

A Private Wealth Guide to Elevated Charitable Planning

*A simple, actionable plan
to deepen client loyalty
and deliver best-in-class
philanthropic solutions*



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Why philanthropy matters for your practice

Philanthropy isn't just a service; it's an opportunity to set your practice apart.

As a financial advisor, you're already providing strategic advice to help clients align their wealth with their goals. Adding philanthropy to the mix is a game changer.

Philanthropy deepens client relationships and creates ongoing conversations about legacy, values, and long-term goals, topics that transcend traditional financial planning. It positions you as a trusted advisor who can guide clients in making their wealth work for the causes they care about.

It also differentiates your firm. By integrating charitable giving into your services, you position yourself as a strategic partner in your clients' long-term legacy.



Advisor Perspective

[Watch this video](#) to hear Jim Parks, Parks Wealth Management, highlight how donor-advised funds give the opportunity to talk his clients beyond financial planning as they dream bigger, focusing on their legacy and the causes that matter most to them.

Legacy planning: How philanthropy strengthens client relationships

Strategic philanthropy isn't just a tool; it's the foundation for building lasting relationships across generations. By incorporating it into your advanced planning conversations, you show your clients that you're helping them plan for the future not just the present.

Positioning philanthropy as a core part of legacy planning deepens trust and helps clients create meaningful legacies that reflect their values. It also opens the door to conversations about long-term goals, family involvement, and wealth transfer.

High-net-worth clients increasingly seek advisors who can help them achieve both financial and personal fulfillment. By introducing charitable planning, you show that you understand their holistic goals, building a bond that goes beyond traditional wealth management.



DAFs in Action: Client Story

[In this client story](#), see how the Washington family makes a legacy of giving by using a DAF to involve their grandchildren in philanthropic decisions while minimizing taxes.

Why donor-advised funds should be your go-to tool



Donor-advised funds (DAFs) have become an essential tool for high-net-worth clients looking to give strategically. In fact, **85% of high-net-worth individuals give to charity**, and when asked who they trust most with their philanthropic decisions, financial advisors come in just behind their spouse ([Bank of America Study of Philanthropy](#)).

Why DAFs stand out for high-net-worth clients:



Tax efficiency:

DAFs allow clients to receive immediate tax deductions on contributions, as well as avoiding capital gains taxes on appreciated assets.



Flexibility:

Clients can choose when and how much to donate, and to which causes, without the administrative burden of managing individual donations.



Privacy:

DAFs provide privacy for clients who may not want to publicly disclose their charitable giving.

DAFs in Action: Client Story

[Read this client story](#) that reveals how a financial advisor helped a widow transition her private foundation to a DAF, reducing administrative burdens and increasing her giving.





Continued asset management for advisors:

As an advisor, a DAF allows you to remain actively involved in managing your clients' charitable assets over time. This keeps you engaged with your clients and their families, providing long-term value beyond traditional investment management.

The simplicity of DAFs:

DAFs are the easiest and most immediate charitable giving tool for high-net-worth clients, especially when compared to more complex options like private foundations or charitable trusts. They provide flexibility, tax benefits, and simple administrative experience.



Advisor Perspective

[In this short video](#), Renee Marongwe discusses how DAFs serve as an ideal tool for engaging the next generation of philanthropists.

Philanthropy and complex assets: What advisors need to know

When advising high-net-worth clients, incorporating complex assets into charitable giving plans can be a game-changer. Whether it's business interests, real estate, or alternative investments, integrating these assets into a donor-advised fund (DAF) offers unique benefits that maximize both tax and charitable impact, all while streamlining the giving process.



DAFs in Action: Client Story

[In this story](#), a financial advisor works with a widow to use a DAF to turn her late husband's treasured book collection into a legacy for her family and community.

Complex asset contributions to DAFs: the opportunities

You likely already know that DAFs are flexible and tax-efficient, but they're also ideal for accepting non-cash contributions.

The primary advantage of contributing complex assets to a DAF is avoiding capital gains taxes, allowing your clients to claim an immediate tax deduction without triggering tax on appreciated assets. Furthermore, DAFs provide investment flexibility to maintain assets until they are ready to be granted to charity.

Here's what your clients can contribute to a DAF and how it works:

- **Business interests:** Contributions of stock, shares in privately held companies, or business interests.
- **Real estate:** Donations of property or land, including residential, commercial, and undeveloped assets.
- **Alternative investments:** Private equity, hedge funds, or other illiquid assets.
- **Personal property:** Items such as artwork or rare collectibles.

Timing and due diligence: key considerations for gifting complex assets

When advising clients on gifting complex assets, timing is crucial. For assets tied to potential liquidity events, such as business sales or real estate transactions, the optimal strategy is to make the gift **before the sale**. Here's why:



Maximized tax benefits:

Contributions of complex assets ahead of a sale avoid capital gains taxes on the appreciated value.



Strategic timing:

The earlier you initiate the charitable gift, the more time you have to work with the client and plan for optimal tax efficiency.

The value of discussing complex gifts: From advisor to trusted strategist

Strengthen relationships:

Clients will see you as their go-to partner for difficult decisions, which builds trust and loyalty.

Expand organically: Focusing on existing relationships with complex giving solutions means less effort spent on acquiring new clients.

Differentiate your practice:

Offering this level of expertise allows you to stand out as a comprehensive wealth manager who goes beyond traditional financial services.

Successfully managing complex gifts positions you as more than just a financial advisor, it makes you a strategic partner in your clients' legacy planning, strengthening relationships, expanding organically, and differentiating your practice.

Key due diligence:

Ensure that all necessary documentation is in place and that the contribution complies with IRS rules. This can include appraisals, valuations, and proper filings to ensure the gift is recognized correctly for tax deductions.



DAFs in Action: Client Story

[This story](#) highlights how complex assets, like an emerald ring with historical significance, can be used for philanthropy, making a profound impact while allowing clients to part with treasured possessions for a greater cause.



Advanced giving vehicles: How to talk about charitable trusts and private foundations.

As a financial advisor, you know that the most sophisticated clients often require the most tailored solutions. But while charitable remainder trusts (CRTs), charitable lead trusts (CLTs), and private foundations all have their place, donor-advised funds (DAFs) are still the go-to tool for most clients.



Why DAFs are the first choice: Unmatched flexibility and cost-efficiency

- **The easiest and most immediate giving tool** for high-net-worth clients to start using
- **No complexities or expenses** of establishing a private foundation
- **Manage giving strategically** by recommending grants to public charities
- **Immediate tax deductions** for contributions
- **Avoid capital gains taxes** on appreciated assets
- **Minimal administrative hassle** for both advisors and clients

Advisor Resource

Wondering how to determine if a DAF or CRT is the right fit for your client? Here's an easy way to compare a DAF vs CRT to help you decide: [DAF vs CRT Comparison](#)

When to use CRTs, CLTs, and private foundations

Charitable remainder trusts (CRTs):

CRTs are an excellent planning tool for clients who wish to make a meaningful charitable gift while retaining the ability to receive a stream of income, either for life or for a specified term of years.

They can be structured to provide income to the donor, or other beneficiaries, for up to 20 years or for the remainder of their lifetime, making them a flexible solution for income planning.

CRTs are particularly advantageous for clients holding highly appreciated assets, such as real estate or concentrated stock positions. By donating these assets to a CRT, clients can bypass immediate capital gains tax, potentially receive a charitable income tax deduction, and diversify their portfolio within the trust while also generating a steady income stream.

For those who wish to provide income for a fixed period, such as to cover a gap between retirement and another income source, a term CRT (1 to 20 years) can be a powerful vehicle.

In all cases, the remainder interest ultimately supports a charitable organization, aligning financial planning with philanthropic intent.

Charitable lead trusts (CLTs):

Charitable Lead Trusts (CLTs) are ideal for clients who want to make a significant charitable contribution upfront while providing a stream of income to one or more charitable organizations over a set term. At the end of the trust term, the remaining assets either return to the donor (in the case of a grantor CLT) or pass on to heirs or other beneficiaries (in a non-grantor CLT), often with significant transfer tax advantages.

Grantor CLTs can be especially useful for offsetting large taxable events, like selling a business, as they offer upfront income tax deductions.

Non-grantor CLTs are more effective for clients looking to reduce gift and estate taxes in order to pass wealth on to heirs with minimal tax consequences.

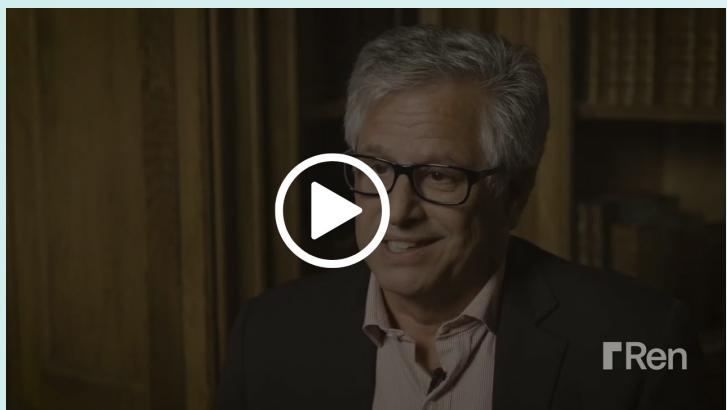
Private foundations:

- A private foundation may be the best option for clients who want to **maintain full control** over their charitable giving and have a large, sustained level of giving planned over many years.
- However, private foundations require more administration and **compliance** costs compared to DAFs, making them best suited for clients with complex, large-scale philanthropic goals.



Combining tools for greater impact

While charitable remainder trusts (CRTs), charitable lead trusts (CLTs), and private foundations all serve specific needs, donor-advised funds (DAFs) remain the go-to tool for most clients.



Advisor Perspective

[Watch this short video](#), as Frank Astorino shares how a Fortune 100 CEO used donor-advised funds and a charitable remainder trust to preserve his legacy, support his family, and fund a meaningful project while achieving his philanthropic goals.

Key takeaway

DAFs provide flexibility, tax efficiency, and ease of use. While CRTs, CLTs, and private foundations may offer specialized benefits, DAFs should remain your primary tool for most clients. Combining these tools allows you to offer the best of all worlds: flexibility, tax advantages, and long-term impact.

Planning for liquidity events: your client's business exit strategy

Helping clients navigate business sales or other liquidity events is a key part of financial advisors' practices. But beyond the financial side, there's a philanthropic opportunity: integrating strategic giving into these events can reduce taxes, align with long-term goals, and create lasting impact.

Philanthropy in business sales: reducing taxes and enhancing impact

Philanthropy is more than just a charitable endeavor; it can be a powerful tax strategy during business sales or liquidity events. By integrating charitable giving into these transactions, you can help your clients:



Reduce taxable income: Donations made before or during the sale of a business can significantly lower the capital gains tax bill.



Create immediate impact: Donors can make meaningful gifts while still reaping the financial benefits of a sale.



Incorporate values into wealth transfer: Charitable gifts align financial gains with personal values, ensuring that the sale doesn't just benefit the client, but also their community and causes they care about.



DAFs in Action: Client Story

[In this story](#), discover how a financial advisor strategically used a donor-advised fund to help a client save nearly \$3 million in capital gains taxes and secure a \$9.5 million charitable deduction from the \$95 million sale of his farm-to-table business.

Positioning yourself as the advisor who helps clients turn liquidity events into legacy

As an advisor, you have the unique opportunity to guide clients through both the financial and philanthropic aspects of a liquidity event. By positioning philanthropy as part of their business exit strategy, you show clients that you are not just focused on the immediate sale, but also on creating a legacy that aligns with their values.



Be the go-to advisor:

Clients trust advisors who help them navigate the complexities of business exits while considering their broader goals, including their charitable impact.

Show long-term thinking:

Helping clients integrate philanthropy into their exit plan strengthens your role as a strategic partner not just a financial advisor.

Advisor Resource

Ready to talk to a client about using a DAF during their business exit? **Use this guide to talk through the details together:** [Using a DAF as part of your exit strategy.](#)

Maximizing impact through pre-sale planning:

Planning ahead is key to maximizing the philanthropic potential of a liquidity event. Pre-sale planning allows you to align business sales with clients' charitable goals, ensuring that both tax advantages and meaningful giving opportunities are captured.

Pre-sale gifts: Encourage clients to contribute assets to a DAF, CRT, or CLT before the sale to maximize tax benefits and philanthropic impact.

Customized strategies: Whether it's contributing stock, selling a portion of a business, or using a DAF, these strategies preserve wealth while meeting philanthropic goals.

Seamless execution: Ensure the client's philanthropic plans are executed efficiently during the sale.

Incorporating philanthropy into business exit planning not only minimizes taxes and maximizes impact but also helps clients build a lasting legacy, solidifying your role as a trusted advisor.



Advisor Perspective

[In this short video](#), Kellie Kelleher-Smith from B&C Financial Advisors, shares how she helped an entrepreneur client turn a big business sale into something truly meaningful. With a donor-advised fund (DAF), her client found a way to make a lasting impact, supporting her favorite causes year after year while growing her charitable dollars—and bringing her passion for giving to life.

Estate planning and philanthropy: The bigger picture

As a financial advisor, you already help your clients plan for the future. Philanthropy plays a critical role in estate and wealth transfer strategies, providing both tax advantages and a meaningful legacy.

Charitable planning's role in estate and wealth transfer strategies

Incorporating charitable giving into an estate plan helps clients reduce estate taxes while creating a lasting legacy that reflects their values.

Using DAFs to reduce estate taxes and foster family philanthropy

- **DAFs** can lower estate taxes by reducing the taxable value of the estate, while also fostering multi-generational giving.
- **Family philanthropy:** DAFs provide a platform for clients to engage heirs in charitable decision-making, creating a family legacy of giving.

Creating philanthropic legacies that engage multiple generations

- DAFs help involve younger family members in philanthropy, ensuring that the client's values are passed down.
- Strengthening family bonds by working together on charitable goals, DAFs can ensure that philanthropy is a long-term family affair, keeping the legacy alive for generations.

Engaging Millennials and Gen Z in philanthropy

Incorporating philanthropy into legacy planning can help create stronger family connections and foster a multi-generational legacy.

Engaging younger family members, particularly Millennials and Gen Z, in charitable giving is becoming increasingly important. These generations tend to be more focused on socially responsible investing and value-driven giving. They also want to be part of the decision-making process when it comes to wealth and charity.

For advisors, philanthropy offers a great way to include the next generation in shaping the family's charitable legacy.

Advisors can start the conversation with younger generations by asking the following questions to ensure their values are aligned with the family's philanthropic goals:

- How do you want your family's values to shape future charitable endeavors?
- Are there causes your younger family members are passionate about?
- Would you like to involve your heirs in decision-making for your philanthropic legacy?

DAFs in Action: Client Story

[In this client story](#) discover how Larry Kirk, a successful business owner, used his IRA to fund a donor-advised fund (DAF) with Ren's Renaissance Charitable Foundation. By designating his IRA to the Kirk Family Fund, Larry avoids estate and income taxes, while ensuring ongoing community support.





How to master philanthropic conversations with clients

The key to engaging clients in meaningful philanthropic conversations lies in how you approach them. It's about understanding what truly matters to your clients and integrating those values into their long-term financial plan. Here how you can guide the conversation:



Advisor Perspective

In this short video, Jim Parks uncovers how donor-advised funds help clients integrate charitable giving into their goals, creating a meaningful legacy. Discover how early planning can align wealth with purpose and lasting impact.

Understand their giving priorities and values

Ask questions that uncover their philanthropic goals, transitioning the conversation from transactional giving to deeper discussions about their legacy.

Questions to ask:

- What causes are most important to you and why? (Identify their passion and motivations.)
- How do you envision your wealth making a difference in the community or the world? (Get a sense of their broader impact.)
- Are there specific causes or organizations you support? (Pinpoint where they're already involved.)

Transition to strategic legacy planning

Once you understand their values, help them think about long-term goals and how charitable giving fits into that.

Questions to ask:

- How would you like your giving to shape the future? (Move them from one-time donations to long-term impact.)
- What legacy do you want to leave with your wealth? (Position their charitable goals in a generational context.)
- How can your philanthropic goals align with your overall financial strategy? (Position giving as part of a holistic plan.)

Explore multi-generational philanthropy

Philanthropy is often a family affair. Engage family members early to ensure values pass across generations.

Questions to ask:

- How do you want your family involved in your charitable giving? (Gauge interest in family involvement.)
- Would you like to create a family foundation or involve future generations in decision-making? (Discuss long-term, family-driven strategies.)

Tailor the conversation to their level of sophistication

Adapt your language to the client's level of familiarity with charitable giving, whether they're seasoned philanthropists or new to the concept.

Questions to ask:

- What are you already doing in terms of charitable giving? (Assess their current involvement.)
- Are you familiar with donor-advised funds (DAFs) or other giving vehicles? (Introduce tools if needed.)
- How familiar are you with the tax advantages of charitable giving? (Set the stage for deeper conversations about tax-efficient giving.)
- Would you like more information on how to make your giving more tax-efficient or aligned with your values? (Open the door for tailored solutions.)
- Would you like help integrating charitable giving into your overall financial strategy? (Reinforce your role as a trusted advisor.)

By following these steps and asking the right questions at the right time, you'll build stronger, more meaningful connections with clients, positioning yourself as a trusted partner in both their financial and philanthropic journey.



Advisor Perspective

[Watch](#) as Kellie Kelleher-Smith, a financial advisor at B&C Financial Advisors, shares why donor-advised funds (DAFs) should be part of every client conversation. By planning charitable giving strategically, clients can save on taxes, manage their portfolios more effectively, and lay the foundation for a lasting philanthropic legacy.

When to bring in charitable experts — and how it makes you look even smarter

As a financial advisor, you're already skilled in navigating financial complexities. But when it comes to sophisticated charitable gifts or advanced vehicles, collaborating with charitable experts can elevate your service offering. Partnering with specialists doesn't diminish your expertise, it positions you as a strategic partner who knows when to bring in experts for the best solutions.

Collaborating with experts for complex gifts and advanced vehicles: Whether it's charitable remainder trusts (CRTs), complex asset gifts, or legal matters, working with a charitable expert ensures your solutions align with your clients' philanthropic goals. Experts help refine your recommendations, ensuring optimal tax and charitable benefits.

Building your philanthropy bench: Surround yourself with trusted partners who specialize in charitable giving. A solid "philanthropy bench" empowers you to answer complex questions and deliver tailored solutions, ensuring you have the best advice for your clients.

Why clients trust the advisor who knows when to call in specialists: Knowing when to collaborate with specialists enhances your credibility. It shows you're committed to providing comprehensive, well-rounded solutions to your clients. Clients trust advisors who bring in the right experts at the right time, ensuring every aspect of their financial and philanthropic plans is covered.



Partnering with charitable specialists strengthens your practice, ensuring you deliver the best solutions while building client trust.

How Ren supports you in delivering best-in-class philanthropy solutions

As a financial advisor, you don't need to add complexity to your practice to offer sophisticated philanthropic solutions to your clients. Ren is here to help you offer seamless, tax-efficient charitable giving solutions, making it easier for you to deliver top-tier philanthropic services without the operational headache.

Unlike other large DAF providers, Ren offers a custodian-neutral and investment-neutral platform, ensuring advisors maintain control over their clients' portfolios. With no upfront fees on complex assets and white-glove service, Ren enables advisors to focus on what matters most: delivering personalized, tax-efficient philanthropy solutions for HNW clients.

Here's how we help:

Custodian-neutral: You can keep your existing custodial relationships intact while offering comprehensive charitable solutions. Ren works with any custodian, so there's no disruption to your process.

No upfront fees on complex assets: Accept complex assets like business interests and real estate without additional due diligence fees. This saves you and your clients time and money.

Investment-neutral: You maintain more control over your clients' portfolios. Ren's platform is flexible, giving you the freedom to manage their investments the way you see fit.

Turnkey solutions with expert support: Ren takes care of the operational complexities of philanthropy so you can focus on what matters—serving your clients. Our team of experts is always ready to provide tailored solutions to fit your clients' needs.

Advisor Resource

Curious how Ren stands out from other giving programs? Explore the unique advantages Ren offers financial advisors, from flexible asset management to comprehensive charitable solutions: [How Ren helps you deliver exceptional philanthropic solutions](#)

Ready to elevate your philanthropic offering?

You're already providing great service to your clients, let's make it exceptional. Reach out to our team at AskAnExpert@reninc.com to learn how Ren can help you deliver next-level philanthropic solutions that set you apart.



Acknowledgements



This playbook would not have been possible without the invaluable insights and expertise of the following experts at Ren. Their deep knowledge of charitable giving, complex assets, and philanthropic strategies has been instrumental in creating a resource that empowers financial advisors to serve their clients with confidence.

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- **Jeff Christie**, VP Client Advancement
- **Kyle Christopherson**, SVP Client Success

Their contributions are a testament to Ren's commitment to being a trusted resource for strategic charitable giving, and we are honored to share this collective knowledge with the industry.