How to Talk to Clients About Philanthropy: What They Need and Expect

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Kathryn W. Miree is President of Kathryn W. Miree & Associates, Inc., a consulting firm that works with boards and staff of nonprofits and foundations to develop administrative policies, structure, and planned giving programs. She received her undergraduate degree from Emory University and her law degree from The University of Alabama School of Law. She spent 15 years in various positions in the Trust Division of AmSouth Bank where she was the manager of the Personal Trust Department before joining Sterne, Agee & Leach, Inc. to start its trust company. She established Kathryn W. Miree & Associates, Inc. in 1997.

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I. What We Know About Charitable Giving in the United States

A. Giving USA Foundation *Giving USA 2017*

On June 12, 2017, Giving USA Foundation released *Giving USA 2017* reporting charitable gifts of $390.05 billion in 2016 an increase of 2.7% over 2015. As in years past, individuals accounted for most (80%) of the gifts. Table 1 shows the sources of 2016 charitable gifts, while Table 2 shows the charitable sectors that were the largest recipients of funds.

TABLE 6
SOURCES OF CHARITABLE GIVING, *GIVING USA 2016*

Source	*Amount in Billions*	*Percentage of Total*
Individuals	$281.86	72%
Foundations	$59.28	15%
Bequests	$30.36	8%
Corporations	$18.55	5%
Total	$390.05	100%

TABLE 7
RECIPIENTS OF CHARITABLE GIFTS, *GIVING USA 2016*

Sector	*Amount in Billions*	*Percentage of Total*
Religion	$122.04	32%
Education	$59.77	15%
Human Services	$46.80	12%
Foundations	$40.56	10%
Health	$33.14	8%
Public Society/Benefit	$29.89	8%
Arts, Culture, and Humanities	$18.21	5%
International Affairs	$22.03	5%
Environment/Animals	$11.05	2%

B. Statistics of Income Bulletin

The IRS publishes an annual *Statistics of Income Bulletin* that includes a state-by-state extraction of data on charitable giving drawn from income tax returns of taxpayers who itemize. The most current report, published in Spring 2017, provides data from the 2014 tax year. Of those who filed returns, 29.7% of those itemized, and 82.49% of those who itemized claimed charitable deductions. Those charitable deductions totaled $210.234 billion. Table 8 provides figures for the United States and for Washington, DC.

TABLE 8
ITEMIZED DEDUCTIONS FOR THE TAX YEAR 2014[1] UNITED STATES AND WASHINGTON, DC

State	*Number of Returns*	*Number of Taxpayers Taking Itemized Deductions*	*Number of Itemizers with Charitable Deductions*	*Value of Charitable Deductions*
Washington, DC	344,720	137,700 39.95% of all who filed	112,790 81.91% of all who itemized	$992,699 Million
United States	147,766,770	43,882,990 29.7% of all who filed	36,200,750 82.49% of all who itemized	$210.234 Billion

C. Boston College Social Welfare Institute

Researchers at the Boston College Social Welfare Research Institute published a study projecting the intergenerational transfer of wealth expected to occur between 1998 and 2052.[2] That study estimates the transfer will range from a low of $41 trillion to a high of $136 trillion, figures substantially higher than the frequently used $10.4 trillion figure developed in the 1990's by Robert Avery and Michael Rendall of Cornell.

In 2003, responding to concerns raised about economic changes that have occurred since 1998, Havens and Schervish published an updated commentary[3] addressing the impact of slower economic growth, the bear markets of 2000-2003, longer life spans, the tendency to exhaust personal assets (leaving less to transfer) when life spans extend, and other issues impacting their earlier work.[4] They concluded that the $41 trillion estimate was valid and represented the low end of the potential amount.[5]

D. Other Data

The culture of philanthropy in the United States is unique. A survey by Independent Sector revealed that 89% of all households give to charity.[6] 44% of adults volunteer.

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[1] IRS Statistics of Income Bulletin Spring 2016.

[2] A summary of the study can be found at <www.bc.edu/bc_org/avp/gsas/swri/> in the article entitled "Millionaires and the Millennium: New Estimates of the Forthcoming Wealth Transfer and the Prospects for a Golden Age of Philanthropy."

[3] Havens, John J. and Paul G. Schervish, "Why the $41 Trillion Wealth Transfer Estimate is Still Valid," Planned Giving Design Center (Gift Planner's Digest, January 27, 2003), <www.pgdc.net>.

[4] *Id.*

[5] *Id.*

[6] Giving and Volunteering in the United States, Independent Sector (2001), http://www.cpanda.org/pdfs/gv/GV01Report.pdf.

II. The Critical Role of the Donor's Professional Advisors

Professional advisors – attorneys, accountants, financial planners, trust officers, insurance agents, and stockbrokers – are drawn into the charitable gift planning process in a variety of ways. The advisor may serve as advisor to the donor (focusing on protecting and achieving the donor's best interests), as advisor to the charity (focusing on the charity over the donor), as fiduciary (volunteering time and putting the charity's interests first), or as vendor (focusing on company profitability). Over time, the advisor may serve in one or more of these role for the same charity. Filling multiple roles, or moving from one position to another, creates complications.

A. Who Are the Donor's Professional Advisors?

1. Attorneys

The attorney plays the most visible role in planning since she drafts the documents that create the gift. While the idea for the gift may originate with a discussion between the donor and the charity, the attorney should be involved for advice on how to achieve the stated goals, guide the selection of the gift form, and in most cases, draft the documents to implement the plan.

2. Certified Public Accountants

The certified public accountant (CPA) provides the tax expertise for the donor's gift and may be the impetus for consideration of charitable- or tax-planning strategies. The donor's accountant also handles the tax reporting for the gift, including the annual income tax return (Form 1040), the gift tax return (Form 709), the estate tax return (Form 706) and the accompanying valuation form (Form 8283). Public accountants also specialize and may not have expertise in charitable planning.

3. Insurance Professionals

The insurance agent, generally a certified life underwriter (CLU) or chartered financial consultant (ChFC), may have the longest relationship with the donor. Generally, clients purchase insurance early in life to provide economic protection for family members in the case of a catastrophe. The insurance agent's role may include family protection issues, estate-planning liquidity, and small business transfer issues. In the gift planning process, insurance professionals are often involved in providing wealth replacement insurance and frequently initiate the idea for a gift.

4. Financial Planners

Financial planners are more frequently involved in gift planning as individuals seek one-stop planning and coordination of family financial needs. This field, however, is difficult to define for three reasons. The term "financial planner" is broad, describing a skill often possessed by accountants, trust officers, brokers, and insurance professionals. It is used in this context to refer to someone in the primary business of counseling clients on budgeting and other current planning, retirement planning, and estate planning issues with a focus on allocation of resources to meet specific financial goals. The field is not regulated. Anyone can represent himself as a financial planner. There is no single professional designation to distinguish financial planners with credentials or expertise. The most common professional designations for a financial planner are the Chartered Financial Planner (CFP)[7], the Chartered Financial

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[7] The CFP Board, 1700 Broadway, Suite 2100, Denver, CO 80290, 800-487-1497 (phone), 303-860-7388 (fax).

Consultant (ChFC)[8] or the Registered Financial Consultant (RFC).[9] Each of these organizations has an accreditation process and a code of ethics governing its members. Financial planners may have a better understanding of planned giving than most professionals since the most effective charitable planning requires analysis of the gift in terms of current needs, retirement needs, and estate options.

5. Trust Officers

The trust officer may have a relationship with several generations of family members, providing a unique perspective of the family's resources, needs, and long-term objectives. When families use banks to manage transfers of wealth, the trust officer learns about the strengths and weaknesses of each family member and the trust resources available to meet short-term and long-term needs. This relationship expands over time so that trust officers proffer advice beyond administration. In other cases, the trust officer may serve as the primary investment advisor. The bank may hold the assets that will be used to make the gift. The donor may consult the trust officer before any other advisor and rely on that officer's guidance in completing the gift.

6. Stockbrokers

Stockbrokers are often the donor's primary source of investment advice; in these instances, the broker is an important member of the planning team. Appreciated publicly traded securities are the most common form of non-cash gift. The broker understands the donor's investment strategy and long-term goals; moreover, she can identify the most appropriate asset for the gift transaction. In fact, the broker may be in the best position to suggest a charitable gift.

7. Real Estate Agents and Brokers

While rarely considered as part of the planning team, real estate agents are in an excellent position to identify client opportunities for making charitable gifts. The role of the real estate agent depends on the donor's assets. If the client's holdings consist largely of real estate, a real estate manager or broker involved in the donor's investment strategy should be included as part of the team.

B. When and How Advisors Get Involved

The professional in the gift planning process may serve in a variety of roles. Each role requires a unique perspective and incurs its own set of expectations.

1. The Donor's Advisor: Assisting the Donor in Making a Gift

The most common role in gift planning is the representative of the donor. Many professional practices are built on individual relationships with clients. The genesis of the client relationship is likely a request to plan an estate, prepare an annual tax return, invest assets, plan for retirement, buy or sell a business, provide assets for family in the event of a disaster, or other estate planning task. This personal relationship with the client and his family may develop well before the interest in making a charitable gift arises. The professional is understandably protective of the client and the relationship, wanting to ensure that decisions are made without undue pressure or influence from the charity. The professional's charge is to plan the proposed gift in a manner that maximizes its value for the donor and meets the donor's goals in making the gift.

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[8] The Chartered Financial Consultant designation is awarded by The American College, 270 South Bryn Mawr Avenue, Bryn Mawr, PA 19010-2196, 888-AMERCOL (phone), 610-526-1465 (fax), <www.amercoll.edu>.

[9] The Registered Financial Consultant designation is awarded by the International Association of Registered Financial Consultants, The Financial Planning Building, P. O. Box 42506, Middletown, Ohio 45042, 800-532-9060, <www.iarfc.org>.

Since the professional represents the donor, the charity is not perceived as a necessary party to the transaction. Cannons of ethics require client confidentiality, adding additional incentive to keep gift plans private. When the gift involves a current transaction, the charity may be notified when the transaction has been completed. When the planned gift is deferred, the advisor may recommend that the donor notify the charity at the appropriate time, which may not be until the donor's death. In both scenarios, it is likely that the charity will not learn of the gift until after it has been completed.

2. The Charity's Advisor: Representing the Charity in Accepting a Gift

Professionals who represent the charity have a much different perspective. Their role is to represent the charity's interest in the gift transaction. Generally, the professional becomes involved with the charity through providing traditional support services such as preparing the corporate charter and by-laws, amending governing documents, representing the organization with the Internal Revenue Service, providing accounting services, or investing assets. The advisor's role in the gift planning process may be ancillary. The professional service provider may offer to draft gift acceptance policies, write investment policies, prepare calculations to determine the tax value of the gift, or analyze the present value of a gift for accounting purposes as a way of helping a valuable client. Regardless of the way in which the role develops, the professional representing a charity places the charity's interests (rather than the donor's) at the forefront.

Representing charities engaging in planned giving programs represents a practice opportunity for firms that since those charities need a number of services. These include the following:

1. Ongoing assistance in analyzing gift transactions. These may include acceptance of gifts of real estate, complicated trust documents naming the charity as trustee (or even naming charity as beneficiary where the charity is given a chance to review the document), closely held business transactions, bargain sales, conservation easements, or gifts of remainder interests in property. These transactions may be difficult for a charity to analyze if they receive periodic gifts of this nature.

2. Document preparation, for donors with attorneys that are not experts in the field.

3. Internal accounting and administrative procedures for planned gifts. This includes a uniform system of recording gifts, preparation of substantiation documents for gifts, and allocating gifts to appropriate investment positions.

4. Foundation accounting and reporting, when the charity has established a separate foundation to hold its endowment.

5. Gift annuity management, including tax reporting, multi-state registration and annual reporting.

6. Investment management of endowed and long-term assets, including special management strategies for charitable remainder trusts, charitable lead trusts and gift annuity pools. Many charities need help in developing spending policies and understandable (and appropriate) investment management policies.

7. Administrative management of trusts and gift annuity pools.

8. Advice on transactions involving conflict of interest.

9. Assistance in establishing or management an insurance policy gift program.

10. Assistance in managing real estate contributed as gifts.

11. Assistance in establishing and providing a regular review of gift acceptance policies.

The needs may vary from charity to charity, but all of these tasks exist and most charities find it more effective to outsource these services than to hire permanent staff simply because the needs are intermittent and require a high degree of professional expertise.

3. The Vendor: Providing Products and Services to the Charity

Some of the professionals involved in the gift planning process establish their relationship with the charity as a vendor. These include trustees, investment managers, financial planners, or accountants providing administrative or accounting services, tax services, investment management, and accounting or reporting for the charity. These individuals see many transactions at various charities and are frequently in a position to provide perspective and assistance for a donor, a charity, and a less-experienced attorney or accountant. Sometimes, they are not included in the planning process, because they are considered ancillary, rather than primary, professionals.

Their interest in the transaction is generally to support their charitable client in developing the gift. When the charity benefits by receiving an additional gift and assets, the vendor also benefits by providing additional services to support or manage that gift. Vendors are happy to assist in the gift planning and development process because it allows them to offer a value-added service to clients, and ensures the longevity of the relationship with the charity.

4. The Board Member: Serving in a Governing Role

There is a fourth, and increasingly common, role for the professional – serving in a governing role for the charity. She may serve on the charity's board of directors, on the board's planned giving committee, or on the professional advisory board. In these volunteer roles, the professional is most helpful if she has a basic understanding of the planning process and details of planned gift forms, so that she can provide advice on how to expand the charity's development program.

Serving in a volunteer role may complicate the professional's relationship with the donor and the charity. At times, the professional roles may be blended, such as when the professional serves as a representative of the donor and on the board of the charity. This combination may require that the professional have a strong grasp of the ethical issues involved. In most cases, the professional simply wants to provide the greatest level of support to the charity that is possible.

C. The Importance of Working as a Team

The client and the charity are both beneficiaries of the team approach. When all of the client's advisors are involved in planning, the donor is assured of achieving the best result in gift planning. When the charity is also involved, it is more likely to help structure a gift that fits its needs, and the donor is more likely to achieve satisfaction from the process by knowing exactly how the gift will benefit the institution. Each piece of the planning triangle is critical to the success of the overall gift. This need to coordinate efforts is the thesis upon which this book is based, and the theme is apparent throughout this text.

The charitable planning team generally involves at least four participants: the donor, the donor's attorney, the donor's accountant, and the development officer from the nonprofit. In some instances, the team should also include the insurance agent, the financial planner, the real estate agent, or the trust officer that works with the donor. All of the participants are important to achieve the most effective gift plan. Without one of these participants, the gift may be effective for some purposes, but not for the goals of the more comprehensive plan.

D. What Can Go Wrong When Advisors Do Not Work as a Team?`

1. A Case Study: A Gift Initiated and Planned by the Charity (Without the Professional Advisor)

Since 1995, the development staff at City University had been talking to Danny Dollar, a long-term donor, about creating a chair in the School of Medicine to honor Danny's father. Danny was intrigued by the idea. His father had been on the founding staff of the medical school and had taught at the University for 25 years. He had considered many other ways to create a memorial for his father and provide a significant benefit to the medical school. Danny was also approaching retirement and wanted to create an additional income stream once he left his job.

The University's development staff was very helpful. They defined the financial requirements to establish a chair, and explained the options – such as, an outright current gift, a current gift to a remainder trust, or various deferred gifts – for funding. With the help of a financial planner on staff, the development staff helped Danny review his assets, select a vacation property (that was highly appreciated and no longer used) to fund a charitable remainder unitrust, and decide on a six percent unitrust payment that would meet his retirement needs.

Danny was satisfied that the creation of a charitable remainder trust that would fund a chair at termination was the best way to meet his personal goals. He was further gratified by the fact that the chair was one of the top priorities of the University in its current capital campaign; although Danny's gift was in trust and the benefit to the university would be delayed, the gift would be included in the campaign total. All that remained was to have Danny's attorney prepare the documents and Danny's accountant confirm the deduction.

When Danny's attorney, Paul Planner, received the gift proposal prepared by the development staff and delivered by Danny in his first meeting, he questioned everything. "Why create this gift now?" he asked. "There is no need to rush into this. I know you want to make sure your family is taken care of. What if something happens to you, and your wife and children need these assets? Why don't you just wait to make this decision? I'm afraid you're rushing into this." Danny's accountant, Fred Figures, had similar reservations. "You can't use a deduction this large in one year. This doesn't make sense for tax purposes."

Danny was truly confused. In truth, he thought his attorney would admire his philanthropic goals. Yet, he reacted as if Danny had made a mistake. And his accountant indicated that the gift did not make sense for tax purposes. Maybe it was a mistake. Perhaps he should wait. Perhaps he was being pressured. Consequently, the gift was not executed and Danny was uncomfortable talking with the development staff, his advisor, or even his family about the result.

2. A Case Study: A Gift Initiated and Planned By the Donor And His Advisor (Without the Charity)

Now consider this same example assuming that the gift originated with Danny's attorney, Paul Planner. Danny Dollar approached his attorney, Paul Planner, with an idea. He had graduated from City University and felt that the education he received had created the foundation for his current economic and professional success. He was an entrepreneur, and he wanted to do something creative to help the college and to help others obtain the same benefit.

Paul took him through the estate planning process, looked at his assets, and assured Danny he could take care of his family and make a gift to City University. Danny offered to introduce Paul to the development staff at the school to help in planning the gift. (The University staff had had several visits with Paul and had mentioned they had resources and ideas that might help the planning process.) Paul Planner decided against contacting the University staff, indicating that it was not necessary and expressing concerns that the University staff might complicate the process through rules and approvals as well as put pressure on Danny to fund the gift as quickly as possible.

So Paul and Danny planned the gift without the help of the development staff. They settled on a bequest to be used to start a business school at City University. Although there were several business schools in the state, Danny really felt that City needed such a school to be competitive and continue to grow. The bequest was significant although not large enough to completely fund the start-up. The bequest also contained a number of restrictions as to the form and philosophy of the new school.

Danny knew his gift was only enough to start the project, but hoped the gift would attract other donors once they understood its purpose. Danny executed his new will and went home cheerfully thinking about how he would likely be honored with his name on the new school. City University was never informed.

At Danny's death the University was notified of the bequest and the strings attached. The Board of Trustees was forced to turn it down. The Board had previously considered and rejected a business school as part of its long-term plan, choosing instead to focus on its medicine and science departments. A business school would dilute the medical-research focus of the university, distract the development staff in effecting funding for the program, and drain faculty resources.

Danny's family was naturally upset and Paul Planner was dismayed. Danny had talked for years about his excitement in making this gift. He had shared his vision of the future of the university with his family. Many of his family members had included gifts under will for the business school as well. As a result of the disclaimer, family involvement with the university ceased and their charitable gifts were made to other, more grateful institutions.

3. A Solution

The gifts in these examples failed because communication failed. The results in both examples could be dramatically improved by bringing the two teams together early in the process. Effective gift planning requires that the donor, the charity, and the professional advisors representing the donor and the charity work together. If, in the first example, the development staff of City University had involved the donor's professional advisors in the planning process, the donor's attorney and accountant would not have been blindsided when presented with a nearly-complete gift and would have understood the donor's interests in making the gift. Likewise, in the second example, if the attorney involved City University in the plan to create a business school, the donor and the attorney could have explored other alternatives (such as creating a chair at the School of Medicine in honor of the donor's father).

III. Results from Donor Surveys: What Donors Want from Their Advisors

A. The 2014 U. S. Trust® Study of High Net Worth Philanthropy[10]

U.S. Trust and the Indiana University Lilly Family School of Philanthropy has surveyed high net worth individuals since 2006, publishing survey results in 2006, 2008, 2010, 2012, and 2014. These studies focus on high net worth philanthropic trends that include giving patterns, perceptions, motivations, decision-making, strategies, values, traditions, and volunteering.[11] High net worth individuals are those with investable averaging $3 million or more.`

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[10] The 2014 U. S. Trust® Study of High Net Worth Philanthropy (October 2014), https://scholarworks.iupui.edu/bitstream/handle/1805/6360/2014ustrustfinalreport.pdf?sequence=1&isAllowed=y.

[11] Id., p. 5.

1. High Level Results

Here are some of the key findings of the survey:

- 98.4 percent of those surveyed gave to charity in the survey year (2013). This compares to 97.4% in 2005, the first survey year.

- The top five areas of giving were education (85.2%), Basic Needs (80.7%), Arts (69.6%), Health (67%), and Religious organizations (66.7%).

- Average annual giving per household was $68,580, up from $53,519 in the prior survey period in 2011, an increase of 28.1%. For households with $5 million or more, average annual giving was $166,602, up from $117,027 in the prior survey period.

- The average gift size varied by the source of wealth. Those whose primary source of net worth was business gave an annual average of $187,971; those whose primary source of net worth was financial assets gave an annual average of $74,461.

- 36.8% of those surveyed had wills with charitable provisions; 15.6% had an endowment fund; 14.5% had a donor advised fund; 12.6% had a CRT, CLT, or CGA; and 6% had a private foundation.

- 75.1% volunteered.

- 45.7% serve on nonprofit boards.

- 73.5% give when they believe their gift can make a difference; 73.1% gave for personal satisfaction.

2. Where Do Donors Get Their Advice?

The survey found that 64% would like to be more knowledgeable about at least one aspect of charitable giving. Of these 28.7% wanted to know more about engaging the next generation; 16.3% wanted to know more about nonprofit organizations and community needs, and 14.7% wanted to know more about strategic giving.

Donors are learning more about charitable giving. 72% rated themselves as “knowledgeable;” these individuals gave an average annual amount of $64,599. 13.8% rated themselves as “expert;” these individuals gave an average of $150,229.

When asked about the role of their advisor in giving, 45.4% reported they had consulted with at least one advisor during the year. These advisors included the following:

TABLE 4
PROFESSIONAL ADVICE SOUGHT BY HIGH NET WORTH

Type of Advisor	*Percent Consulting with This Type Advisor*
Nonprofit Personnel	49.2%
Independent Financial Wealth Advisor	45.5%
Accountant	44.5%

Type of Advisor	*Percent Consulting with This Type Advisor*
Attorney	28.8%
Community Foundation Staff	22.8%
Peers or Peer Networks	16.5%
Bank or Trust Company	9.2%

B. The US Trust Study of the Philanthropic Conversation[12]

U. S. Trust and the Philanthropic Initiative worked with Phoenix marketing International to conduct a surge to determine the level of advisor interest in promoting philanthropy and to understand how advisors talk to clients about philanthropy and to contrast their perspectives with those of the high net worth clients they serve. The work was conducted through two surveys. The first focused on a national sample of financial/wealth advisors, attorneys, and accountants. The second focused on high net worth individuals with investable assets of $3 million or more.

Here are the key findings:

- Having the philanthropic conversation. The survey found that 71% of the advisors surveyed asked high net worth clients about philanthropy. Attorneys were most likely to ask (80%) and accountants were least likely to ask (57%). However, only 55% of high net worth clients reported they had had philanthropic discussions with their advisor. 13% reported they had had no philanthropic discussion but were open. 9% reported the topic had come up but was not discussed due tot he advisor's lack of familiarity with the client's personal life or values.

- The importance of the philanthropic conversation. Advisors and clients agree it is an important topic. 46% of advisors rated the conversation "very important" and 42% rated it "somewhat important." 18% or clients reported the conversation was "very important" and 55% reported it was "somewhat important."

- Who initiates the conversation. Advisors indicate they generally initiate the philanthropic conversation, with the client initiating the conversation only 20% of the time. However, clients indicate they initiate the conversation at least half of the time.

- When is the conversation initiated. 34% of clients prefer the topic is introduced at the first meeting; 15% after a few meetings of discussing needs; and 41% after several meetings when the advisors fully understands them. Advisors report they raised the knowledge when they have a detailed knowledge of the client's financial picture (47%) or when they have detailed knowledge of the client's personal life (40%).

- 41% of advisors encourage clients at al asset levels to consider philanthropy. 71% of the advisors emphasized technical topics and only 35% emphasis personal topics such as passion and activities. However, clients report a balance passions/interests and tax benefits would best engage them, rating personal and technical topics equally.

- Only 41% of high net worth clients are satisfied with their philanthropic conversations with their advisors.

[12] The US Trust Study of the Philanthropic Conversation, (October 2013) http://www.sjsu.edu/advancement/docs/philanthropic-conversation-study.pdf.

- 74% of advisors believe discussing philanthropy is good for business development. 56% believe that discussing philanthropy helps build relationships with the clients' extended family.

- 49% of advisors found client needs exceeded their capabilities. 57% plan to increase their knowledge about philanthropy.

IV. How to Have the Conversation with Donors: Questions and Checklists

A. The Barriers: Assumptions in Planning

Most individuals – and their advisors – come to the planning process with assumptions that get in way of creating significant estate gifts for charity. The most common assumptions are:

- **Assumption One: The individual wants to leave his or her entire estate to family**. The planner should not assume that the client wants to leave the entire estate to a spouse, children, or other relatives. The client should be asked to quantify his goals for family members. More and more individuals – those with excessive wealth and those with more moderate estates – have specific dollar goals in mind.

- **Assumption Two: The individual is driven by tax avoidance.** So much of what the client reads in *Forbes*, *The Wall Street Journal*, or even the local newspaper on estate planning focuses on tax avoidance or reduction. The planning professional also focuses on estate planning techniques and tax avoidance. The donor is focused on neither. Instead, he is concerned about personal needs, family needs and in many cases, charitable goals; he is not willing to sacrifice those goals merely to save taxes.

- **Assumption Three: The individual has fully thought through the issues that impact estate planning.** Most have not. It is important to understand the perspective of the client involved in charitable planning. While the professionals involved consider the tax consequences and alternatives, the donor is dealing with more personal issues. The donor must first ensure that he or she will be able to maintain or improve a lifestyle. Next, the donor must ensure that he or she can provide for family, both during life and at death. Finally, the donor may want to impact or benefit those charitable organizations that were priorities during life. If the donor has not taken the time to articulate or quantify these concerns and goals, it is difficult to make decisions in the planning process.

B. Opening the Door: The Three Questions Every Professional Should Ask Donors

Many professionals are not comfortable raising the issue of charitable giving. These questions are designed to make that process easier. These questions may be incorporate into an intake questionnaire to identify charitable objectives.

- *Do you have charitable organizations that you currently support on an annual basis?*

- *Do you want to include a gift to any of these organizations or other charitable organizations as a part of your estate plan?*

- *If there were a way to make a gift to charity largely out of federal estate tax dollars, would you be interested in exploring options to accomplish that goal?*

If you want to explore the client's charitable planning goals and objectives in more detail, ask these questions.[13]

- *What are your values? What have been the principles that have guided how you have lived your lives, raised your family run your business?*
- *What charitable interests have you pursued as an outgrowth of your values?*
- *What have you learned from your giving? What would you do differently? Would you feel confident expanding your giving?*
- *What has been the most satisfying charitable gift that you have made? Why?*
- *How do you view your wealth in connection to your community, to society?*
- *What role has philanthropy played in your family? What role should philanthropy play? What value would it bring to your children and grandchildren?*
- *What core values would you like to express through your giving? What do you want to stand for?*
- *When they think about the challenges facing your community, what are your major concerns?*
- *Are any of these or should any of these concerns be the focus of your giving?*
- *What would you like to accomplish with your giving? What do you think is possible?"*

The key is to ask the questions to allow the client to express charitable giving in terms of a priority. If you raise the issue and the client is not interested, move on. If you raise the issue and the client does express an interest, then there is an opportunity to integrate charitable giving in the overall estate plan.

C. Preparing Clients for Planning

1. Donor Motivation

Motivation refers to the reasons a donor makes a gift; objectives refer to the results the donor wants to achieve in making a gift. A discussion of the gift's quantifiable results is often easier since it deals with objectives factors rather than the intangible feelings behind the gift. Sometimes objectives in making a gift are easy to articulate. Consider the following examples.

EXAMPLE 1: Oseola McCarty was an African-American sixth-grade dropout from Mississippi who made a living as a laundress. She lived frugally, saved her earnings, and made a $150,000 gift to the University of Southern Mississippi to establish a scholarship fund to enable other African-American women without resources to attend college.

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[13] Breiteneicher, Joe, "Advisor's Enthusiasm Helps To Shape Client's Charitable Role*,"* *Trusts & Estates* (August, 1996), p. 32.

EXAMPLE 2: Bill Gates, one of the world's richest men, has contributed over $21 billion to a family foundation. Among his multiple objectives were the eradication of polio in the world and the improvement of public education quality in the United States.

EXAMPLE 3: Walter Annenberg, one of the world's top philanthropists before his death in 2002, gave away in excess of $1 billion during his lifetime.[14] He gave because: "Giving is a mark of citizenship."[15] His objective in giving, which focused on institutions of higher education, was to improve the quality of and access to higher education in the United States.

These stories illustrate generosity in giving, as well as a focus on giving. One of the advisor's greatest challenges is to integrate the specific goals of the donor in a gift arrangement that is flexible enough to meet the needs of charity and stand the test of time. This ongoing conflict between the goals of the donor and the needs of charity is beneficial in encouraging dialogue about the structure of the gift. If, after discussion, the charity has no interest in the gift as restricted or designed, the advisor should either counsel the donor to modify the gift of help the donor identify a charity with that specific need.

In addition, the donor may have personal goals and objectives in making a gift. He may want to achieve a tax deduction for the gift. Since the deduction will depend on the form of the property contributed, the form of the gift created, and the donor's adjusted gross income, the advisor must determine whether that goal is achievable. On the other hand, the donor may want to generate additional income in retirement from a gift.

Wealthy donors may have more complex planning goals. A survey, conduct by Paul G. Schervish and John J. Havens at Boston College, found that the very wealthy have a strong interest in controlling the timing, direction, and level of giving to charitable organizations. Therefore, much of their giving (63 percent) is directed through donor-advised funds, trusts and family foundations.[16] Researchers felt this pattern indicated a realization that financial needs and charitable interests change over time and that their charitable giving mechanisms must be able to respond to these variances.

2. Tax and Financial Incentives in Planning

While the tax benefits are not generally the primary motivation for a gift, they do provide a tangible bonus for those who contribute to charity. It is difficult to establish general rules concerning the value of tax incentives to an individual donor since results will vary depending on the gift, the donor, and the following factors:

- *The charitable deduction depends in part on the form of property contributed* (cash, securities, real estate, tangible personal property), the donor's basis in that property (short-term loss, long-term loss, even, short-term gain, long-term gain), the type of gift made (current outright gift,

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[14] Ann Marsh, They Don't Expect To Take It With Them, Forbes 400, at 130 (Oct. 13, 1997).

[15] *Id.*

[16] Schervish, Paul G. and John J. Havens, The Mind of the Millionaire: Findings from a National Survey on Wealth with Responsibility, in New Directions in Philanthropic Fundraising, Understanding Donor Dynamics: The Organizational Side of Charitable Giving, edited by Eugene R. Tempel, No. 32 (Summer 2001), pp. 75-107 (a copy of the paper is available at www.bc.edu/bc_org/avp/gsas/swri/swri_features_recent_papers.htm.

current split-interest gift), and the donor's adjusted gross income (to determine the 20 percent, 30 percent, and 50 percent limits for the charitable deduction in the year.

- *Some gifts avoid income tax on capital gains on contributions, while others simply defer the gain.* Often, the result depends on the facts rather than the form of the gift. For example, capital gains on appreciated property contributed to a charitable remainder trust are not taxed because the trust is non-taxable (However, this income becomes part of the trust's accounting records and may eventually be distributed to the trust beneficiary as a part of the annual distribution stream and therefore subject to tax.) Contribution of appreciated long-term capital gain property to charity in exchange for a charitable gift annuity is treated as a bargain sale so long as the interest is non-assignable; the gain attributable to the donor's share of the gift (the present value of the annuity stream) is deferred and distributed over the expected life of the donor.[17] Contribution of long-term capital gain property to charity in exchange for a gift annuity for the benefit of someone other than the donor is taxed to the donor in the year of the gift.[18]

- *Many gifts made currently create multiple tax deductions, such as an income tax deduction, and a gift tax or estate tax deduction*. For example, a gift of a retirement plan to charity through beneficiary designation may avoid both income and estate tax on the gift. A grantor lead trust creates an income tax deduction for the donor, while a non-grantor lead trust creates estate and gift tax (but no income tax) deductions for the donor. The planner must be careful to explore all ramifications of the gift and explain the benefits to the donor.

- *The value of a charitable gift made through an estate is easier to calculate since the gift generates a dollar for dollar deduction for the charitable portion of the gift.* However, life income gifts, such as a charitable remainder trust created for a child, are not fully excluded from estate taxes since the portion representing the income interest for the children will be included in the estate. In addition, donors with non-taxable estates receive no benefit from the charitable deduction.

3. A Checklist for Goal Setting

Many clients have difficulty establishing goals for planning. Use the worksheet at Appendix A to lead them through the process of setting goals and prioritizing those goals. Common planning goals may include:

- Providing for sufficient assets for spouse and family and addressing special needs.

- Providing for children. This requires a discussion of the amount or nature of the property to be left to the child, and the form of the gift. The client should review whether the child is capable of financial asset management or if an advisor or trustee should be appointed.

- Providing for grandchildren. This also requires a discussion of how much and in what fashion. Can they handle financial asset management? Would a professional trustee be of benefit?

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[17] Reg. §1.1011-2(a)(4)(ii).

[18] Reg. 1.1011-2(a)(4)(i).

- Providing for special educational, rehabilitation, medical or remedial provisions that should be made for one or more dependents.

- Providing for the care of extended family members. Do you have any special concerns or needs that should be addressed in providing for your parents? Are there any other extended family members (or siblings?) that require special help?

- Creating a way to maintain control or allow for flexibility. How important is the ability to provide direction and meet needs?

- Establishing family values and philanthropic goals that are important.

- Support specific charities that the client has supported during his or her lifetime.

The worksheet allows the client to accomplish several goals. First, he is able to articulate priorities in planning. Second, he is prompted to quantify the costs of meeting those goals. For example, many individuals have not thought about the cost of providing for long-term health care, or providing a college education, or even the amount that they want to leave their children after death. The goal-setting process allows donors who have not quantified those goals to take the next step to talk with a financial planner, a CPA, or other professional that can help assign a dollar amount to a priority goal. Finally, he is able to take action to achieve goals, or make alternate plans if the goals cannot be met.

D. Basic Principles for Lifetime Giving

1. Large, Outright Gifts

The most effective asset to use for outright lifetime gifts is generally a capital asset with long-term appreciation. This is because the donor will not only receive a charitable deduction (if the donor itemizes) but will also avoid the capital gains on the contributed property. The math makes the case as shown in Table 5.

TABLE 5
ANALYSIS OF TWO OPTIONS FOR A $10,000 GIFT

	Donor Writes Check for $10,000	*Donor Contributes L-T Appreciated Stock, $4,000 Basis*
Market Value/Deduction Value of Gift to Charity	$10,000	$10,000
Capital Gains		$6,000
Value of Tax Deduction for Donor in the 35% Tax Bracket	$3,500	$3,500
Tax Value of Avoiding Capital Gains Tax on $6,000 Gain at 15%		$900

	Donor Writes Check for $10,000	*Donor Contributes L-T Appreciated Stock, $4,000 Basis*
Total Tax Value to the Donor	$3,500	$4,400

2. Transactional Opportunities

Transactional opportunities represent one of the most common opportunities to use long-term appreciated assets to make charitable gifts. These transactions may include the sale of a closely held business, a corporate buy out, a retirement, or the sale of a building or tract of real estate. Your clients often compartmentalize these transactions, focusing on the transaction itself and considering a charitable gift after the transaction to minimize the tax impact. Remind them to check with you before these transactions.

Sales of real estate represent one of the most common transactional opportunities for giving. Real estate is generally held long-term and has significant capital gain making it tax-advantaged asset for giving. Here are some principles to remember.

- Personal residences are a common type of charitable gift. Donors may make gifts of all or part of a personal residence at retirement when they are downsizing and moving to a retirement or smaller home.

- Vacation homes also make an attractive gift. Vacation homes may have extensive expenses associated with them (condo/community fees, insurance, maintenance, utilities) and may not longer get much use as the owners age. Vacation homes can be converted to an income stream if contributed to a charitable remainder trust. Vacation homes with debt are not good candidates for transfer to charitable remainder trusts.

- Undeveloped real estate - whether a vacant lot or acreage - can be used to make a charitable gift. This may be farmland, land zoned for commercial development, or simply land holding the world together that may not be developed for many years. A transfer of undeveloped real estate can become complicated if the property is owned by multiple individuals or corporations.

- Commercial real estate may not be as attractive for gift purposes as residential real estate because the property is often depreciated, meaning the deduction will be reduced. There may also be more costs associated with it and more uncertainty around tenants and revenue which is unattractive to the charitable recipient.

- Ask questions related to costs, marketability, and value, and environmental damage. Community foundations should be extremely careful before agreeing to accept real estate because of the potential for environmental liability, the swiftly changing market for sale, valuation, and the costs to hold the real estate.

- Transfers of property with debt should be carefully reviewed by the donor's attorney and accountant.

- Bargain sales allow the donor to sell the property to charity at less than its value - in essence a partial sale and partial gift. This may be a good way for donors to walk away with funds needed to retire debt, purchase a new home, or meet other personal needs.

3. Charitable IRA Rollover

In 2015, Congress made the "Charitable IRA Rollover" became permanent.[19] This allows individuals age 70 1/2 or older to make distributions of non-taxed assets in an IRA directly to a qualified charity. There are several caveats. First, the list of qualified charities includes only public charities (so that private foundations are excluded) and excludes gifts to supporting organizations and donor advised funds. Further, the donor may not receive a benefit for the gift. This is a powerful way for donors to make gifts to charity from their most heavily taxed assets, and allows a benefit for a charitable gift even if the donor does not itemize.

E. Basic Principles for Deferred Giving

The single best asset for testamentary giving is generally Income is generally Respect of Decedent (IRD) property. IRD is the term defining income that has accrued but not taxed at a decedent's death. These assets reach beneficiaries with a tax burden; the decedent's estate, the named beneficiary, or person or entity to which the asset is properly distributed is responsible for payment.[20] The untaxed income has the same character in the hands of the recipient it had in the hands of the owner.[21] Since the highest estate tax rate in 2013 is 40%, and the highest federal income tax rate is 39.6%, the two taxes can take a significant bite out of the asset's value at death.[22]

The goal of using IRD assets in testamentary charitable planning is simple: give the most highly taxed assets to charity, leaving the non-taxed assets for heirs. If the transfer is structured properly:

- The estate receives a charitable estate tax deduction for the gift to charity;
- The income in the property is allocated to the charity, an entity that pays no tax; and
- The non-charitable beneficiaries receive estate assets with a stepped-up basis and no inherent tax burden.

Many commonly-held assets have IRD, including the following:

✓ *Retirement plans*, such as qualified employee benefit plans, Keoughs, IRAs, and other retirement benefits funded with pre-tax income. This would not include defined benefit plans (where there is the right to certain benefits but no ownership or right of disposition of the assets funding those benefits), Roth IRAs, or portions of retirement plans funded with after-tax dollars.

✓ *Savings bonds* with accrued, untaxed income. The most common form of bond with untaxed income is the EE (Patriot) Savings Bond, which is purchased at a discount of face value, and accrues interest for up to 30 years. Until August 31, 2004, it was possible to convert EE Bonds to HH Bonds without triggering tax on the accrued income; the Treasury no longer allows such a

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[19] The Charitable IRA Rollover was initially part of the Pension Protection Act and had a two-year life. It has subsequently been extended in two-year segments until it was made permanent in 2015.

[20] IRC § 691(a)(1).

[21] IRC § 691(a)(3).

[22] Most states also impose a state estate tax and income tax. The state estate tax can be claimed in part or in whole as a credit against the federal estate tax; the state income tax adds an additional overall tax burden to the IRD.

conversion. It was also possible until August 31, 2004 to defer interest on HH Bonds; this option, too, has been eliminated.

- ✓ *Deferred compensation*.

- ✓ *Compensation earned – but not received* – before death. This includes any payment for remaining vacation or sick time accruing to the decedent.

- ✓ *Accounts receivable*, earned but not received before death.

- ✓ *Unrecognized income from annuities*, such as deferred annuities.

- ✓ *Remaining installment sale payments*.

- ✓ *Accrued interest* on stocks and bonds due at date of death.

Sometimes the inclusion of these assets in an estate is predictable. Retirement plans and savings bonds, for example, may comprise a large percentage of a decedent's assets. In other cases, the inclusion of the asset is not anticipated. An installment sale, for example, may have been executed after the estate plan was prepared. The principles of IRD planning, however, are equally applicable to all assets with this form of income.

F. Documents Clients Should Bring to You for Review (That Others May Draft)

Sometimes client get their planning documents from the charity. While these are not wills or trusts, these are documents that can control large gift amounts. Encourage clients to bring these documents to you for review prior to execution. These may include:

- Endowment documents. Charities frequently provide endowment documents to donors as a convenience and to clarify the goals and function of the gift. If these are written by the charity, they will favor the charity (just as the lease written by the landlord favors the landlord over the tenant). Endowments are perpetual, and your review can ensure there is a "Plan B" in the event the charity fails to use the funds for the purpose specified by the donor or in the event that purpose is no longer viable.
- Gift agreements for major gifts, especially those with naming privileges. On a similar vein, encourage your clients to allow you to review gift agreements with naming provisions. Look specifically for language that dictates what happens when the charity does not follow through, or they rename the building for an even larger donor a few years down the road, or use the funds for other purposes.

- Charitable gift annuity documents. Charitable gift annuities are fairly standard, especially for charities that do many annuities. However, if it is a smaller charity or one that is new to charitable gift annuities, you may not only want to read the document, you may want to call the institution and ask questions about the size of the pool, the firm that manages the money, and whether the charity has registered in the state.

G. Guiding the Client in Creating a Family Philanthropy Platform

Selecting the appropriate entity for a client revolves around the client's goals, expectations, management skills, and adaptability. For the planner, this means asking the right questions before establishing the entity. Appendix A contains a checklist to guide you through this process.

Many of your clients structure charitable bequests under will, name charities as beneficiary of their IRAs, or make significant charitable gifts during their lifetimes. While tax impact is always a consideration, how often do you engage in a discussion with your client about their non-tax objectives in making the gift?

Knowing the donor's goals is essential to selecting the right form for institutionalized philanthropy. Consider these common objectives and probe the donor to determine their priorities in creating the philanthropic entity. Many of these goals are overlooked because they do not relate to legal or tax considerations, and yet they are important in achieving the client's objectives.

1. Philosophical Goals

One of the difficulties in counseling clients about a family philanthropy form is that they have had little experience with either the management or outcomes of the available options. For that reason, it is difficult to articulate priorities, and almost impossible to anticipate administration. Suggest the client use the kitchen table philanthropy model to test drive the family's philanthropy style and goals. To start the conversation, get them to answer these questions:

- Have you successfully engaged your children in the giving process in any way?
- Was it a positive experience for you and for them? What would have made the process stronger?
- Were you able to use that platform to teach them the process of making effective gifts? Did you need or use outside help to identify charities or analyze effectiveness?
- What part of the process was most meaningful to you and your family members?
- Which part of the process would you prefer not to do again?
- How easy was it to manage the paperwork during the process? Do you have methods to track and analyze giving long-term? Do you anticipate that if this work load were quadrupled to include quarterly tax reporting, annual tax returns, short-term and long-term accounting (up to five years of records), meeting minutes, grants oversight, and compliance you could accommodate the work? Would you need to hire outside advisors? Would you prefer to shift responsibility to third parties?
- What is the next step in developing the philanthropic process for your family? Do you want more professional help, or would you prefer to develop that expertise within your family?

2. Effective Giving

Some clients want to be more effective in their giving. They are inundated with requests for capital campaigns, major gifts, special projects, disaster relief, and year-end solicitations. Most quickly tire of writing a stream of checks and want to focus funds on an area of personal interest that will "make a difference." They may believe that creating a foundation will give them a permanent pool of resources to ensure effectiveness through long-term fund, or will allow them to invest in staff and research to identify the most effective organizations.

3. Giving for Impact – Not To Specific Charities

Other clients, especially those with an entrepreneurial or business background, prefer to give to outcomes. They may want to improve the quality of public education, and raise graduation rate, because they believe these outcomes will improve the community's economic future. Or more simply, they want to focus their giving to groups of organizations that have a cooperative plan, measure outcomes, and report progress.

4. Engaging Family

Some individuals want to institutionalize their philanthropy simply as a means of engaging family in philanthropic decisions and sharing their passions for giving with lower generations. Always probe for specifics:

- How does the client want to engage family? In a formal way, such as board members or more casually as consultants to the ultimate decision?
- How frequently do they want to engage family in the decisions making? It may be once a year, or the client may want an ongoing, quarterly family meeting.
- How much power do they want to invest in family members, and does this vary by generation or relationship to the client?
- Are there any family relations difficulties they hope to solve in the process?

5. The Generational Gap

Some clients may want to bridge the generational gap and find a way to work side by side with grandchildren in philanthropy, while others may simply be interested in having children and grandchildren admire their philanthropic decision making. In truth, every individual has specific charitable interests and these interests shift as they move through the decades. It is rare to find multiple members of a family on the same generational levels who share interests, much less on multiple generational levels. Ask the client to be as specific as possible in articulating these objectives.

6. Teaching Values

Many individuals relish the idea of teaching the family's values on a stage that perpetuates the teaching from generation to generation. The idea is that family members will learn from being involved, and will automatically assume those values and pass them to their descendants.

7. Protection from Solicitations

Some clients believe that by creating a private foundation or supporting foundation they will protect themselves from the relentless pursuit of charitable solicitors by being able to say: "My foundation handles the charitable giving – just send the request to them for consideration." In this day, with easy access to Form 990-PF and required disclosure, a foundation will not insulate the donor from solicitations. Most charities know that donors use family foundations to execute their personal giving. There are simpler ways (such as saying "no") to create that protection if that is all that is desired.

8. Visions of Tax Savings

While it is true that gifts to private foundations (and all charitable gifts) generate tax benefits, gifts to private foundations – the most popular institutionalized philanthropy options – are far less substantial than gifts to public charities. For example, instead of 50% (cash/ordinary income property) and 30% (long-term capital gain property) adjusted gross income limits for deductions in a single year, gifts to private foundations are limited to 30%/20%. And while gifts of long-term capital gain property of all types to public charities may be deducted at market value, only gifts of qualified appreciated stock receive a market value deduction for gifts to private foundations. Other long-term appreciated property – such as real property and closely-held business interests – are limited to the donor's tax basis. Therefore, one of the big planning decisions revolves around the property that will be used to fund the gift as well as the donor's deduction goals.

V. Final Thoughts

Professional advisors play an essential role in planned giving. Advisors bring the global knowledge of the client's goals, estate planning, retirement planning, and business planning to the conversation which allows charitable giving decisions to be integrated in personal planning decisions where planned giving options provide leverage for goals and tax benefits. Giving is important to your clients and they want their advisors involved. Learn more about charitable giving options, and include philanthropic planning in your planning conversations with clients.

APPENDIX A
CHECKLIST FOR USE IN ANALYZING APPROPRIATE FAMILY PHILANTHROPY OPTION

I. Client Goals: What do you hope to accomplish in creating this entity?
- ___ A vehicle for personal philanthropy
- ___ A way to work with children in creating more effective philanthropy
- ___ A way to pass family values from generation to generation
- ___ A way to bring the family together
- ___ A way to memorialize the family's name in the community
- ___ Creating a permanent pool of funds to focus on a specific organization or purpose
- ___ Big tax savings to offset a specific taxable transaction
- ___ Insulate the client from charitable solicitations

II. Size of Entity
- ___ Under $250,000
- ___ $250,000 - $1,000,000
- ___ $1,000,000 - $3,000,000
- ___ $3,000,000 - $10,000,000
- ___ $10,000,000+

III. Duration of Entity
- ___ Less than 5 years
- ___ 5 to 25 years
- ___ 50 to 100 years
- ___ Perpetual

IV. Assets Used to Fund Entity
- ___ Cash
- ___ Publicly traded securities
- ___ Privately traded securities
- ___ Real estate
- ___ Insurance
- ___ Tangible personal property

V. Grantmaking Goals
- ___ Wants to make grants to domestic IRC §501(c)(3) entities
- ___ Wants the freedom to make grants for any charitable purpose, regardless of whether the entity is a recognized IRC§501(c)(3) entity
- ___ Wants to make grants overseas to IRC§501(c)(3) recognized entities as well as those that are not
- ___ Wants to award scholarships
- ___ Wants to make grants to individuals in distress

VI. Importance/Size of Charitable Deduction
- ___ Want to maximize charitable income tax deduction
- ___ Reduce lifetime transfer tax
- ___ Reduce estate tax
- ___ Charitable deduction less important that personal goals

VII. Costs to Create Entity
- ___ Determine creation costs – how does this compare to asset size?

VII. Annual Administration Costs

____ Make list of annual administrative duties (legal, transactional accounting, tax accounting, staff, space, postage, stationary, marketing, other miscellaneous)

VIII. Family's Role in Administration/Management

___ How old are the family members?
___ Will any of those family members potentially serve on the board?
___ Will any of those family members provide ongoing administrative services to the foundation; if so, describe those services.
___ Will any of those family members service as staff members?

IX. Client Support System

___ Does the client have office support to help with administration and record keeping?
___ Is the client willing to use professional services for this support?
___ Who will be responsible for managing the client's entity records?

X. Miscellaneous Considerations

___ What is the client's temperament?
___ Does he or she have the discipline to follow direction?
___ Is he or she likely to be able to run the entity within the requirements proscribed for the form?
___ Is the client likely to use you or other professional to provide oversight of grantmaking?