

L I N C O L N F O R E V E R

LCF NEWS FROM PRESIDENT BARBARA BARTLE

FALL 2016

LINCOLN BENEFACTOR AND LEGACY SOCIETY RECEPTION

Supporting Lincoln...Forever

Benefactor and Legacy gifts provide resources to improve the community for future generations and support the work of the Lincoln Community Foundation. A reception to express appreciation and to welcome new members was hosted in September by board member Bill Mueller and Kim Robak in their home.



CENTENNIAL MALL DEDICATION



Centennial Mall is a scenic connection between the State Capitol and the University of Nebraska, running from K Street to R Street. Due to a state of disrepair and deterioration, the Lincoln Parks Foundation undertook the Centennial Mall campaign to provide major renovation including new landscaping, green spaces, safety and accessibility provisions, and educational opportunities for visitors.

Lincoln Community Foundation was a major funding partner for the project, making a \$500,000 Leadership Grant on behalf of the Sheila Dickinson Dinsmore Graf Fund.

A donor celebration and dedication ceremony was held on October 9, marking the completion of the multi-year construction project that will benefit Lincoln and the State of Nebraska.

LINCOLN COMMUNITY
FOUNDATION

215 Centennial Mall South
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Lincoln, NE 68508
www.lcf.org



Jeff C. Johnson, CFP®
President, Executive Wealth Management
Lincoln, Nebraska

Jeff Johnson is a local financial advisor and business owner. In addition, he teaches Finance at the UNL College of Business and has written several books on financial and retirement planning. Jeff is a former LCF board member and currently serves on the foundation’s finance committee. As a local expert on planned giving, Jeff frequently refers clients to take advantage of LCF resources and charitable funds available to meet philanthropic goals. We asked him to share a story illustrating how he works with clients and the Lincoln Community Foundation.

WHY I LOVE THE LINCOLN COMMUNITY FOUNDATION DONOR ADVISED FUND

Every December there is a year-end rush for taxpayers to initiate or complete charitable contributions. In my firm there are numerous client requests to transfer the shares of appreciated stocks to charities, sometimes at the very last minute.

It’s a tax-wise thing to do... rather than sell shares, pay tax on the gains, then give what’s left over, it’s better to transfer the shares, avoid the taxable gain and get a deduction for the full amount (without paying tax on the gain!).

These transfers are made at the prevailing prices whether the market timing is right or not, just as long as the transfer is completed by year-end, a charitable intent met and a tax deduction recognized in the year that is expiring.

This is a very common scenario, but there’s a better way. It’s called the Lincoln Community Foundation Donor Advised Fund and here’s how it works and why it’s my preferred way to transfer to charities.

(In full disclosure I am a former member of the Lincoln Community Foundation Board and continue to serve as a non-board member on the LCF Finance Committee)

The Donor Advised Fund is a charitable fund that can accept contributions of cash and/or appreciated assets at any time, not just year-end. The money (non-cash assets deposited to the fund are sold) is held in the fund until the donor decides when, how much and what charity gets a distribution from this pool of money (subject to approval by the Foundation).

The deduction is generally realized in the tax year the cash or stock is deposited to the Donor Advised Fund. The cash can be distributed in the current or future years as recommended by the Donor.

Let’s look at an example:
A client I’ll call Jim sold his business and recognized a large taxable gain as a result. Jim wanted to do some retirement income planning but at the same time he and his wife wanted to make some long-contemplated charitable gifts; after his windfall, now had to be the time.

They wanted to make contributions and they knew they could use a big deduction, but frankly they didn’t want to have to make all the charitable donations all at once. A very large one-time gift wasn’t appealing to them. They preferred to take their time and make wise gifts in the years to come.

Jim also had a number of stocks in his investment account that produced little of the dividend income he wanted for retirement. Jim wished he could sell them and reinvest for income, but having held them for quite a few years, there was large taxable gains that would add to his already large capital gain tax burden.

Here’s how we approached meeting Jim and Jane’s wishes and needs:
First, Jim and Jane made a list of their favorite charities and determined how much to give to each one, over time. We determined the total amount to be given over the coming years.

Next we reviewed their appreciated stock portfolio and identified shares to “gift” to a LCF Donor Advised Fund and made a direct transfer of the stock in the amount of the total gift directly to this fund.

- Here’s what that accomplished:
1. Jim and Jane got a tax deduction of the entire amount of the value of the stocks transferred to the Donor Advised Fund, which partially offset the capital gain from the sale of the business, reducing their taxes due. The capital gain from the appreciated stock transferred to LCF was not taxable to Jim and Jane.
 2. The cash from the sale of the business and land wouldn’t need to be used to meet charitable intentions and was freed up to reinvest in retirement income investments and to do some family wealth transfers.
 3. The money now held in the Donor Advised Fund could be transferred to any of their charities at any time... in fact for years into the future, and wouldn’t affect their own retirement income resources!

I’m a raving fan of the work done at the Lincoln Community Foundation and have been honored to have been involved in several capacities. However, in this case, the Foundation has provided me as a wealth adviser with an extremely valuable planning tool for my clients that have a charitable heart and also the desire to be as tax-efficient as possible.

CELEBRATING THE LIFE OF HARLAND JOHNSON

Harland Johnson led a life filled with public service — actively volunteering and providing financial support to numerous local organizations. He was a difference-maker who made a lasting impact in our community.



His legacy will live on through a benefactor gift he left with Lincoln Community Foundation. In becoming a Lincoln Benefactor, Harland made annual gifts to LCF to cover the cost of premiums on a life insurance policy owned by the Foundation. The insurance benefits will now provide permanent, ongoing financial support for Lincoln Community Foundation and three other favorite organizations: Cornhusker State Games, Lincoln YMCA and Bethany Christian Church.

Few people can claim such an extensive record of community service. We thank Harland Johnson for helping so many organizations and making Lincoln thrive.



Prosper Lincoln

MOMENTUM BUILDS FOR PROSPER LINCOLN

**Prosper Lincoln's strategies, actions and metrics are now in place.
The strategic plan and a summary can be viewed online at www.prosperlincoln.org.**

Prosper Lincoln is focusing energy and support for initiatives and partnerships that will help Lincoln become an even better community. At a recent meeting, JoAnn Martin, Prosper Lincoln Tri-Chair and Ameritas CEO said, "You can't finish what you don't start." Some bold goals have been set to improve Lincoln by 2020.

Since the Prosper Lincoln Community Agenda was launched last February, an infrastructure of professionals and organizations has been put in place to guide the work. Ambassadors and developers are now working full time on the Community Agenda. They are building networks and have had hundreds of meetings throughout the city. One major theme throughout is CONNECTIVITY. These meetings are starting conversations, bringing people together to support each other, creating energy, building greater awareness of existing programs and services, breaking down silos. Excitement is building as is the belief that we can take Lincoln to the next level.

Early Childhood is focused on making all children kindergarten ready. Research shows that kindergarten readiness is critical to help children get on a stronger path to thrive in school and, ultimately, achieve economic security. Today, almost 2/3 of our most vulnerable children ages 3 – 5 are not enrolled in preschool programs. There is an insufficient number of programs and long wait lists. One objective

is to expand capacity so all children have access to affordable and quality childhood development and learning opportunities.

Employment Skills has a goal of providing access to training and support for skilled in-demand jobs, creating cross-sector initiatives to improve workforce development. Local businesses need to fill skilled positions. Part-time and underemployed people need help getting certifications or higher education to qualify for those positions. Employers, human service agencies and case workers are unaware of resources that exist. Fostering better connectivity between these groups is a priority.

Innovation and Entrepreneurship is working to create a world class ecosystem for innovation where Lincoln is the epicenter. This involves a regional focus, which is broader than just Lincoln, and includes working closely with Omaha and the entire state. Mentoring programs, talent recruitment and retention, outreach programs and identifying capital investment resources are some of the strategies. The result will be new and growing businesses that create jobs and fuel our economy.

**Join Us. Get Involved. Lift Lincoln Higher.
[Learn more at prosperlincoln.org.](http://www.prosperlincoln.org)**

JOIN US FOR COFFEE AND IRA CONVERSATION

Please join us for one of our upcoming coffees to learn from local experts about two planning tools that may be helpful for generous retirees: A Charitable IRA Rollover is a great way to turn an IRA into a tax-saving charitable gift and a Charitable Gift Annuity combines a current tax deduction and lifetime income with a charitable gift.

The meetings will start at 9:30 a.m. and conclude by 10:30 a.m. They will be held in the Foundations' 5th floor community room at 215 Centennial Mall South. Please call Rhonda Page at 402-474-2345 or email rhondap@lcf.org if you plan to attend. Friends are welcome to join you.

Thursday, October 20

Michael Johnson, JD, CFP, Wealth Manager

Jan Labenz, CPA and Partner at Labenz & Associates

Thursday, October 27

Don Janssen and Kara Ronnau

Cline Williams Wright Johnson & Oldfather

Bob FitzSimmons, CFP

Wealth Advisor & President of FP Wealth Management