

The Community Philanthropy Summit

A Forum for Estate Planning
and Non-Profit Professionals



Thursday, November 3, 2011

Hutchins Street Square
125 South Hutchins Street
Lodi, California

Presenting Sponsor:



Drummond
& Associates

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ABOUT THE EVENT

Presenting Sponsor Drummond & Associates and the Community Foundation of San Joaquin, the Lodi Community Foundation, the Stockton Estate Planning Council, Bank of Stockton and University of the Pacific are pleased to bring you the First Annual Community Philanthropy Summit. The Summit is a full day professional development event presenting topics of interest to the non-profit community and the donors and professionals involved in works of charity and philanthropy.

Our lead off speaker will be Conrad Teitell, a nationally recognized speaker who will amuse you with his humorous presentation on the basic strategies of charitable giving. Other conference topics will include a discussion why charities should place more emphasis on "gifts in kind," why now is the best time to consider using Charitable Lead Trusts, non-profit ethics, and more...

Lunch is included with your program attendance fee. Following the program you are invited to network with your peers at our "Wine Down" session sponsored by Lodi Community Foundation and Vino Farms. We hope you will agree with us that a day at the Community Philanthropy Summit will be a day well spent.

The Community Philanthropy Summit is brought to you by:



Scott G. Beattie, JD, LLM (Tax), Calone & Beattie Law Group, LLP
Chairman of the Community Foundation of San Joaquin
Co-Chair of the Community Philanthropy Summit



Darrell J. Drummond, Principal, Drummond & Associates
Co-Chair of the Community Philanthropy Summit



Linda J. Philipp, FAHP
CEO/President of the Community Foundation of San Joaquin



John Ledbetter, Owner of Vino Farms
Chairman of the Lodi Community Foundation

Other Community Philanthropy Summit Committee Members:

Cathy Dodson, Assistant VP - University of the Pacific
Shari L. Allen-Garibaldi, Attorney - Blewett & Allen, Inc.
Craig James, CLU - Northwestern Mutual Advisors
Teresa Mandella, CFP, MS - Ameriprise Financial
Gerald Oliver, Owner/Charitable Advisor - International Development
Daryl Petrick, CPA - Bowman & Company
Annette Stone, Assistant VP & Trust Officer - Bank of Stockton
Julie VanDooren, Dir. Estate & Gift Planning - American Cancer Society
Leandro Vicuna, VP. Sr. Trust & Investments - Community Bank of San Joaquin
Tina Wells Lee, CFP, Pinnacle Financial Advisors

OUR SPONSORS (AS OF SEPTEMBER 15, 2011):

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THE HUTCHINS STREET SQUARE FOUNDATION
SACRAMENTO REGIONAL COMMUNITY FOUNDATION
ST. JOSEPH'S FOUNDATION
STOCKTON ESTATE PLANNING COUNCIL
UNIVERSITY OF THE PACIFIC

SCHEDULE

8:00 - 8:45 a.m.	Registration and Pre-Event Networking
8:50 a.m.	<u>Opening Remarks</u> Scott Beattie and John Ledbetter
9:00 a.m.	<u>Introduction of Sponsors and Committees</u>
9:15 - 10:45 a.m. (1.5 CE credit hours)*	<u>Conrad Teitell - Charitable Giving Lite</u> Join Conrad Teitell for a discussion of the basics of charitable giving, including various ways to give, substantiation of charitable deductions, the use of Charitable Remainder Trusts (CRTs) and Charitable Lead Trusts (CLTs), and related topics.
10:55 - 11:55 a.m.	*Break Out Sessions*: <u>Rosemary E. Fei - Working with Private Foundations and Community Foundations.</u> Rosemary E. Fei will discuss the regulatory quagmires of private foundations, the potential benefits of donor advised funds, and whether donors should go it alone or build synergy in a group after weighing ease of administration vs. the desire for retained control.
Main Room: (1 CE credit hour)*	<u>Robert Lew - Now is the Time for Charitable Lead Trusts (CLTs)</u> Navigating the Waters of Advanced Planning with Strong Tailwinds.
Breakout Room: (1 CE credit hour)*	<u>Luncheon Speaker</u> <u>Janice G. Petty</u> An Ethical Brew - Developing Ethical Guidelines for Non-Profits in a World Steeped in the "Three Cups of Tea" Scandal.
12:00 - 1:30 p.m. (1 CE credit hour)*	<u>Gerald Oliver</u> Gifts in Kind - Why Cash is <u>not</u> the Best Gift to Ask For.
1:40 - 2:30 p.m. (1 CE credit hour)*	<u>Conrad Teitell, Robert Lew, Gerald D. Oliver</u> <u>(Panel Discussion)</u> So You Want to be a Trustee? - Words of Encouragement, Words of Warning.
2:35 - 3:30 p.m. (1 CE credit hour)*	
3:40 - 3:50 p.m.	Closing Remarks
4:00 p.m.	<u>Wine-Down</u> - Join us for networking and a local wine tasting. Hosted by the Lodi Community Foundation and Vino Farms.

*Continuing Education credits offered

SPEAKERS



Conrad Teitell

Conrad Teitell is a principal in the Connecticut and Florida law firm of Cummings & Lockwood, chairs the firm's National Charitable Planning Group and is an adjunct professor (Masters Graduate Program in Estate Planning) at the University of Miami School of Law. He holds an L.L.B. from Columbia University Law School and an L.L.M. from New York University Law School. He has lectured throughout the country and on PBS television on taxes, estate planning and philanthropy. In addition, he is the author of tax and estate planning articles in *Trusts & Estates Magazine*, the *New York Law Journal* and *Philanthropy and Taxation* (a five-volume treatise). His dry wit and light touch have made him a sought-after lecturer, keynote and after-dinner speaker.



Janice G. Petty

Janice G. Petty is the interim chief administrative officer at the Foundation of City College of San Francisco, founder and principal of J.G. Petty & Associates, an adjunct professor at the University of San Francisco and a board of director at CFRE International. She is an accomplished nonprofit executive with significant experience in fundraising and management and holds a B.A. in Literature from Park University and an MNM Nonprofit Management from Regis University. She is a speaker on ethics, diversity, governance and current nonprofit issues. In addition, she is the author of *Ethical Fundraising: A Guide for Nonprofit Boards and Fundraisers* and *Cultivating Diversity in Fundraising*.



Robert Lew

Robert Lew is the president and founder of Planning & Financial Advisors, on the board of the San Francisco Estate Planning Council and was a former board member of the Northern California Planned Giving Council, the National Committee on Planned Giving, and the California State Bar Tax Specialization Committee. He is a graduate of the University of California at Davis and has spent the last thirty one years as a financial consultant and planner, specializing in the fields of business, estate, charitable, insurance and pension planning. He has made numerous presentations to professional organizations and conferences including charitable planned giving conferences throughout the nation. In 2007 he received the Phil Hoffmire Service Award from the Northern California Planned Giving Council in recognition of his lifetime contribution to the charitable planned giving community.



Gerald D. Oliver

Gerald D. Oliver is the president of International Development Institute which designs operational strategies, funding systems, and endowment development systems for humanitarian charities and ministries that produce results. He graduated from Pasadena College with an emphasis in business/chemistry and holds a doctorate in stewardship/international finance. Previously, he served as director of stewardship (endowment and deferred giving) and corporate planning for World Vision and was an instructor in the graduate schools of Business at Azusa Pacific University and Whittier College.



Rosemary E. Fei

Rosemary E. Fei is a principal at the law firm of Alder & Colvin, San Francisco. Her firm represents nonprofit and tax-exempt organizations exclusively. She holds a B.S. from University of Pennsylvania and a J.D. from Harvard Law School. She is on the Board of Directors of The Conservation Campaign; a member of the Exempt Organizations Committee, Tax Law Section, American Bar Association and Co-Chair of its Subcommittee on Political and Lobbying Organizations and Activities. She is a guest lecturer and co-author of articles related to non-profit organizations.

COURSE SUMMARIES

CHARITABLE GIVING LITE WITH CONRAD TEITELL.

Join Conrad Teitell for a presentation on charitable giving including a summary of various planned giving techniques and a discussion of the types of assets that donors should consider giving (e.g., cash, equities, IRAs, real estate, and vehicles). Conrad will provide valuable insights into situations in which Charitable Remainder Trusts (CRTs) and Charitable Lead Trusts (CLTs) provide value to donors and non-profits. In addition to reviewing the basic income, estate and gift tax consequences, Conrad will discuss the economics of why certain strategies (e.g., Charitable Remainder Annuity Trusts) produce better tax results in high interest rate environments and others (e.g., Charitable Lead Annuity Trusts) produce better tax results in low interest rate environments. After attending Conrad's class you should know the difference between a CRT and CLT, the difference between an annuity trust and a unitrust, the types of assets to consider in funding charitable trusts, the basic requirements of substantiating the charitable deduction, and other valuable information vital to an advocate of planned giving. This course will provide 1.5 hours of MCLE and CPE credit.

AN ETHICAL BREW – DEVELOPING ETHICAL GUIDELINES FOR NON-PROFITS IN A WORLD STEEPED IN THE “THREE CUPS OF TEA” SCANDAL.

Join veteran fundraiser, Janice G. Petty, as she discusses ethical considerations for non-profits in light of some highly publicized financial mismanagement cases. Janice will discuss themes from her book “Ethical Fundraising: A Guide for Nonprofit Boards and Fundraisers” and will describe her experiences as an expert witness in Federal District Court testifying on ethical standards for non-profits. Janice will also discuss the very public allegations of financial impropriety raised by Steve Kroft of 60 Minutes about the operations of the Central Asia Institute led by Gene Mortensen, author of “Three Cups of Tea.” This course will provide 1 hour of MCLE and CPE credit.

NOW IS THE TIME OF THE CLT – NAVIGATING THE WATERS OF ADVANCED PLANNING WITH STRONG TAILWINDS.

In bad economic times, charities struggle in their endeavors as much as for-profit enterprises. The difficulty lies in not seeing the opportunities that lie in our path. We continue to do business as usual -- asking for the same types of gifts (cash) from the same prospective donors (our “lists”), and frequently getting the same results (“not now”). In doing so, charities are missing opportunities that are ripe for the times we live in.

This class presented by Robert Lew is for those organizations that want to thrive, not just survive. Opportunities are available for those who can demonstrate to donors the advantages of gifts which produce great economic results in the low value, low interest rate environment we are in. This is the peculiar advantage of the Charitable Lead Trust (CLT) which allows donors to give a stream of income from underproductive properties now (for a term of years), while producing incredible long term results for donors and their families as values recover. In many cases, such gifts can actually result in larger amounts of wealth being transferred between generations in comparison to non-charitable strategies after Estate, Gift and Generation Skipping Transfer Taxes are considered.

Welcome to the advanced planning world of CLTs. With Robert Lew's class on CLTs you may find the current environment can create a win, win, win for charities, donors and their families. One hour of MCLE and CPE credit.

WORKING WITH PRIVATE FOUNDATIONS AND COMMUNITY FOUNDATIONS.

A dilemma exists over whether major donors can exercise influence over a charity after completing a gift. Many donors wish to continue to influence the investment policies and programs of the organizations they support. The charities wish to keep their donors happy while acting within established guidelines. The desire to “retain control” has led many donors to create and use Private Foundations for their philanthropic endeavors; however, increasing regulatory requirements of Federal and State Authorities

(e.g., the Internal Revenue Code and the California Non-profit Integrity Act) have made it more difficult, time consuming, and costly to operate such organizations.

Veteran non-profit attorney, Rosemary E. Fei, will discuss the challenges such donors present for exempt organizations and the pros and cons of using private foundations, community foundations, and donor advised funds. Ms. Fei will discuss some of the tax differences between private foundations and public charities and the increasing challenges of various regulations. Ms. Fei will also look at the donor profiles and the types of gifts which are best suited for direct gifts to exempt organizations, as compared to those that are better handled through private or community foundations. Finally Ms. Fei will discuss how community foundations fit in the mix, discussing the potential benefits of donor advised funds (for ease of administration). With this information in hand, donors can better evaluate whether to “go it alone” as a private foundation (in order to retain control of gifts and investments) or build synergy as a group with a community foundation.

GIFTS IN KIND – WHY CASH IS NOT THE BEST GIFT TO ASK FOR.

When charities seek donations, the most common thing they ask for is cash. Cash is liquid and can immediately be applied toward a charity’s mission. Once received it takes little effort to utilize. However, the reality is most people and businesses have far more property to give (in kind) than cash. Too often non-profits ignore this fact.

This is particularly true during bad economic times. In difficult times it is said that “cash is king” for a reason. The reason is people and businesses are having difficulty obtaining financing. There is a liquidity crunch and people don’t want to part with cash (if they have it) unless they receive something of value in exchange. That is why asking primarily for cash gifts can be a mistake. If you are told “no” when you ask for cash, or if the gift is smaller than you think the donor can make, be ready with an alternative request. “Is there anything else you might be interested in giving to help us with our mission?”

Join Gerald Oliver as he presents the case for gifts in kind. Learn about ways to ask for in kind gifts, who to ask for when seeking gifts in kind, and strategies you may be overlooking when working with donors. Don’t look a potential gift horse in the mouth and decide there is only one kind of gift for you. Rather learn how to use and encourage in kind giving.

SO YOU WANT TO BE A TRUSTEE? WORDS OF ENCOURAGEMENT, WORDS OF WARNING.

A Trustee of any Trust (charitable or non-charitable) is a fiduciary who must carefully follow high standards. Among these are the duties to carefully follow the terms of the trust instrument, to act loyally and impartially among all the beneficiaries of the trust (even though inherent conflicts may exist among them), to protect and preserve trust property, and to invest in a prudent manner in accordance with modern portfolio theory standards. In short Trustees must act in accordance with very high professional and ethical standards of competence.

A Trustee of a Charitable Trust, particularly a split interest trust such as a CLT or CRT, has one of the more difficult job descriptions imposed by law. The trustee of a charitable gift must not only carry out all the standard duties and responsibilities, but they must also have a basic understanding of complex income tax provisions, additional reporting requirements, and the ability to handle conflicts of interests among the income and remainder beneficiaries. These additional challenges are the result of the peculiar nature of charitable trusts. For instance, how should a trustee of a charitable remainder trust invest to produce income for the donor, while still producing growth for the charitable remainder beneficiaries? What other challenges are present for Trustees of Charitable Trusts?

Join our panel of experts for a discussion of the trials and tribulations of charitable trustees. Listen to their words of encouragement and words of warning before deciding whether you want to take on such a task.