a succession event may represent the largest liquidity event of their lifetime. And for attorneys, CPAs, and financial advisors, these trends point to a growing need for thoughtful planning around business transitions, wealth transfer, and charitable legacy strategies.

WHAT IS MOST IMPORTANT FOR ADVISORS TO KNOW?

The single most important takeaway is that charitable planning should be part of the succession conversation as early as possible. Whether a client is preparing to sell a closely held business, transfer ownership to family members, explore an employee stock ownership plan (ESOP), or simply begin thinking about life after the company, charitable planning deserves a seat at the table early in the process. Too often, philanthropy enters the conversation only after a transaction is in the works or already complete. By then, some of the most effective planning windows may be closed. By asking the right questions early, you can help your clients support meaningful causes, potentially reduce taxes, involve family members in giving, and create a lasting charitable legacy.

WHAT QUESTIONS SHOULD I ASK MY CLIENTS?

Here are four “must ask” questions and why they are important, plus a word of caution.

HAVE YOU THOUGHT ABOUT INCLUDING CHARITABLE GIVING IN YOUR BUSINESS SUCCESSION PLAN?

Many business owners have most of their wealth tied up in their companies. When a sale or ownership transition occurs, the resulting tax consequences can be significant. In some situations, contributing a portion of closely held business interests to charity before a transaction may allow a client to support charitable goals while potentially reducing capital gains tax exposure. Again, timing is key. Once letters of intent are signed or a transaction becomes binding, certain charitable planning opportunities may no longer be available. That's why advisors should raise charitable planning discussions long before the deal reaches the finish line.

Remember that charitable planning is not limited to third-party sales. Clients considering ESOPs, family transfers, recapitalizations, redemptions, or other succession strategies may also benefit from exploring charitable opportunities.

ARE THERE CAUSES OR ORGANIZATIONS THAT HELPED SHAPE YOUR BUSINESS, YOUR EMPLOYEES, OR YOUR FAMILY'S VALUES?

Business succession often prompts reflection. Many owners begin thinking not only about what they have built, but also about the communities, schools, nonprofits, and organizations that contributed to their success. This conversation can help clients identify charitable priorities that might otherwise be left unexplored. It also creates an opportunity to discuss how a business transition could become a catalyst for meaningful community impact rather than simply a financial event.

WOULD YOU LIKE YOUR CHILDREN OR GRANDCHILDREN TO BE INVOLVED IN CHARITABLE DECISIONS AFTER THE TRANSITION?

For many families, succession planning is about more than transferring wealth. It is also about passing along values. A donor-advised fund at the SRCCF can provide a flexible way for family members to participate in charitable decisions over time. Rather than making all charitable decisions immediately after a sale, a family can establish a fund, potentially involve multiple generations in recommending grants, and create a structure that supports ongoing conversations about philanthropy and community impact.

ARE YOU INTERESTED IN CREATING A CHARITABLE FUND THAT CAN SUPPORT MULTIPLE ORGANIZATIONS OVER TIME?

Many business owners want to make a significant charitable commitment during a liquidity event but are not yet ready to determine exactly which organizations should receive support. A donor-advised fund can help bridge that gap. Clients can contribute assets during a high-income year, potentially receive a charitable deduction if eligible, and then recommend grants to charitable organizations over time. This flexibility allows clients to separate the timing of a charitable contribution from the timing of individual grant decisions.

A WORD OF CAUTION

Some clients may initially assume that a private foundation is the best vehicle for implementing their charitable goals alongside a business exit or succession plan. However, private foundations can be subject to complex rules governing self-dealing, excess business holdings, required distributions, investments, and other activities, not to mention the unfavorable tax deductibility rules for gifts of closely held stock to a private foundation as compared with a donor-advised fund. For many business owners, a donor-advised fund can provide a simpler alternative with significantly less administrative burden and, in many cases, more favorable tax treatment.

We are happy to work alongside you and your clients to explore charitable planning opportunities. Please reach out anytime you encounter a pending business succession situation—or preferably a potential business succession situation!

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02 WORTH A READ

The SRCCF keeps an eye on trends, research, legislative developments, and thought leadership at the intersection of charitable planning, estate planning, and wealth management.

Here are three recent articles we think are especially relevant for attorneys, CPAs, and financial advisors serving charitable clients.

CHARITABLE PLANNING BEATS AI?

In the article "Why Charitable Efforts Are the Advisor's Edge in an AI-Driven World" appearing in Financial Advisor Magazine, the author suggests that charitable planning may become an increasingly significant way for advisors to differentiate themselves as artificial intelligence automates more traditional planning and investment functions. The article argues that conversations about philanthropy, legacy, and personal values create opportunities for advisors to build deeper client relationships in ways that technology cannot easily replicate, reinforcing the advisor's role as a trusted counselor rather than simply a technical expert.

DONOR-ADVISED FUNDS CONTINUE TO GROW. . .

In Financial Advisor Magazine's article "Making Sense of the DAF Surge: Five Things Financial Advisors Should Know," the author takes a look at the continued growth of donor-advised funds and the factors driving their popularity. Among the key takeaways are that donor-advised funds simplify charitable giving, allow donors to separate the timing of tax deductions from grantmaking decisions, and facilitate gifts of appreciated assets. The article also notes that many clients increasingly expect charitable planning to be integrated into broader wealth management conversations, making familiarity with donor-advised fund strategies an important competency for advisors.

. . .AND THAT IS GOOD NEWS FOR CHARITIES.

The article "DAF Fundraising Report: Nonprofit Takeaways" on Candid's website highlights findings showing that donor-advised fund donors are often highly engaged philanthropists who give repeatedly and frequently make larger charitable gifts over time. The report encourages nonprofits to strengthen relationships with donor-advised fund donors, improve stewardship efforts, and make it easier for donors to recommend grants through their charitable giving accounts. This article is useful to advisors because it connects the dots among donors, donor-advised funds, and nonprofit organizations.

WHAT'S THE TAKEAWAY?

Remember that the Starved Rock Country Community Foundation can provide a wide range of solutions for your clients' charitable giving needs, including donor-advised funds, legacy planning, information about community needs and nonprofits, and ways to involve family members in philanthropy. We are here to support you as you serve your clients. Please reach out anytime.

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!

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