



# Smart Money

Community Foundation News for Advisors

A PUBLICATION OF THE CENTRAL NEW YORK COMMUNITY FOUNDATION



Fall 2017

## Annual Continuing Education Seminar

### Practical Charitable Planning: Continuing Education for Professional Advisors.

Presented by:

**Pamela Jones Davidson, J.D.**, President of Davidson Gift Design, a consulting firm specializing in gift planning, planned giving program design and implementation and training.

**October 19, 2017  
7:30 am-10:00 am**

Crowne Plaza Syracuse,  
701 E Genesee Street,  
Syracuse, NY 13210

2 hours of continuing education credit are approved for the following:

- Certified Financial Planners (CFP)\*
- Continuing Legal Education (CLE) - Difficulty of the course is appropriate for both newly admitted and experienced attorneys.
- Continuing Professional Education for CPAs (CPE)

2 hours of continuing education credit are pending for the following:

- Life & Health Insurance Certification (CE)

\*A certificate of attendance will also be provided for PACE reporting for ChFC® and for other self-reported continuing education such as CWS® designations.

Register at  
[cnycf.org/PAevents](http://cnycf.org/PAevents).

## Gifts of Life Insurance: Three Case Studies

One of the most straightforward ways for a person to benefit charity is through a gift of life insurance. Making this gift is as simple as listing each one on the policy's beneficiaries – whether people, charity or some to each - on the designation form. Here are three case studies where our donors used life insurance to achieve their charitable goals.

**Simplest Approach:** David is a 75-year-old widower with no heirs who has a paid up whole life insurance policy with a death benefit of \$150,000. He has been a volunteer at a number of local organizations since his retirement, and he wants to create a fund at the Community Foundation to support the community when he dies. David's advisor helps with a change of beneficiary form to designate the Community Foundation. David then meets with a Community Foundation staff member to document his background and intentions for the fund. This approach is simple, flexible and leaves a lasting impact.

**Asset Replacement:** Local business owners Jane and Mark are in their early 50s and have three children. Their business is worth about \$3 million and their IRA assets are worth about \$1 million. They want to make a large gift to charity when they die and both are insurable. Only one of their children is interested in working in the business. In talking about their estate plan with their advisors, they decided to leave their retirement account to the Community Foundation to start a charitable fund, and to purchase an additional \$4 million life insurance policy to provide an inheritance to their two children who will not be involved in the business. This benefits each child more equally, eliminates taxation of Jane and Mark's IRA proceeds, and fulfills their charitable intentions. Once this plan was created, Jane and Mark tell their story and fund intentions to the Community Foundation to be used in perpetuity as their fund makes grants. This plan is also flexible and can be changed easily to address changes with the business or their family.

**Leveraging a Gift:** Jessica is a recently retired teacher who lives on her pension and Social Security. She also has a comfortable investment account. She is 64 years old and has never married or had children. She loves her college and a local literacy nonprofit where she has volunteered for decades. She would like to do something nice for both organizations when she dies. Jessica works with her advisor and the Community Foundation to acquire a new universal life insurance policy for \$200,000. The Community Foundation is the policy owner and Jessica is the insured. She makes tax-deductible gifts each year to the Community Foundation to cover the annual premiums. Jessica leaves instructions with the Community Foundation to support her college and the literacy nonprofit she cares about with an endowed fund that will be created with the insurance proceeds. Her story then lives on forever with her fund.

Hopefully, these case studies made you think of some of your own clients. A client is a good fit for a life insurance gift if they:

- no longer have the need that originally led to a policy's purchase
- have adequate discretionary income to pay ongoing premiums if there are any
- want to give more to charity than they might be able to with current assets
- would benefit from a current tax deduction by donating an existing policy outright rather than just making a beneficiary change

(continued)



CENTRAL NEW YORK  
COMMUNITY  
FOUNDATION, INC.

## Contact Us

Our development team is available to assist you with the information and tools that help your clients achieve their charitable goals.

**Thomas Griffith, ChFC®, CAP®**  
*Director of Gift Planning*  
315.883.5544  
[TGriffith@cnycf.org](mailto:TGriffith@cnycf.org)

**Peter Dunn, JD**  
*President & CEO*  
315.883.5530  
[PDunn@cnycf.org](mailto:PDunn@cnycf.org)

431 EAST FAYETTE STREET, SUITE 100, SYRACUSE, NY 13202 • 315.422.9538 • [INFO@CNYCF.ORG](mailto:INFO@CNYCF.ORG) • [CNYCF.ORG](http://CNYCF.ORG)



.....  
13202  
SYRACUSE, NEW YORK  
SUITE 100  
431 EAST FAYETTE STREET  
.....  
CENTRAL NEW YORK  
COMMUNITY



If you do not wish to continue receiving SmartMoney, please email us at [info@cnycf.org](mailto:info@cnycf.org).

Non-Profit Org.  
U.S. Postage  
PAID  
Syracuse, NY  
Permit No. 1352

(continued)

## Gifts of Life Insurance: Three Case Studies

The Community Foundation works well for gifts of life insurance for a number of reasons. We have the systems in place and experience to help with the application process, appraisals, coordination with life insurance agents and companies, follow-ups on premiums due, and tracking of policy provisions that may change over time. Also, the proceeds can be used to create or supplement a donor's endowment fund that supports a variety of charitable interests and goals over time.

This is the core of our mission: to create endowed funds for local charitable purposes and steward our donors' legacies in perpetuity. By donating life insurance now and creating a statement of intent for a legacy fund, your clients will feel confident that their wishes will be followed.

**Encourage your charitable clients to connect with the Community Foundation. To learn more about charitable giving with your clients, go to [www.cnycf.org/Advisor](http://www.cnycf.org/Advisor) or contact Tom Griffith, director of gift planning, at [tgriffith@cnycf.org](mailto:tgriffith@cnycf.org).**