



Wrap Up Your Year-End Giving

Kathleen Longo

Although the official start to the “Holiday Season” generally occurs on Thanksgiving weekend, the charitable component so often linked to this time of year is highlighted a few days later with #GivingTuesday, which fell on Dec. 1. If you don’t know already, #GivingTuesday, a relatively recent movement, was created in 2012 by New York’s 92nd Street Y in partnership with the United Nations Foundation as a response to consumerism and commercialization. The event takes place each year on the first Tuesday after Thanksgiving, providing a respite from Black Friday and Cyber Monday, and is designed to be a global day of giving through monetary donations, your time, goods and your voice.

Following in that spirit of giving, and as the close of the holiday season draws ever nearer, here are some best practices to maximize your year-end charitable giving plans and to ensure that the organizations you select are aligned with your goals and values.

What causes are most important to you? The first step in any charitable giving plan is to create a list of organizations you have given to in the past. At this point, take time to think about which causes are most important to you. The objective is to confirm that your philosophy of giving is still fully aligned with past recipient organizations. If you find that this isn’t the case, consider looking for a new organization to support.

This exercise also presents a good opportunity to consider consolidating some of your giving to create a greater impact. Contrary to investing your portfolio, diversification isn’t always a good strategy when giving to charity. I suggest that you focus your giving among a few key charities most closely aligned with your core values. For example, if education is a key value, you may choose to focus your giving on educational organizations. In most cases, you will derive more satisfaction, and make a greater impact, when you are able to concentrate on the nonprofits most meaningful to you rather than responding to every fundraising phone call or request that comes in the mail.

Involve the family. The holiday season provides a wonderful opportunity to incorporate the spirit of giving into your family traditions. Begin by calling a family meeting that allows the kids to participate in year-end giving decisions. In addition to being an effective way to instill the spirit of giving early, it is also an opportunity for family members to share individual perspectives about which causes are most important to them. Each family can develop their own traditions and practices over time. These may include pooling money together, rotating the selection process for charities or establishing a gift fund from which kids may give independently. Regardless of the dollar amount or organization you select, involving family members in the giving process will have long-term effects on them, along with the charities you choose.

Do your research. When considering which charitable causes are the best match for your giving goals, it's important to initiate some type of research process to find the best organization to receive the gift. Start by looking at the mission of the organization to confirm that it is fully aligned with your values and will do with your gift what you intend for it. Then look at the organization's finances and general management, with an emphasis on what percentage of your donation will be eaten up by overhead or management costs relative to how much of it will go toward the underlying cause. It is important to take advantage of online resources during this process, including [Charity Navigator](#), [CharityWatch](#), the [Charities Review Council](#) and [Guidestar](#). Also, if you want to receive a tax deduction for your charitable gift, you will need to ensure that it's a tax-exempt organization, which can be done with an [online tool offered by the IRS](#).

Maximize your gift. Now that you (and potentially your family) have gone through the process of selecting where your charitable gift will go, follow these important steps to ensure that your gift will be maximized. The first step is to give directly. Many charities pay 40 percent to 80 percent of the proceeds raised for them through professional fundraisers, particularly those who solicit donations over the phone. So hang up and give directly to the organization instead. Second, try to avoid using credit cards to make your donation because the charity will need to pay the credit card fees (typically 3 percent to 5 percent), immediately reducing the desired impact of your gift. Third, many employers have matching gift programs. Utilize them whenever possible to increase the value of your gift. Finally, consider using appreciated assets either as a direct gift or through a donor-advised fund to take advantage of additional tax savings.

Wrap up your gift. Whether or not your charitable giving efforts coincide with a hashtag, the next few weeks will provide a wonderful opportunity to embrace the spirit of giving. This is a time of year when many of us share stories about family traditions, both old and new. And that focus only provides another opportunity to expand the giving community. Best wishes for a safe and happy holiday season!

About Kathleen Longo, President & Founder, Flourish Wealth Management, Minneapolis, MN

Kathy Longo brings over 20 years of expertise and experience to Flourish Wealth Management. After earning a degree in Financial Planning and Counseling from Purdue University, she began her career at a small firm in Palatine, Illinois where she worked directly with clients while learning to build a viable, client-centric business. Over the years, she gained extensive knowledge and wisdom working as a wealth manager, financial planner, firm manager and business owner at notable, various sized companies in both Chicago and Minneapolis.

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