

H H E P C

Hoosier Hills Estate Planning Council



Vol. IX, No. 4

Summer 2010

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President's Message

On behalf of the Board of Directors, I would like to extend a personal invitation to each of you to attend the upcoming seminar and social hour at the Bloomington Country Club on July 14th.

I have many clients, friends and colleagues that congregate in Florida in the winter months. Some of you may also make the annual trek south. No doubt you also have clients, friends and colleagues that head to the Sunshine State. Along about November, usually before the snow begins to fly, the Hoosier snowbirds have migrated en masse from Bloomington to Florida.

Rich Gans, an accomplished attorney from Sarasota, Florida will be our speaker on July 14. Rich will inform each of us how to properly advise these modern day nomads by speaking at 3:30 on *What Every Indiana Estate Planner Needs to Know about Florida Law*. If you haven't already done so, please register for the program.

As a group, estate planners spend a lot of time working in our chosen professions. Many of us must do so to keep our licenses current and all of us seem to do so to provide excellent client service. As the Board discussed upcoming programs and events, we reviewed the HHEPC membership list and concluded that the HHEPC was a group of people you would enjoy spending time with. Therefore, the July 14th event at the Bloomington Country Club also includes a social time following the Continuing Education program. We hope that each of you will feel free to invite your spouse, significant other or a potential HHEPC member as your guest.

Finally, you should be aware that the Board is working hard on programming for 2010-2011 and has begun planning for the 2011 Estate Planning Day. If you would like to serve on the Estate Planning Day Committee, Vice President Brian Yeley would welcome your participation.

I am looking forward to seeing each of you at the Bloomington Country Club on July 14th.

Best regards,
James Bohrer, President

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Estate Planning Seminar Program

July 14, 2010

Bloomington Country Club, Bloomington, Indiana
rsvp: kmconahay@yahoo.com by July 9, 2010

What Every Indiana Estate Planner Needs to Know about Florida Law

Richard R. Gans

Shareholder in the firm of Fergeson, Skipper, Shaw, Keyser, Baron & Tirabassi, P.A.
Sarasota, Florida

Tax advantages of Florida residence:

- a. Income tax regime
- b. Repeal of intangibles tax
- c. State estate and inheritance taxes
- d. Property tax benefits

How to Become a Florida Resident

- a. What to do
- b. What not to do

Florida Homestead for the non-Florida practitioner

- a. What is homestead?
- b. Lifetime creditor exemption
- c. Limits under federal bankruptcy law

- d. Restrictions on devise of Florida homestead and how to avoid them
- e. Florida homestead in the estate or revocable trust
- f. Ad valorem tax benefits, and how to keep or lose them.

Florida Estate Planning Traps

- a. Restrictions on appointment of Executor
- b. Northern documents and FL homestead
- c. Tax apportionment issues
- d. Other Issues

Ethical Issues

- a. How the Florida Bar views unlicensed practice of law and multijurisdictional practice issues

Speaker Biography

RICHARD R. GANS is a shareholder in the Sarasota, Florida, firm of Fergeson, Skipper, Shaw, Keyser, Baron & Tirabassi, P.A. He received his preparatory education at Cornell University (B.A. 1980) and the University of Michigan (M.A. 1985). Mr. Gans received his legal education at the University of Washington (J.D. 1988) and the University of Florida (LL.M. in Taxation 1992). He was the Associate Editor-in-Chief of *The Washington Law Review*. Mr. Gans was admitted to the Bar in 1988 in the State of Washington, and in 1994 in Florida. His Bar Association memberships include: The Florida Bar, Sarasota County Bar Association and Washington State Bar Association. Mr. Gans serves as the probate and trust column editor for *The Florida Bar Journal*. He is Chair of the RPPTL Section's Estate and Trust Tax Planning Committee (where, as a committee member, he was primarily responsible for drafting Florida's disclaimer law, Chapter 739 of the Florida Statutes). Mr. Gans also serves on the RPPTL IRA and Employee Benefits, Asset Preservation, and Charitable Organizations and Planning committees, and is a member of the Section's Executive Council. He is the author of the chapter "IRA and Qualified Plan Benefits" in The Florida Bar's volume entitled *Asset Protection in Florida*. Mr. Gans is a member and past President of the Southwest Florida Estate Planning Council, and currently serves as President of the Southwest Florida Planned Giving Council. He is Adjunct Professor at Manatee Community College, where he teaches the wills, trusts and estate course in MCC's paralegal certification program. Mr. Gans was appointed to CFO Alex Sink's "Safeguard our Seniors" task force, the goal of which is to promote legislation to protect Florida's citizens from financial exploitation. He speaks Mandarin Chinese. Mr. Gans is certified by The Florida Bar as a Board Certified Wills, Trusts and Estates Lawyer, and is a Fellow of the American College of Trust and Estate Counsel (ACTEC). Mr. Gans is named in the 2008 issue of *Florida Super Lawyers*, a distinction awarded only to the top 5% of attorneys in the State of Florida. He has also been named as a 2008 *Florida Trend* Legal Elite.

Helping Clients Choose Charities

By Shari Woodbury, President & CEO
Community Foundation of Bloomington and Monroe County

Do you have clients who are charitably motivated but uncertain how to be sure their gifts will make a difference? Your clients are not alone. It's easy to feel overwhelmed by the sheer volume of seemingly-worthwhile appeals that come their way, many from organizations with which they are not personally familiar. Choosing wisely may feel particularly important when it comes to estate gifts and other major gifts.

And many of the people who could make larger gifts — perhaps including many of your clients — are holding back. 97% of high-net worth individuals surveyed recently in the U.S. and Britain reported giving to charity, and most expressed both the desire and the ability to give much more than they do. But according to the findings published in March 2010 by Barclays Wealth, several factors keep wealthy individuals from giving more. One of the key barriers is concern about charities' efficient use of donations. Before they write a big check, donors need assurance that the money will be well spent.

Your community foundation can help. We are neutral about which charitable causes a donor should support. But we can help your clients reflect on what they would like to accomplish. We can help them learn about options for meeting their goals, whether they want immediate impact or long-term support, one-time or continued involvement, and recognition or anonymity. We can also pass along some guidance on how to evaluate non-profit organizations.

The following guide to giving can help your clients give with confidence. You may reproduce it freely and share it with those you serve.

One more thing: Clients may also appreciate our help in connecting them to people within charities of interest to them. Remind them that talking to non-profits does not put them under any obligation to make a gift. Sometimes people are hesitant to call attention to themselves as potential donors, but it's part of the charity's job to inform the public about their work. Beth Gazley, who teaches nonprofit management at Indiana University, advises donors, "Learn as much as you can about charities first-hand. Look at annual reports, visit their web site, and above all, talk to them." We can reassure your clients that talking to agencies will be a positive experience, and help them get the ball rolling. For those who are determined to remain incognito, we can offer to ask questions on their behalf, or you may wish to do so.

With our help, charitably-inclined clients will soon be giving with confidence and comfort, knowing they are making a difference for their chosen causes. They will appreciate your attention and concern for their goals and values.

Check it out! To bring more value to our members, two new bonus articles are posted on the Documents page of our web site:

- ✓ Recent Tax Court Decisions On Inheritance Tax Appraisals . by James Bohrer
- ✓ Free & Low-Cost Marketing Tips . by Laurie Gross

Selecting A Major Gift Recipient

A Guide for Donors

Making a significant gift to charity can seem both exciting and daunting, particularly if you need some help in deciding what you want your gift to accomplish or who you want to benefit.

Perhaps your advisor has recommended that you do some significant charitable giving by the end of the year to reduce your tax liability. Maybe you are updating beneficiaries on your retirement account or insurance policy and want to include a charitable cause or perhaps you no longer have dependents who would need those resources. You might be updating a will or trust and want to leave a charitable legacy.

When you are faced with the question of how to direct a major gift, try following these four steps.

1. Identify Your Goals.

One of the best ways to narrow your choices is to start not from the solicitations you receive but from your own heartfelt priorities. There may be an organization with which you have been personally involved, whose mission you believe in. Or perhaps you are interested in investing to achieve a particular result or meeting the basic needs of low-income persons, or developing children to their full potential, or preventing disease or have yet to identify organizations you feel good about that help produce that result. You can use the worksheet on the next page to stimulate your thinking about your goals.

2. Consider Your Options.

There may be several ways to further a cause that interests you. Not only are there likely to be multiple organizations operating within your community or country which advance that cause, but there are other considerations and entities which can play a role in meeting your goals most effectively. Consider:

- Do you want your gift to be spent right away? If so, a direct gift to a charity is the natural choice. If you want your gift to keep on giving, consider an endowment for perpetual support of your cause. You might work with your community foundation to support a range of local organizations, or talk to the development office at your alma mater, hospital, or national charity about the impact of endowed gifts. Gifts for capital projects such as buildings can also last a long time.
- If you want to stay involved in your gift on an ongoing basis or involve multiple generations of your family in shared philanthropy or ask your professional advisor about private foundations, as well as donor advised funds within community foundations. Your community foundation office can also provide basic information comparing these arrangements.
- How do you feel about recognition? Ask prospective charities about their recognition programs. Most will be pleased to recognize you and encourage other donors to follow your example. What if you prefer anonymity? Any non-profit should honor your request not to publicly recognize your support or ask them about their practices before you complete your gift. If you would prefer to remain unknown to the charity itself, consider using a donor advised fund in your community foundation, or a commercial gift fund, to assist with your giving. Grants made through such funds can be kept anonymous upon your request.

3. Evaluate Non-Profits.

When you are considering a major gift, there are lots of resources available to help you evaluate a non-profit organization. Be sure to talk to people, as well as reviewing data you find.

Your Goals

Jotting some answers to the following questions may help you identify charitable causes you feel great about supporting.

What charitable gift has been most rewarding to you? Least rewarding? Why? _____

Do you want to perpetuate your support for a charity to which you have made annual gifts? _____

Have you thought about what you would do if it ceased to operate? _____

What values do you want to share with your family? _____

What are you passionate about? _____

Who are your heroes and why? _____

What bothers you in our community or society? _____

What are you grateful for? _____

Do you want to be targeted or broad in your giving? _____

Do you prefer to address immediate needs or underlying causes? _____

Do you want to benefit your community, support a national or international cause, or both? _____

Talking to People

If you have identified specific charities, one of the best ways to learn about them is to talk directly with their representatives about what they do. You might want to check out a charity's web site or annual report first to identify any questions you want to ask which are specific to that organization.

You can always call the executive director or development office of a charity. You may know someone who serves on a local non-profit's Board of Directors, and talk to that person. Volunteering with the organization can also be an excellent way of getting to know a charity. However you approach the organization, ask: How are they trying to make a difference? What evidence do they have that they are effectively fulfilling their mission?

If you are working with a community foundation, its staff can be a useful source of insight on local charities that might align with your goals and values. Grantmakers also perform routine "due diligence" on grantees, and often work together in community initiatives, so they may be able to let you know if a local agency is an unsung hero.

Reviewing the Numbers

Online services and watchdog organizations can be a source for financial information about charities. Be prepared to register and perhaps pay a modest fee to access this material, depending upon how deep you want to dig. Keep in mind that small charities may not have the staff to keep up with submitting annual information to nationally-based sites, especially if their donors tend to be from their own communities and to learn about them firsthand. But all charities are required to disclose their annual reports (IRS Form 990s) when asked.

One of the most popular donor resources online is GuideStar (www2.guidestar.org/). For virtually any public charity or foundation you are interested in, you can go to GuideStar to retrieve their Form 990 information disclosed to the IRS annually about its charitable operations. The 990 shows total gifts from donors, government grants, service fees, and other income sources, giving you a sense of how the organization's work is funded. Balance sheets, information about officers and directors, and other data can also be viewed. The information most often checked on the 990 comes from the lines showing how the non-profit's expenses break out across the three broad categories: program services, management and general expenses, and fundraising costs.

Much has been made of charities' efficiency as conveyed in such numbers as the percentage of revenues spent on expenses other than program services. This can have some utility. But the missions of non-profit agencies that change lives tend to be more challenging to measure and to achieve than those in the for-profit world, where there is always a common measure for comparison: profit. There is no single measure for comparing the success of non-profits, with their diverse missions and the complex social issues they address. The percentage of funds spent on programs may be the one common metric available for non-profits, and it can be useful when comparing organizations with similar missions. However, it doesn't tell you whether any of them have fulfilled their missions, or whether you care about those missions or the real reasons for supporting their work.

The prudent use of resources is important for any organization, and in this regard non-profits share much in common with businesses, striking a balance between investing in their capabilities and containing costs. What in the non-profit sector is sometimes called "overhead," and appears in the "management and general expenses" category of spending, includes things like bookkeeping, auditing services, facilities expenses, board retreats, accreditation costs, professional development and evaluation. It also includes the time that non-profit executives spend doing things like hiring competent staff to deliver services, developing partnerships with other agencies to avoid duplication of services, and coordinating strategic planning. Most donors want to see these expenses covered, because they understand that otherwise, the organization will be ineffective in defining its mission and delivering quality services. That's also why the trend has been growing among organizational donors, like foundations, to invest in "capacity-building" and basic operations for the non-profits whose missions they wish to advance.

Any charity you consider for a major gift should be forthcoming with information like that found on the Form 990. They should also be ready to provide you a copy of their most recently audited financials. Other quantitative data is needed to help you gauge impact. Look for information about how many young people enrolled in a youth-serving agency's programs, how many acres a land trust preserved, how many patients were treated by a clinic. Annual reports and web sites often contain such information.

Gauging Impact

Quantitative data can be helpful, but don't limit yourself to numbers. It's just as important to consider the depth of impact the non-profit had. Maybe only 15 clients were served by the agency that year, but they were homeless youth who developed job and financial skills, established social support networks, gained hope and became productive members of the community. Perhaps the health clinic performed fewer procedures than one in another community, but conducted preventive screenings and taught healthy lifestyle skills, so fewer people would end up needing help with chronic diseases. Ask yourself how you would define success in light of the organization's mission.

When talking to people about the charity, ask a couple of other things: What are the markers of quality service in that industry? It may be important, for example, to know if a social service agency's staff is trained in "cultural competencies" that prepare them to work effectively with diverse clients, or if a preschool hires teachers who are formally trained in child development.

Has the organization been certified as meeting any standards that have been established for its field? Whether you are interested in an educational organization, a community grantmaker, or an agency serving people with disabilities, many charitable fields have accreditation programs that can give you some assurances about the soundness of a non-profit's work.

4. Give With Confidence.

You've identified your goals. You've chosen your giving methods. You've talked to people, reviewed data, and come to some conclusions about the impact of one or more charities. Now you are ready to make your gift!

As you do so, you'll know that you are helping to advance the causes you care about, in a way that is meaningful to you and that uses your donation effectively. Let your professional advisor know if you need assistance to implement your plan. Once carried out, you should expect to hear from your chosen charity regarding the impact of your gift.

Philanthropy can be very satisfying, and we hope you find fulfillment through your giving. Congratulations on using your resources to make a difference!

This guide was developed by the Community Foundation of Bloomington and Monroe County and may be reprinted freely. You can find your local community foundation at www.incommunityfoundations.org/.

Did you know?

You can go to our web site to find our membership application, seminar fliers, newsletters and bonus articles, links to resources, an event calendar, and of course, our membership directory (log in required for membership directory). Just go to: www.hhepc.org.

Estate Planning Seminar

Featuring **Richard R. Gans**, Shareholder in the firm of Fergeson, Skipper, Shaw, Keyser, Baron & Tirabassi, P.A., Sarasota, Florida

Date: Wednesday, July 14, 2010

Time: 3:30 p.m. . 5:30 p.m.

Place: Bloomington Country Club

3000 S. Rogers Street, Bloomington, IN 47403

To register for the seminar, mail your check to Paul Bullock, Wachovia Securities Financial Network, 3925 Hagan St., Ste 300, Bloomington, Indiana 47401 or you may e-mail Kathleen McConahay at kmcconahay@yahoo.com.

Registration Fee: **free** for Members and Guests* -- **\$60.00** for Non-Members

Please register by July 9, 2010

REGISTRATION INFORMATION

Please register me for the seminar on July 14, 2010.

Enclosed is a check in the amount of \$_____ payable to Hoosier Hills Estate Planning Council.

Name _____

Address _____

Phone _____ e-mail _____

***If the guest would like to receive ce credit, please enclose \$60.00 with the registration form and mail it to Paul Bullock at the above address.**



Hoosier Hills Estate Planning Council
c/o Paul Bullock
3925 Hagan St., Suite 300
Bloomington, Indiana 47401

Estate Planning Seminar

Richard R. Gans

July 14, 2010

**Bloomington Country Club
Bloomington, Indiana**

Take advantage of our website
www.hhepc.org