Each of your clients is unique – especially when it comes to charitable giving. The Greater Cincinnati Foundation (GCF) has more than 50 years of experience and we can offer your clients a variety of tools and charitable funds to meet their goals and receive maximum tax benefits. We can save you time and effort while providing the best solution for your clients. Our staff is always available to meet with you and your clients to help them meet their charitable goals.

Choosing a charitable fund

Our first objective is to understand what your clients are trying to accomplish with their assets. We customize our donors’ funds to meet their charitable needs.

1. Community funds are for those who want to support ever-changing community issues and trust GCF to address areas of critical need over the long term.

2. Field of interest funds are for those who want to address a particular mission or needs in important areas of the community – such as the arts, drug abuse, aging, or at-risk youth.

3. Designated funds allow clients to direct a gift to a specific organization(s) or purpose for secure, long-term support.

4. Donor advised funds are for clients who want to be highly involved in where their gift goes, with the convenience and flexibility to support different charities at different times.
Special charitable interests

An endowment is a gift that provides income, maintaining the principal (the amount of the original gift) in perpetuity, investing to produce present and future income to support charitable purposes. Your clients’ gift and all future earnings become a permanent source of community capital, helping do good work today and in the future.

GCF has established permanent endowments that bring together donors with the goal of creating a prosperous community for specific groups or populations. These funds include:

- **The African American Fund** supports projects to improve the quality of life in the African American community in Greater Cincinnati. Grants of nearly $10,000 have been awarded since 2000 to nonprofits working with the nonprofit community.

- **The Clermont Community Fund of GCF** supports nonprofit organizations that support thriving people and vibrant places in this part of our region. Since 1993, grants exceeding $7 million have been awarded to more than 100 organizations and programs serving Clermont County.

- **The Northern Kentucky Fund of GCF** provides grants to nonprofit organizations in Boone, Campbell, and Kenton counties to support a prosperous community. More than $22 million in grants have been awarded to more than 150 organizations since 1998.

- **The Women’s Fund of GCF** leads our community in ensuring the economic self-sufficiency of women in our region. More than 8,000 women and their families have been helped through Women’s Fund grants totaling more than $750,000 since 1995.

How GCF can be a resource for you and your client

We can help:

- people who are committed to the community
- retirees, those who are widowed, and people without children or other natural heirs
- mid-size and large privately held business owners and entrepreneurs, real estate developers, private equity firms, and private foundations under $10 million, and businesses without succession plans

Key indicators that signify opportunities for charitable giving include:

- desire to sell: appreciated real estate
- creation of a plan to transfer interest to donate family business or sale of a business
- interest to donate closely held stock
- desire to sell highly appreciated securities
- interest in avoiding of capital gains

GCF can accept complex or sophisticated gifts. We can also accept gifts that smaller charities cannot manage but working with us allows those charities to benefit from these gifts.

“I recommend GCF to my clients because I know they will get personal, professional attention. I also know my clients like the ‘local flavor’ of working with a Cincinnati institution.”

— David A. Foster, CPA, CFP® Foster & Motley, Inc.
Managing noncash assets

Charitable giving for noncash assets represents tremendous potential as both a business opportunity for you and a significantly beneficial service for your clients. Cash only represents three to five percent of most affluent investors’ net worth.

The following examples can help you and your clients with noncash charitable contributions:

<table>
<thead>
<tr>
<th>ASSET</th>
<th>FORM</th>
<th>UNIQUE ISSUES AND POTENTIAL PROBLEMS</th>
<th>PLANNED GIFT ISSUES AND COMMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>Residential or commercial, leasehold/life or remainder interest</td>
<td>Environmental liability, holding period management, accelerated depreciation, negative basis, debt, prearranged sale.</td>
<td>Ideal for FLIP-CRUT, not suited to for CRAT because of marketability. Real estate represents nearly 50% of privately held wealth, yet only 2% of all charitable gifts.</td>
</tr>
<tr>
<td>Closely Held Stock</td>
<td>C-Corp or S-Corp</td>
<td>Thin to nonexistent market, difficult valuation, self-dealing without independent appraisal, prearranged sale, S-Corp UBTI issues.</td>
<td>Ideal for FLIP-CRUT with no known liquidation event – other vehicles work for corporate redemption or market sale. Private company contributions are popular prior to a market sale; S-Corp gifts to a trust are tax-effective prior to imminent sale or to a corporation if held.</td>
</tr>
<tr>
<td>LLC Interests</td>
<td>Tax status may be corporate or partnership</td>
<td>Same as Closely Held stock, characteristics of underlying assets and potential capital calls, multiple shareholders/assets can add complexity.</td>
<td>Ideal for FLIP-CRUT with no known liquidation event – other vehicles work for corporate redemption or market sale. Charities typically prefer LLC interest for liability protection; multiple shareholders make this difficult.</td>
</tr>
<tr>
<td>Partnerships</td>
<td>General, limited or operating</td>
<td>May be difficult or expensive to appraise, characteristics of underlying assets, general partnerships have full liability, partnerships with negative basis.</td>
<td>Limited partnerships are good funding assets for lead trusts. For LLCs and partnerships, appraisal discounting may apply. General partnership interests not accepted.</td>
</tr>
<tr>
<td>Life Insurance/Annuities</td>
<td>Paid-up and nonpaid up life insurance – variable or fixed deferred annuities</td>
<td>Non-paid up policies, “ Stranger-Owned” or premium-financed, or gifts with policy loans are more difficult; paid-up whole life policies work well; annuities trigger gain upon transfer.</td>
<td>An excellent lifetime or testamentary gift (through beneficiary designation); annuities are only attractive as testamentary gifts because of IRD. Can be an excellent wealth replacement tool for planned or outright gift; premiums can be paid with appreciated property.</td>
</tr>
<tr>
<td>Collectibles/Art</td>
<td>Art, coins, antiques</td>
<td>Valuation, insurance, storage, transaction costs.</td>
<td>Tangible property works fairly well for nearly all forms of planned gifts, but cost basis deduction is a concern; testamentary gifts are ideal. The PPA 2007 rules severely tighten partial interest art gifts; federal capital gains taxes are at a 28% rate so tangible property donations offer extra tax benefits.</td>
</tr>
</tbody>
</table>

Note: this table contains general information for overview purposes and does not represent tax, legal, or financial advice.
Gifts of stock

Our policy is to liquidate stock upon receipt. The donor’s gift is valued on the day the gift is made to GCF. In order for the gift to be complete and not subject to a material restriction, control must be relinquished.

The right tools for giving

GCF’s professional staff can assist in identifying and coordinating the appropriate tool for your clients’ charitable gifts. We have extensive experience in handling:

- outright gifts
- bequests by will
- charitable remainder trusts
- charitable lead trusts
- life insurance
- beneficiary designations (e.g., real property, bank accounts, retirement assets or life insurance)

Gift acceptance policy

Gifts to GCF may take a variety of forms. Many are outright gifts by living donors while some are bequests or other testamentary gifts that take effect upon the donor’s death. Others may be different forms of deferred or split-interest gifts. GCF may accept the following types of assets:

- cash
- publicly traded securities, including restricted stock
- tangible personal property (art, collectibles)
- life insurance policies
- real property
- closely held stock and partnership interests
- unique assets (patents, mineral rights, book royalties)

GCF reserves the right to refuse any proposed gift. Further, in conformity with Treasury Department regulations governing community foundations, gifts to GCF may not be directly or indirectly subjected by a donor to any material restriction or condition that would prevent the Foundation from freely and effectively employing the transferred assets, or the income derived therefrom, in furtherance of its exempt purposes.

Online resources

The Advisors Planned Giving Resource is an online resource designed just for professional advisors, such as attorneys, financial planners, accountants, trust officers, private bankers, and insurance professionals. It provides up-to-date information about estate planning techniques, planned giving vehicles, a charitable gift calculator and legislative, judicial, and regulatory developments affecting charitable giving. Find this resource in the Using GCF in Your Practice section of the GCF website.

You are welcome to visit the GCF website (www.gcfdn.org) and download fact sheets on a variety of topics to share with your clients. We can also furnish copies at your request.

For more than 50 years, GCF has been helping people achieve their charitable goals, supporting nonprofit organizations, and creating lasting good work in the region. We provide a simple, powerful, and highly personal approach to giving and offer a variety of tools to meet specific individual needs.

For more information, ideas, and details about working with GCF, contact Suzanne Rohlfs, Director of Professional Advisor Relations at 513-768-6136 or rolfss@gcfdn.org. You may also contact Michele Carey, Senior Giving Strategies Officer at 513-768-6171 or careym@gcfdn.org.