

CAUSE CONNECTION

Connecting people who care to causes that matter

Happy 2023 to our Fundholders, Board Members, and Extended LVCF Family and Friends

As 2022 came to a close the LVCF Staff reflected on our work for the calendar year – we did a lot! I am pleased to share with you that in December alone, we received and processed almost **\$5 million in gifts**, and almost **\$1 million in grants**. WOW! That's incredible support of our community and a demonstration of our value to our region's philanthropists and nonprofits. We extend our deepest thanks to all of you for your contributions to our work this calendar year. Here's a sample of what we have done as an organization:

- Launched a new strategic plan – [Growth Through Partnership](#)
- Demonstrated our expertise in philanthropy, particularly place-based philanthropy, by
 - establishing 20 new [charitable funds](#) in 2022
 - launching our first Impact Services partnership with the Helen & R.K. Laros Foundation
 - exploring how to receive complex, noncash assets, including cryptocurrency
- Began to focus and leverage our community leadership resources, such as
 - Being asked to sit at the table to talk about community issues, such as the arts & creative economy; racial equity; and capacity building
 - Launching the [CORE Fellowship](#) to begin the hard work of internal change for nonprofit leaders
 - Completing our first year as a [PA Council on the Arts Regional Partner](#) to support the Lehigh Valley's creative economy
- Launched a new [website](#), with new content, images and style

There is so much for our team to be proud of! More good stuff will come in 2023 as we continue our focus on transformational work and growth through partnership. We have some new team members and some new processes, but we have the same goals of nurturing place-based philanthropy and growing as a community leader, all while centering equity and strengthening structure. You are all an important contributor to achieving our goals – thank you!

Please keep in touch with us this year as we continue to make an impact in our community!

Erika Riddle Petrozelli, CPA
 President and CEO
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IN THE NEWS

LVHN's Leigh Ehrlich Joins Board of Governors

Leigh Ehrlich, CPA, CHFP, MBA, recently joined LVCF's Board of Governors. Leigh is Senior Vice President and Chief Financial Officer for Hospital Operations at Lehigh Valley Health Network (LVHN). She will serve on the Community Foundation's Finance Committee.



In Leigh's role at LVHN, she is responsible for driving improvement in financial performance working closely with the senior leadership for the thirteen hospital facilities. In addition, Leigh spearheads Network initiatives that drive improved margin performance through revenue enhancement and/or expense reduction and market growth. [Learn more...](#)



PLEASE NOTE

Effective January 2023, only agency (nonprofit endowment) funds who recognize the LVCF accounts in their financial statement annual audits will receive a semi-annual fund statement.

All other funds will continue to have full transparency into account activity through the [DonorCentral portal](#).

Celebrating the New Legacy IRA and a Boost for QCDs

Congress passed the much-anticipated, \$1.65 trillion-dollar omnibus spending bill known as the [Consolidated Appropriations Act of 2023](#) (“CAA”) on December 23, 2022, followed by President Biden signing the Act into law on December 29, 2022. At more than 4,000 pages, the Act includes a wide range of [provisions](#) that impact multiple sectors.

Of particular interest to philanthropists are the provisions starting midway through the bill. The bipartisan legislation often referred to as “SECURE 2.0” is included in the CAA legislation. As background, SECURE 2.0’s provisions build on the original SECURE Act of 2019 (“SECURE” stands for “Setting Every Community Up for Retirement Enhancement”). SECURE 2.0 includes the Qualified Charitable Distribution (QCD) enhancements that have been in the works for many months.



Here are three key provisions affecting philanthropists in the new law:

- Taxpayers may now make a one-time \$50,000 QCD transfer to a charitable remainder trust (CRT) or other split-interest gift such as a charitable gift annuity (CGA). These are the “[Legacy IRA](#)” provisions. Note that the law effectively mandates that the CGA or CRT be created solely for the purpose of receiving a QCD because the new statute requires that the vehicle contain only IRA assets.
- The required minimum distribution (RMD) age (previously 72) increased to 73 on January 1, 2023. The age will increase to 75 beginning on January 1, 2033. While this provision is not directly tied to charitable giving, it will nonetheless impact your clients’ overall financial plans and potentially affect the timing and strategy of their philanthropy. As a reminder, “required minimum distribution” (RMD) refers to the mandated amount that a taxpayer must withdraw from qualified retirement plans, which include IRAs as well as 401(k)s and other tax-deferred retirement accounts.
- The annual per-taxpayer \$100,000 QCD cap is now slated to be indexed for inflation, which will allow taxpayers to give even more from their IRAs directly to charity.

Here’s what has **NOT** changed:

- Eligibility for making a QCD still starts at 70 ½. This allows taxpayers who are not yet required to take IRA distributions under the RMD rules to still take advantage of the QCD technique without the income tax hit on the distributed funds while also removing those funds from liability for future estate taxes.
- Taxpayers required to take RMDs can still count QCDs toward their RMDs, thereby avoiding the usual income tax hit on RMD dollars.
- Charities eligible to receive QCDs include designated funds, field-of-interest funds, and scholarship funds at LVCF, but still not donor-advised funds.

IN THE NEWS

Amy Sams joined the Community Foundation staff in January of 2023 as Donor Services Associate. Under the leadership of the Director of Donor Services, Amy is responsible for managing, tracking, and stewarding relationships with current and prospective fundholders, and their advisors. She also assists with Board events and activities.



Prior to joining the Foundation, Amy developed and managed adult programs at The Jewish Community Center of the Lehigh Valley. Most recently, Amy worked in academic foundations and success, as well as civic and community engagement at Northampton Community College in Bethlehem, Pa. [Learn more...](#)

Jihan Solomon joined the LVCF staff in December 2022. As Business Administrator, Jihan provides support for the Chief Executive Officer, Board, and Finance Department. In addition, she is also responsible for Business Office Operations.



Prior to joining the Foundation, Jihan spent 12 years as an Accounts Payable and Billing Specialist at Computer Aid, Inc. In addition to her accounting duties, she assisted in testing and implementing the Spend Management modules for the Workday Financial ERP. Part of her time there, she volunteered in the SHS Exploratory Program as an assistant and instructor. [Learn more...](#)