



Philanthropic Advisor

*A Guide to Charitable Giving
for Professional Advisors*

The Boston Foundation 



Advisor Insights

Advisors to Peers: Talk to Clients About Legacy Giving

Attorney Advisors Scott E. Squillace and Jennifer S. Ewing anchored a roundtable discussion May 28 on philanthropy, legacy and effecting long-lasting change. The pair shared insights from their estate-planning practices with a group of trusts and estates attorneys during a Boston Foundation Centennial Breakfast at the Downtown Harvard Club.

Referring to studies showing that advisors often are reluctant to bring up charitable giving when helping clients draft estate plans, Squillace and Ewing both reminded their peers that it's important to determine if clients want to leave a philanthropic legacy. "We have to talk about it," said Squillace. "You're not discharging your duties if you don't ask about it."

Ewing, an attorney in Ropes & Gray's Private Client Group, urged the group of estate planners to recognize that while clients like the tax benefits that can come from charitable gifts, it is often not their first priority. "I think more about what they're trying to achieve from a non-tax perspective and then make sure it's structured tax-efficiently," she said. "That's really the driver. They want to create a legacy. They want to give back to the communities they've been involved in their whole life."

She told of a substantial planned gift that a wealthy client decided to make to the Boston Foundation. Initially, he planned to set up a private foundation, but as they talked, "the discussions morphed from 'Let's create our own foundation' to 'Let's use what we already have, which

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Jennifer S. Ewing
Ropes & Gray

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is a Donor Advised Fund at the Boston Foundation,” said Ewing, who serves on the Foundation’s Professional Advisors Committee.

The client eventually decided to endow the DAF upon his death, leaving his heirs to recommend grants from the fund until they pass away. At that point, the money will flow, unrestricted, into the Permanent Fund for Boston. “What was really great was that we got to create a very, very tailored legacy plan that laid down the particulars of how this fund would be administered. It was fun to work on a project where we had a lot of back and forth with the Foundation, and they were wonderful. Now we’ve created what I think is better than a [private] foundation for this particular client.”

Squillace, principal and founder of Squillace & Associates, has many clients whose estates are generally in the middle-affluent range. He said that most people think about their estate in terms of their current accounts, not their total assets. Remind them about all the assets that will constitute their estate and urge them to think about the dollar amount their families will need when they’re gone, he advised. That will often make it clear that the estate will be big enough to incorporate philanthropic bequests.

Even when people are charitably inclined, they may struggle to decide which organizations to include in their estate plans. It can be helpful to suggest a “kick-the-can strategy” that defers the decision so that they can refer “to a basket of charities to which they’ve made gifts in the past three years of their life as outlined on their tax returns,” he noted.

Other helpful strategies include buying a fully paid up life insurance policy with the proceeds to go to charity or liquidating a policy and putting the proceeds in a Donor Advised Fund. **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 \$1 billion 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.

