



Futures

A no-nonsense newsletter from The Dayton Foundation for estate planners and financial advisors

“There’s no minimum dollar amount required to open a CCA, and donors can maintain a CCA with any balance that’s comfortable to them.”

– Michelle L. Lovely

The Charitable Checking AccountSM Service: Helping Clients Find Their “Light Bulb” Moment

By Michelle L. Lovely, Vice President of Development, The Dayton Foundation

You know the feeling – that unforgettable “aha” moment of realization when discovering a solution to a complex or perplexing dilemma. For many Dayton Foundation donors, opening a Charitable Checking AccountSM was their light bulb moment in helping to solve their charitable giving and tax reporting needs.

A Charitable Checking Account (CCA) is a free, easy-to-use vehicle for charitable giving that works for individuals, families, companies

and not-for-profit organizations. It operates much like a personal checking account, in that you deposit assets and then direct the Foundation to send contributions to any IRS-approved charities you choose – locally, nationally and even internation-

ally. You make the decisions, and The Dayton Foundation does the work. But what about situations when you may want to do something other than just write a check?

The following are three examples of such situations that may sound familiar to you when working with your clients.

1. “I want to create a nonprofit organization, but I don’t know where to start.”

Serving the greater good can be accomplished in many ways, but starting a 501(c)(3) IRS-approved charity can be costly, not to mention an administrative nightmare. If your client is thinking of launching a nonprofit, you may want to suggest opening a CCA through The Dayton Foundation instead.

Under the Foundation’s charitable tax-exempt status, your client can solicit tax-deductible donations for a CCA at the Foundation, then award grants to organizations that meet his or her charitable intent. Once the CCA’s balance has grown to \$25,000 or more, the donor can elect to move the assets into an

invested fund through the Foundation where it will earn interest while growing the principal for long-term use.

The CCA Service also is a good option for existing nonprofit organizations that want to start or grow an endowment and may not have the capabilities to accept complex gifts, such as stocks or other non-publicly traded assets. The Dayton Foundation can do this, plus we provide a tax receipt to the donor at the time the gift is received, which reduces your client’s paperwork. We also provide an option for donors to give online via credit card.

2. “I had a great financial year, but I know my taxes are going to be sky high.”

For individuals who need tax deductions and make regular gifts to charity, the CCA Service is an excellent option. Your clients can “park” charitable funds in a CCA in one year, then disperse to charitable organizations when the time is right for them. It can be especially effective for clients who have highly appreciated securities. By transfer-

Continued...



Michelle L. Lovely

“Your clients can ‘park’ charitable funds in a CCA in one year, then disperse to charitable organizations when the time is right for them.”

– Michelle L. Lovely

Futures is made possible by five Dayton Foundation

I Believe!

donor families who have stepped forward to become the 2016-2017 “I Believe!” Partners of The Dayton Foundation. Their commitment underwrites a full year of Dayton Foundation publications, thereby freeing resources for the Foundation’s other community work.

“I Believe!” Partners: Funmilayo O. & Gideon S. Adegbile, Belinda (Lynn) A. Burns, Terri L. & William D. Duncan, Dolores L. & Robert E. Millat, Agata S. & James D. Schade

Tax-free IRA Transfers

Continued from page 1

ring the securities to The Dayton Foundation before they are sold, your client gains the full value of the asset for charitable purposes, avoids paying long-term capital gains taxes on the increased value and deducts the full amount based on the current fair market value.

3. “I want to establish a private foundation to perpetuate my family’s charitable legacy.”

Private foundations are a great community asset and are an ideal solution for some philanthropic clients. However, just like launching a new nonprofit, starting a private family foundation also has a multitude of administrative requirements and expenses.

Unlike private foundations, CCAs are not required to spend 5% annually. Also, tax returns and the record keeping required by the IRS are handled by The Dayton Foundation, so your client can concentrate on his or her charitable giving. Donors can name their CCA as a beneficiary in an estate plan and designate family members or friends to serve as current or successor advisors to distribute grants to charity on your behalf.

If your client likes the prestige associated with starting a charitable foundation in his or her family

IRA Charitable Rollover Option for End-of-Year Giving

It’s not too late for clients who are age 70-1/2 or older to transfer up to \$100,000 from their IRA to a new or existing fund of The Dayton Foundation and have those assets be eligible for a 2016 tax deduction. The transfer can be made free of federal income tax, and the gift qualifies for the required minimum distribution. Please be aware that IRA assets are not able to be transferred into Donor-Advised Funds, which also include Charitable Checking Accounts and supporting organizations.

Please contact Michelle Lovely or Joseph Baldasare in The Dayton Foundation’s Development department at (937) 222-0410 for more information.

name, the Foundation offers the option to open a CCA in the name that he or she chooses. We’ll also award grants anonymously, if preferred.

There’s no minimum dollar amount required to open a CCA, and donors can maintain a CCA with any balance that’s comfortable to them.

Other Benefits

As a person who uses the CCA Service for my own personal giving, I like knowing that I don’t have to concern myself with added paperwork and record keeping. All I need to do is fund my account and decide which charities I want to receive grants. The Dayton Foundation’s knowledgeable staff will verify the charitable status of my chosen organizations, transfer my gifts and record all the transactions with quarterly and year-end state-

ments. I also can do my family’s giving online, including from a mobile device, any time of the day or night.

If you or your clients haven’t used the Charitable Checking Account Service, I recommend that you give it a try and discover your “light bulb” moment in making charitable giving easier. ✨

Note: Solutions will differ from case to case. The above does not constitute professional financial or tax advice.

Before joining The Dayton Foundation in 2016 as Vice President of Development, Michelle L. Lovely was employed by The Huntington National Bank as Vice President of Private Banking. She has 23 years of experience in customer relationship management, business development and banking, and wealth management.

President: Michael M. Parks. **Governing Board:** J. Norman Eckstein, *chair*, Craig J. Brown, *vice chair*, Marva Cosby, William L. Gillispie, Lisa E. Hanauer, Ellen S. Ireland, Maureen A. Lynch, David T. Miller, Anita J. Moore, Richard J. Omlor, Ratna K. Palakodeti, M.D., James R. Pancoast, Colleen M. Ryan, Charles G. Schroeder. **Financial Managers:** 1919 Investment Counsel; AEGON USA Investment Management, LLC; Ameriprise Financial Services, Inc.; Bahl & Gaynor Investment Counsel; Bartlett & Co.; Behnken and Associates, Inc.; Buckingham Financial Group; CAPTRUST Financial Advisors; C.H. Dean and Associates; ClientFirst Financial Strategies, Inc.; Cornerstone Financial Group; Dover Partners; Eubel, Brady & Suttman Asset Management; Fiduciary Trust Company International; Fifth Third Bank; First Financial Bank, NA; JP Morgan; James Capital Alliance, Inc.; James Investment Research, Inc.; Jessup Wealth Management; Johnson Investment Counsel; KeyBank, NA; LCNB National Bank; Merrill Lynch and Company; Michael J. Monaghan & Associates; Morgan Stanley Smith Barney; Northwestern Mutual Fund Services; Oxford Financial Advisors Corp.; PNC Bank, Ohio, NA; Principled Wealth Advisors; Prudential Preferred Financial Services; Raymond James Financial, Inc.; Riazzi Asset Management; Stifel Nicolaus; Stratos Wealth Partners; Truepoint Capital, LLC; UBS Financial Services, Inc.; US Bank; Wells Fargo Advisors. Wichman, Newall & Stephan Professional Investment Planning Group. **Investment Consultant:** Fund Evaluation Group, LLC.



THE DAYTON FOUNDATION
We help you help others.

We help you help others.™

Meeting All Standards for U.S. Community Foundations.



Follow us on



The Regional Community Foundation