



The 23rd Annual

# Planned Giving CONFERENCE

presented by the **Northern California Planned Giving Council**

in association with Colonial Consulting, LLC

## ADMINISTRATION / FINANCE TRACK

Session 1: 9:30 am - 10:45 am

### Topic:

**Inside the mind of a CPA:  
Gift planning from an accountant's perspective**

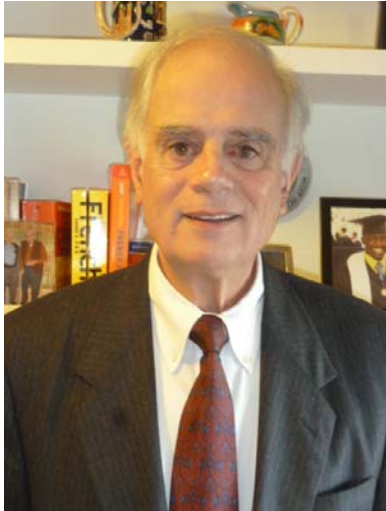
### Presented by:

**Michael Helms, CPA**

### Workshop Summary:

The goal of this workshop will be to discuss issues a CPA may think about when advising clients about charitable giving, as well as ways a CPA can help gift planning officers. We will review some of the basic income tax rules relating to charitable giving and how and why a CPA may be advising their clients. I will incorporate personal experiences related to charitable gift annuities, gifts of cash, stock, charitable trusts, etc. I will also discuss endowments and various thoughts based on many years helping individuals as well as having done voluntary fund raising also for many years.

## Workshop Presenter



**Michael Helms** has over 35 years' experience as a CPA. After graduating from the Pennsylvania State University with a Bachelor of Science degree in business administration, he served as an officer aboard an aircraft carrier during the Vietnam War. He then obtained a master's degree in accounting from PSU, a master's in taxation from Golden Gate University and a paralegal certificate from Weidner College. After spending over 12 years with larger accounting firms, he started his own boutique firm in San Francisco's financial district. Now, more than 27 years later, Michael is still fully engaged in the firm.

As part of his practice, he has advised many clients about charitable giving during lifetime, and has helped administer numerous estate plans, which have included significant charitable gifts. Collectively, he has been involved with charitable gifts totaling in excess of \$500 million.

Michael has significant volunteer fundraising experience. He has served more than 20 years on an advisory committee for a planned giving program, and about 10 years on another similar committee. He also chairs the development committee for two different nonprofits. In addition, he has served as an outside advisor for a San Francisco Foundation fund for over 15 years as well as a director of four foundations. Michael also recently led a working group looking into whether a nonprofit organization should offer their own charitable gift annuities, or use an outside provider.

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Michael Helms, CPA  
April 29, 2015

**Charitable Gifts**

**1. Property Types**

Cash

Marketable Securities (Usually appreciated stock)

Valuation = Average of High and Low on Date Received

Help the CPA - show date, number of shares, highest price and lowest price per share on date the shares were received, and total value of the gift (number of shares times average price per share) in the thank you letter - **make the CPA happy**

Other property – real estate, vehicles, conservation easements, etc.

**2. Income tax deduction percentages**

Why do you need to know this?

Adjusted Gross Income (AGI) – Last number on the bottom of page one of Form 1040

Cash – up to 50% of AGI

Securities – (Capital Gain Property) – up to 30% of AGI

5-year carryover of any excess

Planning point – Giving appreciated stock is usually most beneficial

Some cash and some stock may be best

There can be exceptions

**3. Gifts of property other than cash and marketable securities**

\$5,001 or more

- a. Qualified appraisal
- b. IRS Form 8283
- c. Art work

**4. Charitable Trusts**

Charitable Remainder Unitrust (CRUT)

Charitable Remainder Annuity Trust (CRAT)

Charitable Lead Trust

Realistic minimums

Michael Helms, CPA

April 29, 2015

## **5. Retirement plans**

Possible double taxation

Beneficiary designation form

## **6. Charitable Gift Annuities (CGA)**

CPAs can help

Effective rate of return (software may help)

Deferred CGA

## **7. Federal Estate and Gift Tax**

Exemption - \$5,430,000 (during lifetime or at death – combined)

Tax Rate – 40% of amount in excess of \$5,430,000

Amounts to charities are excluded

## **Thoughts, Observations and Comments Developed over 35 Years**

Dear donor, have you discussed this possible gift with your CPA?

Most important thing you and your organization can do: Do the absolute best every day!

Your donor's CPA may know if the donor is unhappy with your organization, but you probably will not!

**Pay attention to details** – you are operating in the dark, but people are watching

CPAs and clients have a special relationship re: financial matters

Spouse

Financial Advisor

CPA: I try to get inside their head

Long-time relationships – most are contacted at least annually but some monthly if not weekly

Be wary of just “tax-driven” charitable giving

Who is my client?

Advice in client's best interest- please understand

Think like a CPA

Long-term horizon

Michael Helms, CPA

April 29, 2015

Many donors have more charitable giving “power” than they realize

CPAs may be in a position to suggest donor organizations

**Questions Planned Giving Officers Ask CPAs**

1. What can a planned giving officer do to instill confidence in a CPA?
2. How do you counsel your clients on letting a nonprofit know about a legacy gift? Why?
3. Does it make sense for nonprofits to cultivate relationships with CPAs? Why? More than one (for technical questions)?
4. Do you suggest charitable giving as a good option for your clients?
5. How versed are CPAs in the benefits of charitable giving and the various vehicles used?
6. What role do you play in setting up a planned gift once a client has decided to include one?