

## ADVISOR TOOLS

# Multiple benefits of charitable giving

A professional advisor's perspective.



*As a financial consultant with decades of experience, Jill McAlpine understands the multiple benefits of charitable giving. She knows it strengthens her business, enriches her personal and professional life, and benefits her community -- so giving is a subject she always addresses with clients. "Once they've addressed their broader estate and financial plan, I talk about their giving," says McAlpine. "Is there anything they would like to do for their community – to address an issue of concern or for a favourite charity?"*

Many clients have given little or no thought to making a substantial charitable gift. They may not be sure they have sufficient resources, their assets may not be liquid or they may believe they will do it later – perhaps as a bequest. They may struggle with determining which charity is the right one or how to make their gift in the most tax-effective way. McAlpine encourages them to consider all the alternatives, and points out the unique value of community foundations. "Giving through your local community foundation provides a simple, flexible and effective means of achieving your charitable goals. It's one resource that covers everything and allows you to give to any charitable organization."

**A desire to contribute.** In years of working with clients, McAlpine has found that "most people want to talk about what matters to them. They are looking for ways to share their values and concerns, teach important business and life skills and deepen their relationships with their children. Philanthropy is an ideal vehicle through which these objectives may be achieved." McAlpine raises the issue of giving during regular conversations with clients. Her "goal is to encourage clients to reap the rich rewards that come through the development and implementation of a giving plan." She recommends that "clients start their thinking early on and begin to put their plan into practice with their annual giving. Then, when the timing is right for them to make a major gift – perhaps when they are selling a business or their company is going public, or when they are selling some highly appreciated securities, exercising stock options or experiencing another liquidity event, or when they are simply feeling blessed with sufficient wealth, health and rich relationships – they'll know how to proceed."

(CONTINUED ON REVERSE)

## Connecting clients with community

"I want my clients to have the inside track on the most pressing issues and the organizations doing good work in their community," says McAlpine. "I can't be an expert on all the charities my clients might be interested in – but my community foundation has those connections in the community," she says. "It's a local resource that allows people to be charitable in a very personal and meaningful way."

## Multiple benefits of charitable giving



*“You don’t have to be an expert in charitable giving to raise it with a client –your local community foundation can act as your resource on philanthropy.”*



JILL McALPINE  
FCA, (CHARTERED ACCOUNTANT) & CONSULTANT  
WITH PRICEWATERHOUSECOOPERS, LLP

### A rewarding experience

Jill McAlpine believes working with a local community foundation adds value to her client relationships.

“It allows me to help my clients be more strategic, and therefore more satisfied with their giving. Because community foundations support all charities – not just one sector or field of interest –my clients can tailor their giving to their match needs and interests.”

“Many of my clients want to involve their families. The community foundation has the tools to engage families in philanthropy. By working in collaboration with the community foundation, I can deepen my relationships with my clients and their children.

**Options in charitable giving.** Community foundations are renowned for their flexibility and their ability to tailor solutions to a donor’s particular needs. While many donors choose to endow a fund through a bequest, others choose to establish a fund during their lifetime. Whichever they choose, your community foundation provides a direct link between personal giving and local grantmaking. Plus, gifts to the foundation can be permanent — part of a perpetual endowment that continues to grow tax-free. The income is used to support local charitable programs and projects according to the donor’s wishes. “Working with your community foundation can help donors maximize every dollar they give to charity,” says McAlpine. “Because community foundations support all charities they have a deep understanding of the community as a whole -- including its needs and the organizations meeting those needs. They have the knowledge and expertise to help donors make a real difference with their gift.”

**Reasons for giving.** There are many different reasons for charitable giving. Some involve financial considerations, such as the desire of a client with a highly appreciated stock portfolio or a few, large, non-liquid assets to minimize tax. Others involve a desire to make a difference, leave a lasting legacy or to repay a community for its support over the years. “Whatever the motivation, planning is critical to achieve the optimal personal, financial and philanthropic results,” says McAlpine.

For instance, one client holds significant investments in a company that is about to be bought by another firm. “He and his wife have been looking for ways to make an investment in the community and now the timing is right,” says McAlpine. “The capital gain on the shares donated to the community foundation will be exempt from tax. But they have to act now, before the buyout of their shares.” A few years ago, one client saved almost \$250,000 by giving a \$2.5 million gift of appreciated marketable securities to their community foundation rather than a private foundation. With the new capital gains exemption, if this gift was made today those savings would double to almost \$500,000!

Another client gave a gift of private company shares and McAlpine says holding companies can also achieve significant tax benefits through community foundations. “You have to monitor the business news and your client’s portfolio to make sure you’re capitalizing on opportunities before it’s too late.”

**Rewards of giving.** Your local community foundation gives your clients an opportunity to create their own personal philanthropic fund suited specifically to their needs and interests. Initially some of McAlpine’s clients were interested in starting their own foundation, but eventually they changed their minds. “They were attracted to community foundations by the tax advantages,” she says, “but once they learned more, they realized the foundation had so much to contribute to their involvement in, and enjoyment of, their philanthropy.”

*There’s so much more we’d like you to know. Your community foundation can help you help your clients achieve their charitable giving goals. We welcome the opportunity to work with you.*