

A Guide to Using Community Foundation Tools

community foundation
PORTFOLIO

≈ CHARITABLE IRA ≈

Version 6.0



COUNCIL *on* **FOUNDATIONS**

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For technical assistance on community foundation portfolios, please contact your local graphic design/production resource.

For more information about community foundation portfolios and all National Marketing Action Team activities and products, please visit www.cof.org.

Special thanks to the Charles Stewart Mott Foundation, funder of this project. Many thanks for the contributions made to the toolkit in the past including The National Marketing Team (NMAT) who oversaw development as well as to Midwest Community Foundations' Ventures for updates made in 2010.

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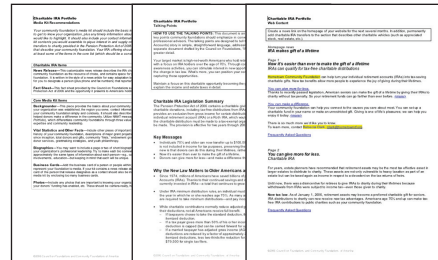
Layout software

Some tools in this portfolio have been created in Adobe® InDesign CS5 for Macintosh® OS. Adobe InDesign for Macintosh OS and Adobe InDesign for Windows® can read each other’s files, so you can easily transfer documents between the two platforms. However, you must use the identical versions of your fonts on both systems to ensure that your formatting does not change. Adobe, Acrobat, Reader, and Postscript are registered trademarks of Adobe Systems Incorporated in the United States and/or other countries. Windows operating system, Microsoft PowerPoint, and Microsoft Word are trademarks and/or registered trademarks of Microsoft Corporation in the United States and/or other countries. Macintosh is a registered trademark of Apple Computer, Incorporated in the United States and/or other countries. All other trademarks are the property of their respective owners. Any omission of such trademarks from any product is regretted and is not intended as an infringement on such trademarks.

Portfolio at a glance

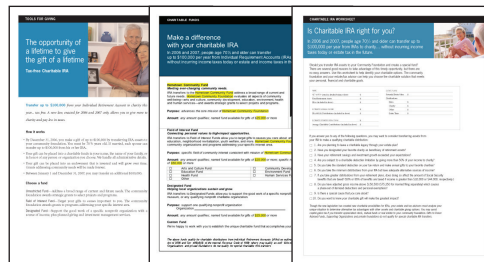
Internal Documents

- Media kit recommendations
- Talking points
- Web content



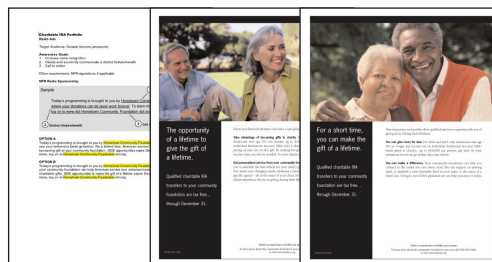
Tools for Giving

- Opportunity of a lifetime tool
- Charitable fund options
- IRA worksheet



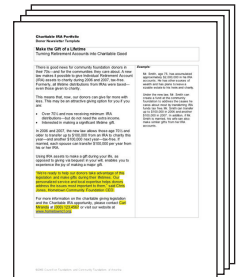
Ads

- Radio ads
- Advisor ad
- Donor ad



News Releases and Newsletters

- 2015 extended law release
- Local gift release
- Newsletter content
- Professional advisor e-news



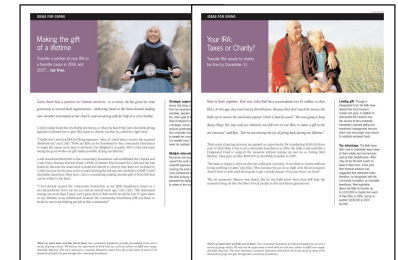
Presentation

- Community philanthropy update



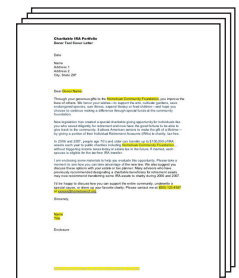
Ideas for Giving

- IRA ideas for giving (single)
- IRA ideas for giving (couple)



Letters

- Donor tool cover letter
- Professional advisor tool cover letter
- Administrator letter
- Donor gift letter



Part One
portfolio tools

Charitable IRA opportunity

Legislation was passed that makes permanent the Charitable IRA, activating some charitable giving provisions many in the philanthropic community have long awaited.

“The Charitable IRA” opportunity, as it is called, means that Americans age 70½ and older can make IRA contributions to public charities without paying federal tax.

Millions of Americans have billions of dollars in individual retirement accounts (IRAs). For years, estate planners have recommended that in larger estates these assets may be the most tax effective asset to distribute to charity. These assets are not only vulnerable to heavy taxation as part of an estate, but they also can be taxed again as income of heirs.

Until now, there was a disincentive for retirees to give IRAs to charity during their lifetimes because withdrawals from IRAs were subject to income tax—even those given to charity.

But thanks to the legislation, Americans who are of age can make tax-free IRA contributions to public charities, such as community foundations.

When marketing this opportunity to prospective donors and IRA account administrators, it is important to recognize certain limitations. Holders of traditional and Roth IRAs who are of age can make direct charitable transfers up to \$100,000.

A single person can transfer \$100,000 tax-free annually. A married couple can transfer up to \$200,000 tax-free, over the same period, from separate accounts.

There are limitations on the types of funds eligible for tax-free lifetime transfer of IRA assets. Gifts to Donor Advised Funds, Supporting Organizations and private foundations do not qualify for the special tax treatment. Your community foundation may use IRA conversations as an opportunity to promote these less-restricted fund types: Designated Funds, Field of Interest Funds, and Unrestricted Funds.

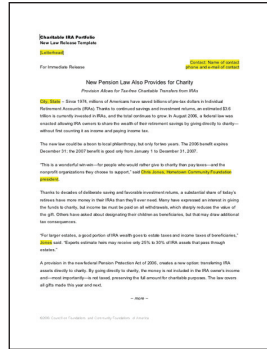
Prospective donors should be encouraged to discuss IRA giving, as well as the tax advantages of giving other assets, with their professional advisors. In many cases, a donor’s appreciated assets would still be taxed most heavily if given to anyone but charity.

Tools within the portfolio are designed to complement others released in previous marketing portfolios. You can choose to customize these tools or simply use their messages in ways that suit your organization and community.

Media outreach

As an expert in philanthropy for your local area, you'll want to supply your local media outlets with the facts concerning the renewed legislation, the charitable good it could unleash in your community, and the vehicles your community foundation offers to IRA holders interested in making a lifetime gift.

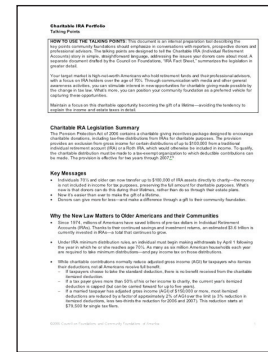
Note: In many states, donors transferring IRA assets of \$100,000 or less will be exempt from state income taxes as well as federal income tax; however, it is recommended that you confirm this with your individual state. If a charitable distribution from an IRA is subject to state income tax, it is best to make that explicit in your communications.



New law release

This release announces the extended legislation, describes its charitable potential, and positions community foundation funds as ways of releasing that potential for local good. Customize the release with local quotes and data and issue it on your letterhead.

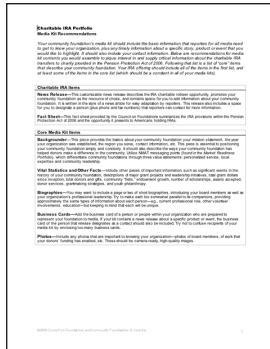
file name: IRA2_localrelease_6.doc



Talking points

This internal document prepares you to discuss the IRA opportunity—and the distinct value of giving an IRA through your community foundation—with reporters and others.

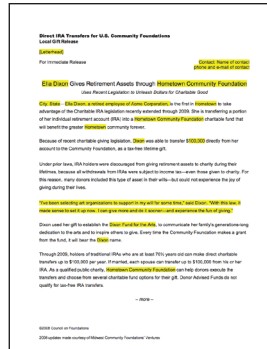
file name: IRA1_talkingpts_6.doc



Media kit recommendations

This internal checklist describes components of a strong, local IRA media kit that brings together tools found in the Charitable IRA Portfolio, as well as your community foundation's own core media pieces.

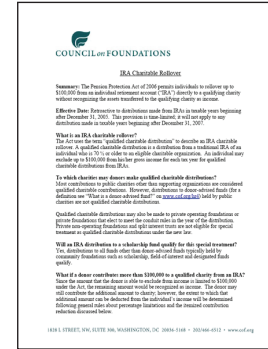
file name: IRA1_mediakit_6.doc



Local gift release

Customize and issue this template release to generate media attention when your community foundation receives its first lifetime IRA gift.

file name: IRA2_giftrelease_6.doc



Fact sheet

This multi-page document, provided by the Council on Foundations, summarizes the IRA opportunity and answers common questions for reporters.

file name: IRA1_factsheet_6.pdf

Donor outreach

From experience, we know that the largest, least restricted gifts come from donors who have a history of positive encounters with the community foundation—people who have developed trust. Because of this, we anticipate that community foundations are not likely to receive IRA gifts from people unfamiliar with their organizations.

The best pool of prospects is that of your existing donors, particularly those at or about age 70, and those financially comfortable enough to part with up to \$100,000 from their IRAs.

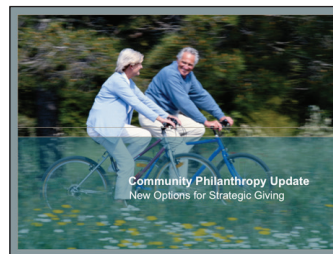
Note: In many states, donors transferring IRA assets of \$100,000 or less will be exempt from state income taxes as well as federal income tax; however, it is recommended that you confirm this with your individual state. If a charitable distribution from an IRA is subject to state income tax, it is best to make that explicit in your communications.



Opportunity of a lifetime tool

This tool describes the Charitable IRA opportunity and how it works in concise language that is easy to understand. It also includes a brief donor scenario.

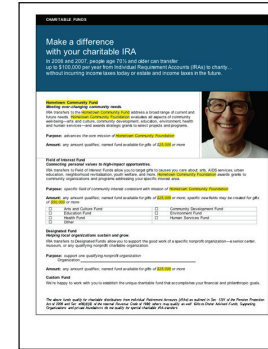
file name: IRA4_oppoflifetime_tool_6.pdf



Philanthropy update presentation

This presentation and its speaker notes will help you share the IRA lifetime giving opportunity with groups, from Rotary to retirement communities. Doing so reinforces your role as a community leader and local source of philanthropic knowledge. Consider using this presentation to make IRA the topic of any speaking engagements you've planned for 2014.

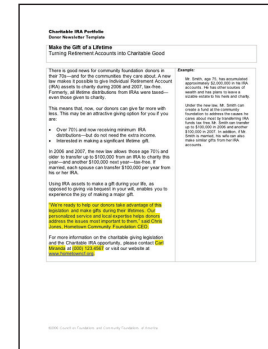
file name: IRA6_update_6.pdf



Charitable fund options

This handout describes the key community foundation funds eligible for tax-free IRA transfers.

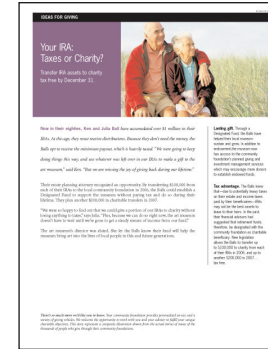
file name: IRA4_fundopts_tool_6.doc



Donor newsletter content

Add to your next donor newsletter with this brief article that positions Charitable IRA as one way to “make the gift of a lifetime.” Personalize this article with a quote from your community foundation’s executive director.

file name: IRA1_newsletter_6.doc

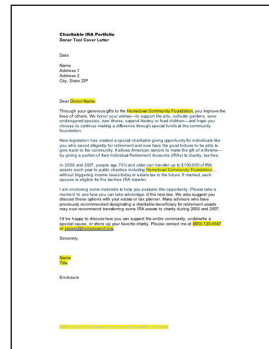


Ideas for giving

These two donor scenarios illustrate several key considerations and benefits for making an IRA transfer to charity during your lifetime. Donor stories provide one of the best ways to illustrate complex giving situations for donors and advisors.

file name: IRA4_single_idea_6.pdf

file name: IRA4_couple_idea6_3pdf



Donor cover letter

This letter recognizes a donor's generosity and relationship to the community foundation, introduces the IRA opportunity, and presents the recipient with several enclosures/attachments to help him or her evaluate the opportunity. Format this to your community foundation's letterhead or send as body text of an e-mail. Appropriate attachments/enclosures include charitable funds (options), the IRA tool for giving, and IRA ideas for giving.

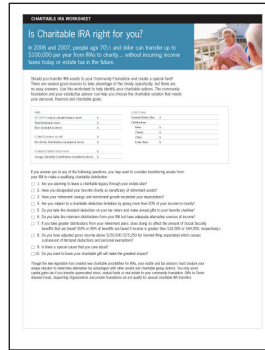
file name: IRA3_donorltr_6.doc

Advisor outreach

In your outreach to professional advisors, begin with bankers—the likely administrators of individual retirement accounts. The key to reaching these advisors is to make the opportunity easy to understand, help them anticipate and field donor inquiries, and administer the transaction.

When approaching account administrators, know that your community foundation’s policy will certainly impact your ability to interest them in this way of giving. They will be uninterested in any proposal to take assets from their institutions. If your community foundation doesn’t have a plan for retaining charitable assets with a banker’s particular institution, this may be a barrier.

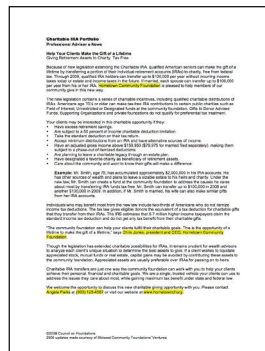
It is important to keep in mind that IRA administrators will also be bothered by the prospect of small transactions from the accounts in their charge. This is one reason to limit your target to higher net worth clients.



Charitable IRA worksheet

This checklist helps advisors have a conversation with clients about Charitable IRA. It asks 10 questions that may identify someone as a good candidate for giving an IRA as a lifetime gift, and it gives the advisor a place to chart the client’s charitable and estate goals relative to the IRA opportunity.

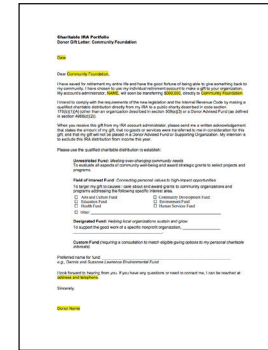
file name: *IRA4_worksheet_tool_56pdf*



Professional advisor e-news

Paste this newsblast into the body of an e-mail or an existing e-newsletter format and send it to advisors on your distribution list. This article describes the IRA giving opportunity, donor profiles and provides a simple example. Customize it with a quote from your community foundation’s executive director.

file name: *IRA2_advenews_6.doc*



Donor gift letter

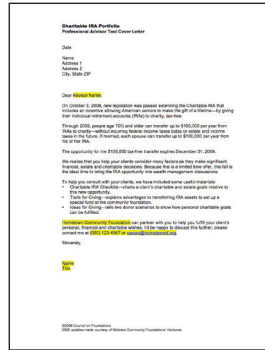
By supplying this letter to interested clients, the account administrator helps an IRA donor notify the community foundation that an IRA gift is coming—beginning the conversation about what fund type the donor would like to establish or contribute to, and providing the community foundation the information it needs to recognize the gift with a receipt letter, which the donor needs to receive the gift’s tax benefit.

file name: *IRA3_donorgiftltr_6.doc*

Certified public accountants are another appropriate Charitable IRA audience because of the frequency of interactions they'll have with their clients, and the timing of this contact for year-end gifts.

The final specific group of advisors you may choose to target for IRA gifts is estate planners because these professionals will know if their clients are designating retirement assets for charity in their wills.

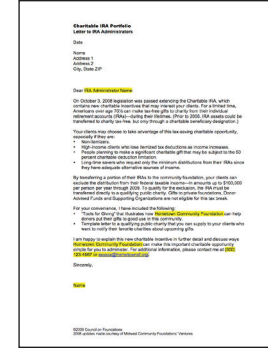
Whether you're targeting bankers, accountants, estate planners or some other subset of advisors, it's best to spend the most time with those who know your community foundation, have demonstrated an interest in community, and have clients who match the IRA donor profile.



Professional advisor cover letter

This letter introduces the Charitable IRA opportunity and positions your community foundation as a philanthropic resource that can help clients use their IRAs to accomplish charitable and financial objectives. Format it to your letterhead and send with it the Charitable IRA worksheet, the IRA tool for giving, and the two IRA ideas for giving.

file name: IRA3_advisorltr_6.doc



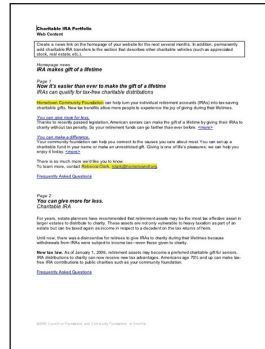
Administrator letter

Send this letter to targeted retirement account administrators. It introduces the Charitable IRA opportunity, profiles the clients most likely to benefit from giving in this way, and positions your community foundation as a philanthropic resource that can help clients use their IRAs to accomplish charitable and financial goals. Format this letter to your community foundation letterhead and send with the IRA tool for giving and donor gift letter.

file name: IRA3_adminltr_6.doc

Web content

Probably the most comprehensive database of information that the portfolio includes is web content. Suitable for any community foundation audience, the content contains high-level positioning for the IRA opportunity, as well as deep dives in the form of questions and answers. Because of its depth, you may also find this content a useful supplement to your talking points or other communications that you may develop.



Web content

This website content provides a depth of information on the Charitable IRA opportunity. Format as much or as little of it as needed to create informative, easy-to-navigate web pages on the subject. To help web visitors find this content, you may want to create a temporary news link to it on your homepage.

file name: IRA1_webcontent_6.doc

Recommended marketing activities

Now that the Charitable IRA Portfolio is available, here are some recommended activities to reach out to key audience groups.

Today

Promote this giving opportunity

News release: law extended

- Review opportunity with board and staff
- Post initial news release to website
- Pitch news release to local media
- Send news release to professional advisors
- Donors and prospects who are 70 ½ and older
- Nonprofits that have existing Designated Fund
- IRA plan administrators
- Other professional advisors, especially estate planners and certified public accountants

Communications calendar:

- Integrate with year-end communications: mailings, newsletters, e-mail, meetings, events
- Identify presentation opportunities
- Plan for next year's communications
- Consider paid and earned media opportunities

Update board and staff and assign roles

Internal documents: fact sheet, media kit recommendations, talking points, etc.

Update website with new detailed content

Internal documents: web content

January-December

Send letters to professional advisors

IRA plan administrators

Administrator letter, Donor gift letter, Tool for giving: opportunity of a lifetime

Estate planners and CPAs

Professional advisor tool cover letter, Tools for giving: all, Ideas for giving: all

All other advisors

Professional advisor tool cover letter (edited), Tools for giving: opportunity of a lifetime tool and IRA worksheet

Send letters to donors and prospects

Donor letter, Tools for giving: opportunity of a lifetime tool and fund options worksheet

Focus on gifts of \$100,000

Entire portfolio

Continue raising awareness

Newsletter content, Presentation: community philanthropy update, Tools for giving, Radio and print ads

Celebrate donor gifts of a lifetime

News release: local gift

Focus on targeted opportunities

Entire portfolio

Continue to raise awareness

Presentation: community philanthropy update, Professional advisor e-news letter, Tools for giving, Radio and print ads

Celebrate donor gifts of a lifetime

News release: local gift

Portfolio Evaluation

Feedback form

Please use the form below to help us evaluate the tools. We ask that each community foundation CEO fill out the form after having used the materials for three months. Please fax the form to the number listed at right. Your experiences and evaluation of the local tools will allow us to identify key learnings that will influence the development of future communications products.

SEND YOUR FEEDBACK TO:
 Community Foundation Services
 Council on Foundations
 e-mail govt@cof.org.

1. Your community foundation name (for follow-up purposes):

2. Overall, how well is the portfolio working for your community foundation?

Very well Somewhat well Not at all well

(If you answered *Somewhat well* or *Not at all well*, please explain your answer.)

3. After using these tools, do you have any suggestions for how they might be improved?

4. Do you have any experiences to share about how you have used the tools effectively?

5. Do you have any suggestions (based on these tools) for the development of future communications products that would better meet your needs?

6. How user-friendly did you find this portfolio of tools, in terms of the technology involved?

7. Please rate the overall usefulness of the internal tools included.

Very useful Somewhat useful Not at all useful

8. Were the following tools effective with the audiences listed in the matrix below? (Check all that apply.)

	Staff/Board	Professional Advisors	Current Donors	Potential Donors
PowerPoint presentations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ads	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donor tools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Web content	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advisor communications	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ideas for giving	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
News releases	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Community Foundation Portfolio

Charitable IRA

Version 6.0

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