



Philanthropic Advisor

*A Guide to Charitable Giving
for Professional Advisors*

The Boston Foundation 



Advisor Insights

Global Giving: What Advisors Need to Know

International giving is the fastest-growing sector in philanthropy, rising by 15 percent between 2009 and 2011 to \$22.68 billion—or 8 percent of all U.S. philanthropic dollars, according to Giving USA. Sending aid around the globe, however, poses special challenges for donors and their advisors.

“People are used to writing checks,” says Laura Barooshian, a CPA and partner in the Private Clients division of DiCicco, Gulman & Co. “The complexity is that if you want to accomplish something overseas—either as an individual or through a fund or foundation—you can’t just write the check and receive a tax deduction.”

That’s because Donor Advised Funds and private foundations must follow a fairly complex process to make grants to organizations that haven’t been declared public charities by the U.S. Internal Revenue Service. To make grants directly to a charity abroad, the fund or foundation must perform the due diligence necessary to certify that the organization is essentially the equivalent of a U.S. 501(c)(3). There are also Patriot Act requirements designed to prevent charitable contributions from flowing to groups that are in any way linked to terrorist activities.

“I can’t stress enough how complex international development is,” says Simon Delekta of the Center for Global Philanthropy at The Philanthropic Initiative (TPI), an operating unit of the Boston Foundation. “There are so many considerations that if you want to go and find a grassroots organization that’s not a U.S. 501(c)(3), it’s really important to have someone help you if you’re not an expert yourself.”

The fact-finding often requires “feet on the ground” investigation along with legal and other expertise. But if someone has the necessary resources

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**Haitian women learn skills
and earn income in a sewing
cooperative supported by
the Boston Foundation’s
Haiti Fund.**

and wants to take on a specific problem no one else is already tackling, then it may make sense to do this, according to Mr. Delekta.

Using an intermediary

For those who want to make more modest donations to groups already working to alleviate common problems, Ms. Barooshian and Mr. Delekta recommend seeking out a U.S.-based charity that is working in the country of interest or using a nonprofit intermediary that has expertise there. Intermediaries usually require minimum gifts of \$5,000 and charge a fee of up to 8 percent in exchange for assuming the administrative and legal responsibilities of grant making, says Mr. Delekta, who regularly helps donors with their international philanthropy.

Brian Walsh, a partner at Highmount Global Wealth Management and a member of the Boston Foundation's Professional Advisors Committee (PAC), says it's important for advisors to let clients know that if they make donations to non-U.S. charities they may not get a tax deduction. In addition, private foundations are subject to very specific rules and penalties with regard to cross-border gifts. "There are a number of reporting requirements, and those aren't getting less complicated, they're getting more complicated," he warns.

Advisors can best help their clients by keeping them focused on the end goal: what they're trying to accomplish and the simplest, least costly way to achieve that goal, says Ms. Barooshian, a member of the Boston Foundation PAC. Her advice? "Keep it as simple as you can."

Advisors whose clients give or plan to give \$10,000 or more a year internationally are eligible for membership in New England International Donors, which offers educational events to foster learning, connections and collaboration among donors. "Advisors can really play an active role in educating and advocating for those who are interested in being involved in this way," says Sarah Gauger, President of the Hunt Alternatives Fund in Cambridge and a member of the NEID Steering Committee. "Global philanthropy is also a good way to connect with members of the Millennial Generation (born 1984-2004), who are interested in socially responsible investments, impact investing and becoming very knowledgeable and engaged with their emerging role in philanthropy."

"A lot of international donors work in silos, and it's hard to find one another," says Karen Keating Ansara, a philanthropist who co-founded NEID in 2008. She and her husband Jim Ansara are both very involved in international giving, particularly in Haiti. Mrs. Ansara says NEID grew out her desire to have peers she could learn from and because she also hoped to "inspire a greater quantity of international philanthropy" from New England. "We were already doing international grant making and we knew how impactful it was," she says. "For \$2,000, or even less, you can educate a girl for life! Advisors who can connect their clients with other interested, motivated people like them will be seen as a tremendous resource." **TBF**

How the Boston Foundation Works with Advisors

The Boston Foundation works closely with financial, wealth, legal and philanthropic advisors to meet the charitable giving needs of their clients. As a community foundation with close to \$900 million in assets under management, the Foundation offers Donor Advised Funds (DAFs) that can be started with gifts of \$10,000 or more in cash, securities, complex assets, real estate, and LLC or partnership interests. Gifts to DAFs are generally tax deductible (50 percent of adjusted growth income for cash; 30 percent for stock or real property) and no yearly distribution is required. The Foundation charges a small annual fee for administration and management.

Please contact Laura T. Godine, Senior Director of Professional Advisor Relations, at laura.godine@tbf.org or 617-338-1218 for more information about Donor Advised Funds.

